

**TO: Councillor: Arnold Woolley
(Chairman)**

Councillors: Carol Ellis, Patrick Heesom, Mel Higham,
Dennis Hutchinson, Nancy Matthews, Neville Phillips
OBE, Tony Sharps, Nigel Steele-Mortimer, Helen Yale

Your Ref /
Eich Cyf

Our Ref / Ein NG
Cyf

Date / Dyddiad 05/01/2009

Ask for / Gofynner am Graham Connah

Direct Dial / Rhif Union 01352 702336

Fax / Ffacs

Dear Sir / Madam,

A meeting of the **EXECUTIVE** will be held in the **CLWYD COMMITTEE ROOM, COUNTY HALL, MOLD** on **TUESDAY, 06 JANUARY 2009** at **09:30** to consider the following items.

Yours faithfully



Assistant Director (Democratic Services)

AGENDA

1. **APOLOGIES**

2. **MINUTES**

To confirm as a correct record the minutes of the meeting held on 09/12/2008 (copy enclosed).

3. **DECLARATIONS OF INTEREST**

TO CONSIDER THE FOLLOWING REPORTS

STRATEGIC REPORTS

4. FINAL LOCAL GOVERNMENT SETTLEMENT 2009/10 / BUDGET 2009/10
Report of the County Finance Officer and Chief Executive - Portfolio of the
Leader and Executive Member for Finance and Asset Management

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5. PRICEWATERHOUSE COOPERS REPORT ON CONTRACTOR FUNCTIONS
Report of the Chief Executive - Portfolio of the Executive Member for Corporate Governance and Strategy
6. STRATEGIC ASSESSMENT OF RISKS AND CHALLENGES 2008/09 REVIEW
Report of the Chief Executive - Portfolio of the Executive Member for Corporate Governance and Strategy. A presentation will be also be received at the meeting.
7. ANNUAL LETTER FLINTSHIRE COUNTY COUNCIL 2007/08
Report of the Chief Executive.
8. GREEN DRAGON:ENVIRONMENTAL MANAGEMENT SYSTEM
Report of the Chief Executive - Portfolio of the Executive Member for Corporate Governance and Strategy

OPERATIONAL REPORTS

9. REVENUE BUDGET MONITORING 2008/09 (MONTH 7)
Report of the County Finance Officer - Portfolio of the Executive Member for Finance and Asset Management
10. EQUALITY PROGRESS REPORT
Report of the Chief Executive - Portfolio of the Executive Member for Corporate Governance and Strategy
11. A541 HENDRE - 30/40 MPH SPEED LIMIT
Report of the Director of Environment - Portfolio of the Executive Member for Environment
12. MERSEY DEE ALLIANCE BUSINESS PLAN 2008 - 11
Report of Director of Environment enclosed
13. SCHOOL MODERNISATION STRATEGY: FIT FOR PURPOSE GUIDANCE
Report of the Director of Lifelong Learning - Portfolio of the Executive Member for Education and Youth
14. WELSH BORDER COMMUNITY TRANSPORT FUNDING
Report of the Head of Overview & Scrutiny - Portfolio of the Executive Member for Environment
15. EXERCISE OF DELEGATED POWERS
Report of the Chief Executive enclosed
16. FOR INFORMATION
A copy of the Executive Forward Work Programme (Months 12/08 to 04/09) together with an update are enclosed for information

EXECUTIVE
9TH DECEMBER 2008

Minutes of the meeting of the Executive of Flintshire County Council held at County Hall, Mold on Tuesday, 9th December 2008.

PRESENT: Councillor A Woolley (Chairman)

Councillors: C. Ellis, P.G Heesom, M. Higham, H.D Hutchinson, N. Matthews, N. Phillips, L.A Sharps, N.R Steele-Mortimer and H. Yale.

ALSO PRESENT: Councillors: J.B Attridge, K. Armstrong-Braun, R. Baker, R.C Bithell, D. Mackie, Doreen Mackie, and A.P Shotton.

IN ATTENDANCE:

Chief Executive, Director of Community Services, Director of Environment, Director of Lifelong Learning, County Legal and Democratic Services Officer, County Finance Officer and Head of Committee, Member and Electoral Services.

189. MINUTES

The minutes of the meeting held on 18th November 2008 were confirmed as a correct record.

Matters Arising

Minute number 176 – Supporting People update.

The Executive Member for Social Services referred to resolution (c) and asked whether any progress had been made for a member seminar to be held on the Supporting People programme. The Director of Community Services referred to the work of the Supporting People Project Group which was nearing a conclusion and there was a need for a member seminar to give further consideration to this matter. A provisional date was being considered.

The Executive Member for Housing Strategy and Planning referred to the impact of supporting people on housing and asked for this to be considered at a future meeting of the Leader Strategy Group which was agreed.

190. DECLARATIONS OF INTEREST

The County Legal and Democratic Services reported that the Standards Committee at its meeting the previous evening had agreed to allow dispensations for Councillors Carol Ellis, H.D Hutchinson, Neville Phillips and Arnold Woolley to speak and vote at this meeting and any subsequent Overview and Scrutiny Committee Call-In in relation to the item on the old Buckley baths building.

The Leader referred to the call-ins by Overview and Scrutiny Committee in relation to disposal of part of the site of the Belmont Special School Buckley, the disposal of land fronting Glanrafon Road, Mold and the procedure for the appointment of LEA Governors to School Governing Bodies. The County Legal and Democratic Services Officer reported that the appropriate Overview and Scrutiny Committee had considered each of the call-ins and were satisfied that the decision of the Executive in relation to each call-in had received a satisfactory explanation at the meeting and the decisions could be implemented.

Change to the Agenda for the Meeting

The Chairman referred to agenda item number 10 on the Supporting People Operational Plan 2009/10 and that it was proposed to defer consideration of this report to allow Members to give further consideration and to hold a Working Group/Seminar in January prior to a further report being made to a future Executive.

The Chief Executive referred to the financial implications of this report and that it was important that Members noted these at this stage to enable officer consideration to be given to the phased reduction in eligibility for funding.

The Leader also referred to agenda item number 13 on the Flint Conservation Area Appraisal and Conservation Area Management Plan. As the full Plan had not circulated to or been considered by Members this report was to be deferred. The Director of Environment apologised for the omission of the Appraisal and Management Plan and asked for agreement in principle to the report recommendations to enable the Conservation Area Action Plan to be submitted before Christmas, and suggested that the decision be delegated to him in consultation with the Executive Member for Housing Strategy and Planning. This was agreed.

191. DRAFT IMPROVEMENT AGREEMENT

The Chief Executive presented a report the purpose of which was for Members to agree the themes of the draft improvement agreement with the Welsh Assembly Government and to endorse the approach to finalising the agreement. The report outlined the strategic themes set for the agreement which were A Healthy, Fair and Just Society – Adults; A Healthy, Fair and Just Society – Children; Sustainable Communities and a Prosperous, Cultural and Diverse Society. Two outcomes were to be selected from each of these themes. It was recognised that all the possible outcomes listed for selection were important; three criteria to assess the proposed outcomes had been set and were highlighted in the report. The Improvement Agreement needed to be agreed before the end of the current financial year and this would replace the former performance incentive grant and would equate to a grant stream of £1.47m per year over a three year period.

RESOLVED

That the themes of the draft Improvement Agreement with the Welsh Assembly Government be agreed and the approach to finalising the Agreement be endorsed.

192. MID YEAR STRATEGIC PARTNERSHIP PERFORMANCE – SUMMARY

The Chief Executive presented a report the purpose of which gave a mid year overview of the critical importance of the five Strategic Partnerships and the key priorities for each one highlighting the progress made in the last year and the key milestones for the year ahead. He also made reference to the Flintshire Local Service Board and the five key Strategic Partnerships which were Children and Young Peoples Partnership and Plan 2008-2011; Health, Social Care and Wellbeing Partnership and the Good Health, Good Care Strategy – 2008-2011; the Regeneration Partnership and the Voluntary Sector Compact.

The Executive Member for Housing Strategy and Planning referred to the partnerships which were intended to maintain the fabric of society and were Welsh Assembly Government driven. He believed that the Assembly was being restrictive in its financial support to these projects. The Executive Member for Regeneration and Tourism endorsed these views and referred to the workshop that had recently been held on regeneration. The Chief Executive responded and explained that the Regeneration Partnership was a discretionary partnership and commented on the costs of administering strategic partnerships.

RESOLVED

That the mid year review of the Strategic Partnerships be noted and that support to the key priorities and work programme support to the attainment of the priorities listed be continued.

193. LEISURE SERVICES STRATEGY

The Executive Member for Leisure and Public Protection introduced a report the purpose of which was to set out a draft Leisure Strategy for Flintshire which was based on the County Council's developing plans in this field for consultation with the community, user groups and wider sports interests.

The Executive Member referred to the wide range of sports and leisure facilities available in the County many of which were operated by the County Council. The strategy had been prepared in order to bring all of the different aspects of sport and leisure together and he referred to the links with health, education, young people the environment and the economy. The strategy recognised the need for further investment in some of the leisure buildings and he welcomed the views on the overall strategy that would be forthcoming from the consultation process.

The Leader, referred to the recommendations of the report and proposed that recommendation one be amended that the Executive agree that the Sports and Leisure Strategy goes for consultation and recommendation three that a further report be presented to the Leader Strategy Group and County Council following consultation in the spring of 2009. The County Legal and Democratic Services Officer referred to the status of the Leader Strategy Group and suggested that the further report be submitted to the County Council following the consultation process and this was agreed.

The Director of Lifelong Learning referred to the Leisure Services Strategy which had been circulated as an appendix to the report which was based on all known information on usage and key actions which were outlined. He emphasised that this was a draft document at this stage and it was important to have full consultation to enable further information to be made available and incorporated.

RESOLVED

- (a) That the Sports and Leisure Strategy goes for consultation;
- (b) That Overview and Scrutiny be invited to comment on the Strategy; and
- (c) That a further report be presented to the County Council following consultation in the Spring 2009.

194. DEESIDE LEISURE CENTRE

The Executive Member for Leisure and Public Protection introduced a report the purpose of which was to report on progress of the redevelopment project for Deeside Leisure Centre site and to commission the next steps of the project. He said that he was very encouraged with the proposals and referred to meetings that had been held and welcomed the proposals to develop this facility.

Members supported the need for consultation with all stakeholders and sports organisations and suggested that consultation be undertaken with schools.

The Chief Executive referred to the long standing commitment to redevelop this site and referred to the enormous potential that was available for both leisure and a mix of other public services on the site. He suggested that the Welsh Assembly Government be asked to recognise this as a project of regional strategic significance. He referred to support that had been announced for regional projects other areas of Wales and it would be necessary to engage with both the Welsh Assembly Government and the Sports Council for Wales.

The Chief Executive responded to comments made by the Executive Member for the Environment in respect of national capital funding (Strategic

Capital Investment Fund) that might be available for this and a number of other strategic projects in Flintshire such as the Welsh College of Horticulture and Warren Hall. The Executive Member for Housing Strategy and Planning also suggested that Housing could be included in this consideration.

RESOLVED

That the report be received and authorisation be given to further works identified in paragraph 3.05 of the report with full details and costings being reported back in early 2009.

195. WELSH PUBLIC LIBRARY STANDARDS ANNUAL REPORT 2007/08

The Executive Member for Education and Youth introduced a report the purpose of which was to present the response of the Welsh Assembly Government to the County Council's Welsh Public Library Standards Annual Report for 2007/08 which had been approved for submission to the Assembly by the Lifelong Overview and Scrutiny Committee on 4th September 2008.

RESOLVED

That the response of the Welsh Assembly Government to the Welsh Public Library Standards Annual Report 2007/08 be noted.

196. NATIONAL SERVICE FRAMEWORK FOR OLDER PEOPLE – FLINTSHIRE PROGRESS

The Director of Community Services introduced a report the purpose of which was to inform the Executive of Flintshire's progress in relation to the National Service Framework for Older People.

The Director referred to the framework for older people which had been published in March 2006 and was a set of 10 Standards for Health and Social Care Services for older people in Wales.

RESOLVED

That Flintshire's progress in relation to the actions reported upon in this report and the news letter attached as an Appendix and the areas for further development be noted.

197. SUPPORTING PEOPLE OPERATIONAL PLAN 2009-10

A report of the Director of Community Services, as referred to at the commencement of the meeting by the Chairman, was deferred to enable Members to take part in a proposed workshop before deliberating on the report.

RESOLVED

That the item be deferred but the financial implications be noted.

198. NEIGHBOURHOOD RENEWAL ASSESSMENT

The Executive Member for Housing Strategy and Planning introduced a report the purpose of which was to:-

- (a) Inform the Executive of a bid to the Welsh Assembly Government for the declaration of a renewal area as a key component of the Council's private sector housing renewal policy;
- (b) To seek Executive approval for the necessary large neighbourhood Renewal Assessment for the declaration of the renewal area; and
- (c) To ask the Executive to agree to a further report being presented following the completion of the necessary Neighbourhood Renewal Assessment in order to consider its declaration by no later than September 2009.

The Director of Community Services explained that this was an enabling report and would allow officers to undertake works to focus on specific areas and that further reports would be submitted to the Executive. The Chief Executive emphasised the importance of having a long term strategy for a wider area and that there were a number of renewal areas that would be considered over a period of years.

RESOLVED

- (a) That the undertaking of the necessary large Neighbourhood Renewal Assessment be approved; and
- (b) That the Executive receives a further report following the large Neighbourhood Renewal Assessment and considers whether it would formally declare a renewal area.

199. NORTH WALES RESIDUAL WASTE PARTNERSHIP AGREEMENT

The County Legal and Democratic Services Officer, as the Monitoring Officer, presented a report the purpose of which was to seek approval from the Executive to:-

- (a) Set up a Joint Committee with Conwy County Borough Council, Denbighshire County Council, Gwynedd County Council and the Isle of Anglesey County Council called the "The North Wales Residual Waste Treatment Partnership"; and
- (b) To approve the draft agreement set out in Appendix A to the report comprising the governance provisions and terms of reference on the Joint Committee and to formally nominate one of the two Council representatives (Councillors N. Matthews and P.G Heesom) to be the representative entitled to vote at the meetings of the Joint Committee

and to formally nominate two deputies in the event that either of those two representatives were unable to attend.

The County Legal and Democratic Services Officer explained that this was an update to the report considered at the last meeting and related to governance issues and similar reports would need to be considered by all partner authorities in North Wales. He noted that the agreement circulated as an Appendix required some further editing and he would circulate a revised agreement to Members. The Chief Executive also referred to the first shadow joint committee meeting that had been held which had confirmed Flintshire County Council's role as the lead authority.

RESOLVED

- (a) That the formation of a Joint Committee of the five North Wales Authorities concerned in the North Wales Treatment Project to be called "The North Wales Residual Treatment Partnership" be agreed;
- (b) That the draft agreement attached as Appendix A to the report be agreed and that delegated authority be given to the Monitoring Officer to approve any necessary amendments to the draft in consultation with the Executive Member for waste management;
- (c) That Councillor Nancy Matthews, being one of the two Council representatives on the Joint Committee be the Council's voting representative on the Joint Committee and that in her absence Councillor P.G Heesom shall be entitled to exercise those voting rights; and
- (d) That Councillors A. Woolley and N. Phillips be appointed deputies to attend the Joint Committee in the absence of either or both nominated Members with Councillor Woolley be entitled to vote in the absence of both Councillor Nancy Matthews and Councillor P.G Heesom and should he also be absent then Councillor Phillips shall be entitled to vote.

200. FLINT CONSERVATION AREA APPRAISAL AND CONSERVATION AREA MANAGEMENT PLAN

The Director of Environment referred to the statement of the Chairman at the commencement of the meeting that this item be deferred to enable Members to have the opportunity to consider the plan in detail and make observations to him before a decision was made. He sought confirmation that the decision be delegated to him in consultation with the Executive Member for Planning and this was confirmed.

RESOLVED

That the report be deferred and that delegation to finalise the documents be given to the Director of Environment in consultation with the Executive Member for Housing Strategy and Planning.

201. HOLYWELL TOWNSCAPE HERITAGE INITIATIVE PHASE 1 – FINAL REPORT

The Executive Member for Housing Strategy and Planning presented a report the purpose of which was to report that the first phase of the Holywell Townscape Heritage Initiative had been formally completed early in the year and that the report informed Members about the principal outputs of the initiative during its period of operation between 2001 – 2007.

The Executive Member in introducing the report paid compliments to all who had been involved in the project and expressed his appreciation of the quality of the outcomes and emphasised the need to give publicity to this project. The Director of Environment thanked the Executive Member for his kind remarks and reported that the scheme had brought back into use a significant area of previously empty space, around 20 properties together with the creation of a number of jobs. A number of awards had been won and Flintshire's contribution to Phase 1 of the scheme between 2001/02 and 2007/08 had been £172,208 which had levered a total programme value of £4,055,749. In conclusion, the Executive Member for Housing Strategy and Planning acknowledged the role of the previous administration in the success of this project.

RESOLVED

That the achievements of the completed first phase of the Holywell THI, be noted.

202. OLD BUCKLEY BATHS BUILDING

The County Legal and Democratic Services Officer introduced a report the purpose of which was to review the decision of the Executive made on 12th December, 2006 for the sale of the old Buckley baths building and to consider an alternative proposal to create a charitable community trust to undertake a feasibility study to establish whether it was viable to restore and remodel the building for use by the local community.

The County Legal and Democratic Services Officer referred to the background to the report and to the comprehensive research undertaken on behalf of Buckley Town Council and the outcome of a separate research undertaken by the Coal Industry Social Welfare Organisation which were attached as Appendix 1 and 2 to the report. The most recent history of the building had been its closure in 2005 following the opening of the new baths and on 12th December, 2006 the Executive considered a report of the then Acting Chief Executive concerning a delegated power following the recommendation of an earlier meeting of the Land Disposal Panel. This Panel had recommended the sale of the baths on terms negotiated with a private developer and the property was to be disposed of and demolished.

The County Legal and Democratic Services Officer informed the Executive that the Buckley Town Council had contested the County Council's

ownership of the land and the Coal Industry Social Welfare Organisation had indicated that a trust would have been established when the baths had been built. However, there was no evidence to support this and it was his view that the County Council was the rightful owner. Meetings had been held with local Members and a number of options had been considered which included the establishment of a charitable trust which would allow Buckley Town Council to allocate funds for a feasibility study that would demonstrate that the conversion of the building for community use was viable and affordable. If all parties agreed in principle to create a charitable trust a copy of the model document which could be used was attached as Appendix 3 to the report. Once the feasibility study had been completed and considered by all three parties a report would be made back to the Executive.

RESOLVED

That agreement, in principle, be given to participation in the creation of a charitable community trust in which to vest the old Buckley baths in the event that the proposed feasibility study demonstrated that the conversion of the building for community use was viable and affordable.

203. QUARTER TWO PERFORMANCE REPORT 2008/09 AND PERFORMANCE REPORTING

A report on the progress of the 2008/09 performance at the mid year point was received.

RESOLVED

That the performance information contained within Appendix 1 to the report and specific indicators which could require referral to the appropriate Overview and Scrutiny Committee for consideration, was noted.

204. REVENUE BUDGET MONITORING 2008/09 (MONTH 6)

The County Finance Officer presented a report the purpose of which was to update Members on the Council's financial position for 2008/09 in respect of the General Fund and the Housing Revenue Account.

The County Finance Officer referred to the projected net under spend of £0.717m on the General Fund and the projected overspend of £0.436m on the Housing Revenue Account. It was emphasised that there were still a number of risks on the projections that could have a significant impact on the final position. For the General Fund these were highlighted in paragraph 2.22 of the report and included the effects of inflation, interest rates and the current unstable economic climate. The direct effects of the current unstable economic climate were estimated to be in the region of £1m and there were other pressures such as the looked after children budget. If the Executive or County Council were to approve that the current projected non ring fenced overspends of £1.360m was to be met from unearmarked reserves, the contingency sum available would reduce from £2.588m to £1.228m.

The County Finance Officer then referred to the Housing Revenue Account and taken into account the projected overspend of £0.436m the level of balance as at 31st March, 2009 would be £0.814m. The significant new variances were the building maintenance trading account overspend of £0.299m and the repairs and maintenance overspend of £0.312m. The net effects of the revised balance brought forward on the projected outturn was that there would be balances in hand at the end of the year of £0.814m which at 3.6% of budget expenditure was greater than the minimum level of 3% recommended by the County Finance Officer.

RESOLVED

- (a) That the overall report be noted.
- (b) That the General Fund Contingency sum available at 31st March, 2009 (Section 4) be noted; and
- (c) That the projected final level of balances on the Housing Revenue Account (paragraph 5.08), be noted.

205. CAPITAL PROGRAMME 2008/09 (MONTH 6)

The County Finance Officer presented a report the purpose of which was to provide Members with the latest Capital Programme Information for 2008/09 at month six. The table at paragraph 3.01.1 of the report set out how the programme had changed during 2008/09. From this, it could be seen that the previously reported programme total of £55.625m had decreased to £53.741m which was a net reduction of £1.884m and the reasons for this were set out in paragraph 3.01.2 of the report.

The County Finance Officer referred to General Fund capital receipts and the latest monitoring information indicated a shortfall of £4.054m in 2008/09 receipts against the £10.354m total. Part of this shortfall would be covered by the contractually uncommitted total of £1.956m. The balance of the shortfall would be covered at this stage by a reduced headroom figure. Regular monitoring of capital receipts was undertaken as part of the overall monitoring of the capital programme. The reduction in capital receipts was able to be managed at this stage but would be an issue in the medium to long term if receipts did not come in. The deterioration of the HRA capital receipts position had resulted in the required rephasing of £1.988m of programmed expenditure and this reduced the 2008/09 capital receipts requirement to a total of £2.275m. This figure would also continue to be closely monitored during the second half of the year.

The Executive Member for Housing Strategy and Planning emphasised the importance of the general public and council tax payers being made aware of the effects of the current economic downturn which affected the County Council as well as everyone else. He emphasised the importance of maximising the disposal of the County Council's assets as far as this was possible.

RESOLVED

That the report be noted and approved.

206. HOUSING UPDATE: HOMELESSNESS, TENANT PARTICIPATION AND ALLOCATIONS

The Director of Community Services provided an update to Members of the Executive in relation to the three key areas of housing service which were tenant participation, housing allocations and the homelessness service. The report provided an update on each of the three key areas and she referred to the introduction of the new Housing Allocations Policy and to the proposal to provide a members seminar to be held on 17th December. As a Special County Council had been arranged for this date it would now be necessary to rearrange this meeting for the New Year.

The Executive Member for Estate Management referred to the number of workshops that had been organised in September and expressed her disappointment on the poor attendance by Councillors. She referred to the Tenant Participation Group and suggested that two representatives of the Community and Housing Overview and Scrutiny Committee be invited to be members of this group and move this as an addition to the recommendations.

RESOLVED

- (a) That the contents of the report be noted and that regular updates on the progress of future meetings be received; and
- (b) That two representatives of the Community and Housing Overview and Scrutiny Committee be invited to be members of the Tenant Participation Group.

207. APPOINTMENT OF CHILDREN'S SERVICES ASSISTANT TO PROVIDE SERVICES IN RELATION TO THE SUPPORTING PEOPLE REVENUE GRANTS

The Executive Member for Social Services presented a report the purpose of which was to seek approval to employ a full time post holder to undertake work with parents and their dependent children who required housing related support to develop or maintain their skills and confidence to live independently.

RESOLVED

- (a) That the establishment of a Children's Services Assistant post to undertake the aims and tasks as set out in paragraphs 2.03 and 2.04 of the report, be approved; and
- (b) That the remainder of the grant would be used to fund sessional staff to support families, be noted.

208. EXERCISE OF DELEGATED POWERS

An information report of the Chief Executive, the purpose of which was to inform Members of actions taken under delegated powers, was introduced by the Chairman.

The actions taken were as set out below:-

- Environment - disposal of 71 Clivedon Road, Connah's Quay, Deeside.
- disposal of Buckley Little Theatre premises, Mill Lane, Buckley to the Buckley Theatre Group.
- ICT & Customer Services - to introduce private citizenship ceremonies with effect from 1st December, 2008 under the Nationality, Immigration and Asylum act, 2002.

209. DURATION OF MEETING

The meeting commenced at 9.30 am and ended at 11.10 am.

210. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were two members of the press present.

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Chairman

**SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT**

EXECUTIVE	DATE: 9th December 2008
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MEMBER	ITEM	MIN. NO. REFERS
Councillors	C Ellis H D Hutchinson N Phillips A Woolley	190

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 4

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **COUNTY FINANCE OFFICER AND CHIEF EXECUTIVE**
SUBJECT : **FINAL LOCAL GOVERNMENT SETTLEMENT 2009/10 /
BUDGET 2009/10**

1.00 PURPOSE OF REPORT

- 1.01 To advise Members of the Final Local Government Settlement 2009/10 at the all Wales and Flintshire level.
- 1.02 To update Members on the arrangements for the 2009/10 Budget.

2.00 BACKGROUND

- 2.01 A report was presented to Executive on 29th October 2008 which set out details of the Provisional Welsh Local Government Settlement 2009/10 and the work being undertaken on both the Medium Term Financial Strategy (MTFS) and the 2009/10 Budget.
- 2.02 Initial budget proposals will be presented to Executive on 27th January 2009. Meetings have been scheduled between 28th and 30th January 2009 to enable the Overview & Scrutiny Committees to consider these initial budget proposals, during which each committee will receive a presentation from the appropriate Director.
- 2.03 Final budget proposals for 2009/10, including any comments from Scrutiny, will be considered by the Executive on 17th February 2009, from where a recommendation will be made to County Council. The budget will be debated at Council on 3rd March 2009 and the consequential Council Tax set at the same meeting.

3.00 FINAL WELSH LOCAL GOVERNMENT SETTLEMENT 2009/10

- 3.01 The Final Welsh Local Government Settlement was received on 10th December 2008. This included details of the final Standard Spending Assessment (SSA), Aggregate External Finance (AEF), Deprivation Grant and Improvement Agreement. In addition Flintshire will receive a number of specific grants, but final details are still awaited.
- 3.02 Despite representations by local authorities to the Assembly to uplift the overall settlement, the funding at the all Wales level did not change. This final settlement, therefore, does not take account of significant pressures being experienced by local authorities as a result of the economic downturn

Date: 24/12/2008

(e.g. reduced fee and investment income) and high energy and other direct and indirect inflationary pressures, nor did it respond to the request made by the WLGA to suspend the 1% efficiency savings for 2009/10, as outlined in the Council's consultation response to the provisional settlement (see Appendix A).

Aggregate External Finance (AEF)

- 3.03 Across Wales, the overall increase in AEF, which comprises Revenue Support Grant (RSG) and National Non-Domestic Rates (NNDR), for 2009/10 over 2008/09 is 2.9% (2.9% at the provisional stage).
- 3.04 Flintshire's increase in AEF is 3.0% (up from 2.7% at the provisional stage). The increase in AEF between the provisional and final settlement amounts to additional funding of £0.507m. However, this increase has been offset by a reduced assumed Council Tax Yield of £0.139m due to changes in the estimated tax base at the all Wales level. This has resulted in a net increase in Flintshire's SSA of £0.368m.
- 3.05 The final AEF for Flintshire provides an additional £5.286m over 2008/09 bringing total AEF to £182.009m (£181.502m at the provisional stage).
- 3.06 The final settlement did not highlight any new responsibilities over and above those notified at the provisional stage, i.e. Learner Travel, Childcare Act responsibilities and fees on court cases in family courts.
- 3.07 There are no transfers either into or out of the final settlement.
- 3.08 As with the 2008/09 settlement, it is not clear what provision has been made to meet pay and price pressures, However, the settlement is net of an assumed efficiency saving of 1% deducted at national source.

Standard Spending Assessment (SSA)

- 3.09 The Assembly has retained a 'floor funding' arrangement for 2009/10, which will ensure that all authorities receive a minimum increase in AEF of 1.5%. Due to the treatment of this arrangement in the settlement there are two SSA figures for Flintshire (as per the 2008/09 settlement).
- 3.10 The calculated SSA, based on the sum of the AEF and assumed Council Tax Yield, has increased by 2.9% to £232.958m (£232.590m at the provisional stage). The increase across Wales is 2.8%.
- 3.11 The stated SSA as published in the settlement is £0.140m higher at £233.098m.
- 3.12 Whilst the final settlement did not include indicative allocations for 2010/11 (Year 3 of the current three-year funding cycle) the Assembly has produced 'unofficial' indicative allocations, which show Flintshire's SSA increasing by 2.6% to £239.815m and AEF by 2.5% to £187.297m.

Council Tax Level

- 3.13 The Council Tax Yield (the total to be collected from Council Tax assuming spend at SSA) included in the final settlement is £50.949m (£51.088m at the provisional stage), an increase of 2.5%.
- 3.14 However, at Executive on 5th August 2008, it was agreed that one of the core principles underpinning the Council's Medium Term Financial Strategy was the development of a sustainable local taxation policy. Work is ongoing to develop this policy and recommendations will be contained within the initial budget proposals.

Unhypothecated Revenue Funding

- 3.15 In addition to the AEF described in paragraph 3.04, Flintshire will also receive additional unhypothecated funding in the form of Deprivation Grant, £0.225m and Improvement Agreement Grant, £1.496m.
- 3.16 However, it is important to note that whilst the value of the Improvement Agreement Grant has been published, it is anticipated that payment will be based on performance against agreed Improvement Agreements and therefore it is not certain that 100% of the grant will be awarded to the Council.

Specific Grants

- 3.17 The specific grant information contained in the final settlement is indicative only and subject to change.

General Capital Funding

- 3.18 Across Wales, general capital funding has remained at £217.433m (no change from the provisional stage). Capital funding is unhypothecated, £54.037m will be paid as a capital grant, £162.116m as support for borrowing and £1.280m as support for HRA borrowing.
- 3.19 For Flintshire, general capital funding at the final stage is £10.345m compared to £10.431m in 2008/09. This is divided into general capital grant of £2.586m (£2.604m in 2008/09) and £7.759m support for borrowing (£7.827m in 2008/09).
- 3.20 In addition to general capital funding there will be specific capital grants of £422.179m across Wales. Details of specific capital grants for Flintshire are awaited.

4.00 BUDGET 2009/10 - TIMETABLE

- 4.01 Following the announcement of the final settlement, a series of meetings will take place over the coming months for Directors, Executive Members and Scrutiny to facilitate detailed consideration of the budget.

4.02 As outlined in paragraph 2.02, initial budget proposals will be presented to Executive on 27th January 2009.

4.03 A timetable for consideration of the 2009/10 budget is set out in Appendix B. Members will see that there is specific provision for consultation with Overview & Scrutiny, the School Budget Forum and the Flintshire Joint Trades Union Committee.

5.00 RECOMMENDATIONS

5.01 Members are asked to note the Final Welsh Local Government Settlement 2009/10 information.

6.00 FINANCIAL IMPLICATIONS

6.01 As set out in the report.

7.00 ANTI-POVERTY IMPACT

7.01 None directly as a result of this report.

8.00 ENVIRONMENTAL IMPACT

8.01 None directly as a result of this report.

9.00 EQUALITIES IMPACT

9.01 None directly as a result of this report.

10.00 PERSONNEL IMPLICATIONS

10.01 None directly as a result of this report.

11.00 CONSULTATION REQUIRED

11.01 Overview & Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee

12.00 CONSULTATION UNDERTAKEN

12.01 Overview & Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee

13.00 APPENDICES

13.01 Appendix A - Flintshire County Council's response to the Provisional Settlement

Appendix B - Budget Timetable 2009/10

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Final Welsh Local Government Settlement 2009/10

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APPENDIX A

Mr. Robert Hay,
Local Government Finance Revenue Branch,
Welsh Assembly Government,
Ground Floor,
Cathays Park,
Cardiff.
CF10 3NW

CE/KAF/SEC
19 November 2008
Colin Everett
01352 702100

E Mail Address:
Chief_executive@flintshire.gov.uk

Dear Mr. Hay,

PROVISIONAL LOCAL GOVERNMENT SETTLEMENT 2009/10

Thank you for the invitation to comment on the Provisional Local Government Settlement 2009/10.

Revenue Settlement

The Council recognises that the settlement is based on the Comprehensive Spending Review predictions and the indicative increase for 2009/10 notified by the Welsh Assembly Government.

At an increase of 2.7% Flintshire's revenue settlement is lower than the average settlement across Wales of 2.9%. At both the all-Wales and Flintshire levels, the settlement is well below both the official Retail Price Index (RPI) and Consumer Price Index (CPI) levels of inflation.

The Council believes that had all other things been equal, and with prudence and good management, it would have been possible to balance the budget at this level of settlement and largely protect Council functions and services, even though such prudence would have caused financial pressures and limited the scope for service growth and investment.

The Council is achieving/exceeding its efficiency targets and recognises that it must continue to do so to fund local priorities rather than look solely to the settlement to provide resources for investment.

However, since a settlement of 2.7% was indicated last year, Flintshire has suffered from and will continue to suffer from the impact of high inflation and the dramatic economic down-turn. The combined financial implications of high inflation and the economic down-turn far exceed the efficiencies the Council can reasonably be expected to find to balance its budget. The settlement has not been adjusted to take account of significant pressures being experienced by Councils as a result of:-

- high fuel, energy and other direct and indirect inflationary pressures; and
- the impacts of the economic down-turn on the Council, e.g. reduced fee income, investment income and capital receipts.

In its 2008/09 budget, the Council set aside over £1M to meet the costs of energy inflation. This was at the expense of other areas of service provision and investment. Latest projections show that additional expenditure will be required at a similar level to meet energy costs as we plan the 2009/2010 budget. Latest intelligence indicates an additional budget pressure of £1M as a consequence of the economic down-turn. Examples are:-

- reduced income from leisure facilities;
- reduced planning and land charges;
- reduced income on investments arising from reduced interest rates; and
- a deficit on the Council Tax Collection Fund reflecting a combination of (1) an increase in those experiencing difficulty in making payment and (2) less than expected growth in the number of properties in Flintshire.

The Council will experience other demographic/market pressures across its range of services which will add to challenges for prioritisation from within overall resources. This is likely to come particularly in the area of social care and housing as current or potential service users feel the effects of the economic climate and need to turn to the Council for assistance.

The inflationary pressures being experienced by the Council will be mirrored by those who provide services to the Council. This is likely to be most marked in the case of the independent sector providing residential and domiciliary care services and will feature highly in discussion over the coming months on the costs of social care for 2009/10.

In recognition of the current significant pressures on Council budgets, the Council fully supports the Welsh Local Government Association position in requesting that Welsh Assembly Government suspends the "top slicing" of 1% efficiency savings to be deducted from Council budgets at source for 2009/10. Across Wales agreement to this request would add £38m to Council budgets; for Flintshire this would equate to £1.8m.

It is disappointing that for the second year, the settlement process is not wholly transparent; the revenue settlement fails to set out the provision for pay and price pressures. The Welsh Assembly Government is requested to provide this information to Councils for 2009/10 and to include the detail as a matter of routine settlement in future years.

It is disappointing that confirmation of specific grants has not yet been received for many areas of service funded by specific grant. Specific grants are for many services a critical source of funding. The late notification of specific grant funding makes the ability to plan ahead very challenging, particularly if funding is to not be increased in line with inflation, reduced or even withdrawn. The Council requires this information to determine if there is to be a pressure on base budgets resulting in services being withdrawn.

Capital Settlement

The base capital settlement for the Council of £10.4m is standstill on the previous year and has in fact, been standstill for some 4 – 5 years. This is against the backdrop of asset deterioration (e.g. schools, highways) and a major reduction in the level of capital receipts which can be realised to deliver previously planned programmes in the current economic climate. Capital receipt projections are adversely affected in two ways. Firstly by a reduction in interest from prospective buyers; secondly by the values to be achieved from sales where interest remains.

A standstill capital settlement coupled with the difficulties of realising capital receipts and with limited capacity to support/fund prudential borrowing, the Council has limited capacity to respond positively to the request being made to the public sector to support advance capital spending to stimulate the economy.

There is a need to invest (with national funds) in invest to save measures for organisational and service modernisation/change. Monies for such projects would have been a welcome inclusion in the settlement.

There is concern that there needs to be greater transparency in how Councils can access Welsh Assembly Government Strategic Capital Investment Fund of £400m

over three years for local/sub-regional defined priorities as a possible source of capital funding for suitable projects. Further, clearer, advice from the Welsh Assembly Government is needed.

We trust that full consideration will be given to the comments of Local Government and the WLGA in determining the final local authority settlement and that the Welsh Assembly Government will recognise the very real pressures being experienced by Councils in the current economic climate.

Yours sincerely,



Colin Everett
Chief Executive



Councillor Arnold Woolley
Leader

Copy to: Chief Executive, Welsh Local Government Association

BUDGET TIMETABLE 2009/10

DATE	EVENT	DETAILS
10-Dec-08	Final Settlement from WAG	
06-Jan-09	Executive	Final Settlement
15-Jan-09	School Budget Forum - update	Budget Update
15-Jan-09	FJTUC - update	Budget Update
27-Jan-09	Executive	Budget Proposals
28-Jan-09 to 30-Jan-09	Overview & Scrutiny - all committees	Directorate Presentation
30-Jan-09	Schools Budget notified to WAG	
17-Feb-09	Executive	Final Budget Proposals
03-Mar-09	County Council	Budget

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 5

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **PRICEWATERHOUSE COOPERS REPORT ON**
 CONTRACTOR FUNCTIONS

1.00 PURPOSE OF REPORT

1.01 To present to members the findings of the study undertaken by Pricewaterhouse Coopers of Contractor Functions and support its use in providing foundation information for the review of Contracting Functions within the programme of Organisational Review Phase II.

2.00 BACKGROUND

2.01 This review was prepared as part of the Performance Audit work contained within the Regulatory Plan for Flintshire County Council for the year ended 31 March 2008.

2.02 The Strategic Assessment of Risks and Challenges in 2007/08 had identified DSO (Direct Service Organisation) Performance as an area of high risk for the Council and subsequently this was included within the Regulatory Plan.

2.03 Flintshire has several substantial contracting services which were implemented to comply with the former Compulsory Competitive Tendering legislation. These historical arrangements have to a large extent remained without the formal tendering processes in place. There still is a need however to demonstrate that the activities are delivered in a manner that is fit for purpose, efficient and financially viable.

3.00 CONSIDERATIONS

3.01 The scope of the review included the following functions and services:

- Schools and welfare catering
- Building cleaning
- Other catering
- Highways maintenance
- Housing maintenance
- Environmental maintenance
- Fleet Management
- Waste Collection

Date: 24/12/2008

The scope of the review did not provide for all contracted services, such as leisure services, however the review has included information available (eg. trading information) for all contractor functions to support the findings and considerations.

3.02 The specific questions within the review were identified as:

- How does the Authority satisfy itself that its trading units are fit for purpose, particularly in terms of their financial and operational performance?
- What economies of scale and other efficiencies might arise through restructuring and/or centralisation?
- What alternative forms of provision exist?

3.03 The main findings and recommendations from the report are:

A programme of review of the various activities should be introduced to coincide with strategic decisions over the future delivery of the various services. Housing maintenance and waste disposal are the first to be considered. Each review should consider:

- the clarity of the client and contractor roles;
- whether the costs being charged to each activity are appropriate;
- how the basis of charges levied on the client can be enhanced;
- the adequacy of the service specification provided to the contractor; and
- how soft market testing can be introduced, where such comparison is not currently made

Distinct service plans should be developed for all contractor functions, setting out plans for efficiency improvements and succinct performance measures.

Governance needs attention so that members and chief officers receive specific information on the activity of contracting units.

The basis of recharging central costs requires review to introduce service level agreements and a basis of charging that is clear, and based on volume and quality of service.

In the medium term one or at most two depots would represent the most efficient solution. However, it is acknowledged that practical issues make the move impossible in the shorter term (noting the work underway on a depot strategy.)

3.04 Contracting Functions is scheduled as a high priority/high complexity review as one of the 36 identified review areas within the programme of Organisational Review Phase II. The findings of the Pricewaterhouse

Coopers work will provide a sound base from which to base this further re-design of the services. It is planned that this review will be completed by December 2009.

4.00 RECOMMENDATIONS

4.01 Executive Members to note the findings of this report and support its use in providing foundation information for the review of Contracting Functions within the programme of Organisational Review Phase II.

5.00 FINANCIAL IMPLICATIONS

5.01 Specific financial implications will become clear as part of the second stage review work.

6.00 ANTI POVERTY IMPACT

6.01 There are no specific anti poverty implications identified in this report.

7.00 ENVIRONMENTAL IMPACT

7.01 There are no specific anti poverty implications identified in this report although the review of environmental services will by its nature have impacts.

8.00 EQUALITIES IMPACT

8.01 There are no specific equality implications identified in this report.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no specific personnel implications identified in this report; these will be further considered as part of the second stage of review work.

10.00 CONSULTATION REQUIRED

10.01 Ongoing consultation will be required with Scrutiny, employees and Trade Unions as the second stage review progresses.

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation undertaken by PriceWaterhouse Coopers has been identified in the report.

12.00 APPENDICES

12.01 PwC Contracting Functions report September 2008

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

BACKGROUND DOCUMENTS

PwC Contracting Functions report September 2008

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Government and Public Sector

September 2008

Flintshire County Council

Contractor Functions

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Executive Summary

Introduction

1. Flintshire has several substantial contracting services, but most have only a low profile. Under the old rules of Compulsory Competitive Tendering there was at least a clear responsibility to generate a financial surplus, which brought with it a clarity of role and purpose. The legislation has now gone and is little mourned. However the need to be able to demonstrate that the activities are delivered in a manner that is fit for purpose is still with us.
2. The services involved and some of their key statistics are set out in Table 1.

Activity	Turnover in 2007/8 (£000)	Profit/ (Loss) (£000)	Number of employees
Building cleaning	962	(7)	311
Design and print	1,087	(93)	20
Environmental maintenance	3,394	(145)	141
Fleet management	2,746	(36)	22
Highways maintenance	6,820	69	99
Housing maintenance	7,123	(177)	145
Leisure management	3,887	(258)	Not known
Other catering	720	(15)	10
Schools and welfare catering	2,936	(330)	465
Waste Collection	5,078	142	128

Table 1: Principal Trading Activities of Flintshire County Council, and their scale

3. This review was prepared as part of the audit of the accounts of Flintshire County Council for the year ended 31 March 2008.

None of the functions is obviously badly under-performing, but information is incomplete. The future of each should be reviewed at an appropriate point

Housing repair

4. Much work has been completed over the last eighteen months to improve the performance of this service, not least in response to the issues raised in our report in the public interest. We believe many of these initiatives are sound; in particular the phased introduction of a market tested schedule of rates should, in due course, demonstrate whether the costs of the private sector are being matched. On the other hand it was disappointing that the Manager left the Authority recently. There is much to be done before productivity levels meet the standard required.

5. Given the uncertainty over the Council's housing strategy, we do not believe that it would be opportune to consider alternatives at this point. However, regardless of the outcome of members' deliberations it will still be necessary to show that the unit is functioning effectively. We consider that the schedule should be fully implemented as soon as possible, linked to appropriate quality and performance measures, and that the year to 31 March 2010 should be seen as critical. If the service can not make a satisfactory return, alternative methods of delivery should be explored.

Highways/Street scene

6. Some limited market testing has already takes place, which reinforces the message from other available measures that service standards are generally sound. The re-design of this activity in any case means a more fundamental review would not be timely. We look forward to the development of an explicit service specification, and suggest that a programme of soft market testing should be introduced.

Education catering and other services to schools

7. We noted that a very small number of schools have begun to exercise their rights as the end user of certain Council provided services. We see a need to develop a standard contract between secondary schools and the various service providers, setting out the service required, the price and appropriate terms and conditions. Advice given to those schools by Education might also be paid for by the school involved. Primary schools, given their scale, do not warrant such a change. More generally we see a need for a debate on the role Education should play as a client agent
8. The advantages of the change would be a greater clarity in the role of the customer, a more explicit specification of what is to be provided and through appropriate terms in the contract greater security for the provider arm.

Waste

9. No changes are appropriate given the fundamental review that is taking place

There is no clear case for structural review

10. One of the main issues we addressed was the case for drawing together all of the service providers into a single unit. In principle such a move might support senior management, encourage economies of scale and introduce skills that no one service can justify, such as marketing.
11. Overall we do not advocate such a move at present. In many areas there is no clear split between client and contractor, and nor do we believe there should be one. Centralizing the services would thus force a number of employees to make unwelcome choices. Communication between the client and contractor is often enhanced by co-location, and there are difficult location issues. The disadvantages outweigh the benefits.

The wide variety of charging bases should be reduced, while the recharging of central service costs is unduly complex and lacks transparency; it needs fundamental review

12. The financial results of any trading activity say little about its underlying efficiency unless they are supported by a basis of charging that fairly reflects the value of the work performed. At present a wide variety of bases is employed

Activity	Charge based on:
Building cleaning	Monthly recharge of agreed SLA (Service Level Agreement) charge which effectively sets income for one year in advance. Schedule of rates and temporary variation orders used
Design and print	Copying charge based on an annually revised rate per copy Printing charges are on the basis based of quotations
Environmental maintenance	Recharge based on schedule of rates and actual costs. Also use day works, service level agreements and contracts
Fleet management	Annually agreed fee levied monthly
Highways maintenance	Certain activities services are tendered and procured from the private sector. Other activities are undertaken by the in-house operation either through competition or awarded and recharged on an on-cost recovery basis. Charging is on the basis of: <ul style="list-style-type: none"> • Schedule of rates • Day work rates • Service level agreement e.g. NWWTRA • Fixed price contract
Housing maintenance	National schedule of rates which includes a day work rate
Leisure management	Annual price review
Other catering	Annual price review
Schools and welfare catering	Agreed price (subsidised)
Waste Collection	Contracted schedule of rates for both waste and recycling, supplemented by variation orders which are charged on day works basis

Table 2: Basis of charging

13. In principle we believe that the basis of charging should:
- Reflect the price of the service available in the market, where one exists
 - Take account of quality
 - Flex according to the volume of activity
 - Provide the client with appropriate control over the relationship
14. Against these tests only a well developed schedule of rates is satisfactory, and only then if the contractor's account reflects only contractor activity. Consequently we see a need to review the mechanism in place in several areas in time for the next renewal.

The current location of depots is unsatisfactory, although there are disadvantages with the alternatives

15. We acknowledge that the limitations of the current depots have been widely explored in recent years, and that plans are in place for the disposal of Canton, at least in the medium term. Ideally the location of the various depots also needs to reflect operational factors, as well as organisational structures; services such as winter maintenance and education catering obviously have very different needs.

16. Ideally the number of depots should be minimised to afford economies of scale, but those remaining should meet the operational needs of the services that operate from them. Our study has pointed to the need to consider carefully the potential expansion of Alltami, and the closure of Queensferry.
17. We found little support for the current method of recharging central service charges. Without exception the users did not understand the mechanism, and felt they had no ability to influence the costs they were required to bear. While we accept that the approach is consistent with required accountancy practice, it fails to act as an incentive to minimise overheads, and leaves the responsibility for the extent and quality of the service provided entirely in the hands of the provider. The mechanism is in urgent need of replacement, and while we would not advocate a comprehensive internal market, a well developed service level agreement that sets out the nature and extent of the service, quality measures and a charging mechanism should be a feature of the new approach.

Key conclusions and recommendations

18. Our main recommendations are:
 - A programme of review of the various activities should be introduced to coincide with strategic decisions over the future delivery of the various services. Housing maintenance and waste disposal are the first candidates. Each review should consider the clarity of the client and contractor roles, whether the costs being charged to each activity are appropriate, how the basis of charges levied on the client can be enhanced, the adequacy of the service specification provided to the contractor and how soft market testing can be introduced, where such comparison is not currently made
 - Distinct service plans should be developed for all contractor functions, setting out plans for efficiency improvements and succinct performance measures
 - Governance needs attention, so that members and chief officers receive specific information on the activity of contracting units
 - The basis of recharging central costs requires review to introduce service level agreements and a basis of charge that is clear, and related to volume and quality of service
 - In the medium term one or at most two depots would represent the most efficient solution. However, we do acknowledge that practical issues make the move impossible in the shorter term

Detailed Report

How does the Authority satisfy itself that its trading units are fit for purpose?

19. The definition of a trading activity in local government is not clearly established. For accounting purposes the Best Value Code of Practice recommends that each Council should consider disclosing those falling into one or more of the following classes:
 - (a) Trading services or undertakings with the public or with other third parties. These include catering undertakings, markets, trade refuse collection and industrial units.
 - (b) External Trading organisations (ExTOs) which have won contracts from other public bodies, for example under the Local Authorities (Goods & Services) Act 1970.
 - (c) Continuing CCT arrangements. These are contracts for work previously won by DSOs, to which CCT no longer applies, but which are still being performed within the original specifications and period.
 - (d) Work carried out by InTOs (Internal trading organisations) arising from VCT (voluntary competitive tendering) exercises.
 - (e) Support services provided in a free internal market, i.e. from schools or from other budget holders who have been given freedom to buy externally if they wish.
 - (f) Support services provided in a limited internal market, e.g. where budget holders are free to decide the quantity and type of the work to be done on the basis of the prices quoted to them, but not to buy externally.
20. By this definition Flintshire has a number of trading functions, which vary significantly in their nature, scale and degree of independence. There is no clear strategy as to how they have developed; most have their roots in compulsory competitive tendering, but we are not aware of any overarching review of their role, nor any principles that have guided their development. The following table provides a number of key statistics.

21.

Function	Directorate	Location	Scale - Employee numbers
Building cleaning	Education, Children and Recreation Services	County Hall and the Community and Housing office in Flint	Building cleaning manager 1 Part time Supervisors 2 Monthly 140 Weekly <u>168</u> Total 311
Design and Print	Corporate Services	County Hall	Full time 19 Part time <u>1</u> Total 20
Environmental maintenance	Environment and Regeneration	Alltami depot and various small outlying bases at schools and cemeteries etc.	Staff 21 Manual operatives 77 Agency operatives <u>43</u> Total 141
Fleet management	Environment and Regeneration	Alltami and Queensferry depots Queensferry 2.1 acres – Service refuse collection (accounting for c 75% of area) and housing repair vehicles	Operatives 13 Staff <u>9</u> Total 22
Highways maintenance	Environment and Regeneration	Halkyn and Alltami depots. There is also a small storage facility at Canton depot	Full time 87 Agency <u>12</u> Total 99
Housing maintenance	Community and Housing	Canton depot	Full time 129 Part time 10 Agency <u>6</u> Total 145
Leisure management	Education, Children and Recreation Services	Various centres	Information not readily available
Other cleaning	Education, Children and Recreation Services	No specific base	Full time 3 Part time <u>7</u> Total 10
Schools and welfare catering	Education, Children and Recreation Services	Primary and secondary schools	Catering manager 1 Supervisors 4 Monthly 290 Weekly <u>170</u> Total 465
Waste Collection	Community and Housing	Queensferry depot and Flint recycling depot	Operatives 104 Staff – client* 17 Staff – contractor <u>7</u> Total 128 * includes 3 staff assigned to the North Wales Waste Treatment agency

Table 3: Key statistics of Flintshire's trading activities, March 2008

22. The financial results of trading units are of only limited worth. Nevertheless they do provide some indication of performance and Table 3 sets out the figures for 2007/8:

23.

	Income (£000)	Expenditure (£000)	Surplus/ (Deficit) (£000)
Building cleaning	962	969	(7)
Design and print	1087	1180	(93)
Environmental maintenance	3394	3539	(145)
Fleet management	2746	2782	(36)
Highways maintenance	6820	6751	69
Housing maintenance	7123	7300	(177)
Leisure management	3887	4145	(258)
Other catering	720	735	(15)
Schools and welfare catering	2936	3266	(330)
Waste Collection	5078	4936	142
Total	34753	35603	(850)

Table 4: Financial results, 2007/8

24. Appendix C provides an analysis of trading results over the four years 2004/5 to 2007/8. It shows that the more worrying performers over that period are design and print, environmental maintenance, housing maintenance, leisure management and schools and welfare catering.
25. It must be emphasised that these figures provide at best a very limited view of the relative efficiency with which the function is discharged. They reveal nothing about, amongst other factors:
- The basis on which income is recorded. Is it for example at a level comparable to the charges levied by alternative providers or is it essentially no more than a recharge of the expenditure incurred?
 - The quality of the service provided
 - Statutory or policy driven restrictions
26. There is also an implication within financial data that profit maximisation is an objective. Clearly while that may sometimes be the case, in most local authorities it is unlikely to be a major driver.
27. To help assess the current manner in which the efficiency of these services is judged, we have examined the measures of performance that are in place, including those based on both financial and operational outcomes, and those used by what may be regarded as the client and the contractor aspects. The results are summarised below in three Tables:
- Table 4 summarises the available information on performance, both financial and non-financial
 - Table 5 gives our assessment of the performance measures
 - Table 6 comments on the availability of performance measures

We then set out our view on the desirable measures, before concluding for each function on our opinion of its current performance, and on the adequacy of the existing information.

Function	Financial measures and overview of 2007/8 trading performance	Performance measures
Building cleaning	<p>Monthly budget statements.</p> <p>Essentially a break even position achieved in 2007/8. Financial performance has fluctuated over recent years</p>	<p>Participation in the Association for Public Sector Excellence (APSE) performance network benchmarking</p> <p>Performance networks. However only 2006/7 data is currently available</p> <p>As the acting facilities manager is only working part time, there isn't sufficient time to review or monitor performance information.</p> <p><i>This is an important role and should therefore feature in the job description for the Building Cleaning manager when appointed</i></p>
Design and print	<p>Monthly budget statements and year end financial outturn</p>	<p>Not known</p>
Environmental maintenance	<p>Financial outturn regularly reported to Executive as part of the monthly budget monitoring process.</p> <p>Outturn subject to analysis at the Overview and Scrutiny Committee.</p> <p>An overspend in 2007/8 was partly funded through a £40k under spend within highways.</p> <p>The deficit in 2007/8 is mainly attributed to long term sickness in response to which agency staff had to be engaged, adding to the cost</p>	<p>Success in tendering for grounds maintenance contracts provides a measure, of productivity, albeit not conclusive</p> <p>Cleansing performance measured via LEAMS (Local Environment Audit and Management systems) and the inspection process</p> <p>National and local indicators which reported to WAG and the Authority's Overview and Scrutiny Committee</p> <p>Specific activities are compared through membership of CSS and APSE networks, and LEAMS</p>
Fleet management	<p>Financial outturn regularly reported to the Executive as part of the monthly budget monitoring process.</p> <p>Outturn subject to analysis at the Overview and Scrutiny Committee.</p> <p>Deficits in recent years are explained by the inability to levy charges to fleet users which reflect the actual costs incurred.</p> <p>This is particularly so in relation to costs which have been subject to exceptional inflation as with fuel and vehicle parts.</p> <p>While a 'one –off' subsidy of £75k was provided, this was insufficient to achieve break even.</p>	<p>Participation in the Association for Public Sector Excellence (APSE) performance network benchmarking, having done so since 1998. This benchmarking also informs service planning which is linked to corporate objectives and underpinned by risk assessment.</p> <p>Basket of performance indicators which are reported at Director level as part of their ISO 9001 accredited management processes.</p>
Highways maintenance	<p>Financial outturn regularly reported to the Executive as part of the monthly budget monitoring process.</p> <p>Outturn subject to analysis at the Overview and Scrutiny Committee.</p> <p>Highways maintenance has returned a trading result for a number of years. The reasons for this favourable performance aren't self evident, especially in the</p>	<p>Participation in benchmarking clubs</p> <p>Records maintained of quoted and tendered works performed. The records reveal that 24% of the total work carried by Highways in 2007/8 was subject to some form of competitive pricing</p>

	context of the trading deficits which have been a feature of the other trading units over recent years	
Housing maintenance	Monthly budget statements and year end financial outturn	Various benchmarking comparators and local and national indicators
Leisure management	Monthly budget statements and year end financial outturn	Various benchmarking comparators and local and national indicators
Other catering	Relatively minor activity in which deficit is 'planned', the service being subsidised.	Not necessary as small scale, subsidised operation
Schools and welfare catering	Continuing adverse financial performance is the result of reducing take up of meals coupled with escalating food costs which can't be passed on, at least in the short term. Expectation is that this will remain a heavily subsidised service.	Participation in the Association for Public Sector Excellence (APSE) performance network Weekly trading sheets Performance networks. Only 2006/7 data is currently available However as the acting facilities manager is only working part time, there isn't sufficient time to review or monitor performance information.
Waste Collection	Monthly financial reports	Statistical reporting of missed collections. The Authority is at the median relative to UK authorities Top quartile in about 75% of the APSE service areas Comparability problems in measuring productivity because the Authority's manning of refuse collection vehicles i.e. four collectors and a driver are not typical of other authorities.

Table 5 – Financial and performance measurement

Function	Assessment of performance measures
Building cleaning	The available performance measures appear limited. Review and monitoring processes need to be re-established as a matter of priority
Design and print	N/a – not known what, if any, performance measures are available and whether they are used
Environmental maintenance	The range of performance measures appears appropriate
Fleet management	The range of performance measures appears appropriate and the data is used proactively to identify areas of comparative 'under performance', identify and adopt good practice evident in other authorities and inform service planning
Highways maintenance	In addition to national and local indicators, the service has access to a considerable range of benchmarking and other data. However there appear to be problems with this comparative data in that: <ul style="list-style-type: none"> • There are arguably far too many indicators, making it extremely difficult to gain an overview of how an individual authority is performing. There is a need to agree on a small suite of key indicators • Not all authorities submit data, seriously undermining the value of the comparative data. For one indicator, only three authorities contributed data • The usefulness of some indicators is questionable

Housing maintenance	The range of performance measures appears appropriate
Leisure management	The range of performance measures appears appropriate
Schools and welfare catering	The available performance measures appear limited. Review and monitoring processes need to be re-established as a matter of priority
Waste Collection	The available performance measures appear limited. Their usefulness would be improved if the measures could be refined to take account of both tonnage and volume

Table 6 – Assessment of operational performance measures

Function	National performance indicators available	APSE data available	Other benchmarking data
Building cleaning	No	Yes	
Design and print	No	No	
Environmental maintenance	Yes but relatively few	Yes	LEAMS (Local Environment Audit and Management systems)
Fleet management	No	Yes	
Highways maintenance	Yes but relatively few	Yes	WATO (Welsh association of Technical Officers) CSS County Surveyors Service)
Housing maintenance	Yes	Yes	
Leisure management	Yes	Yes	
Other catering	No	Yes	
Schools and welfare catering	No	Yes	
Waste Collection	Yes	Yes	CLAW (Consortium of Local Authorities in Wales) WATO (Welsh association of Technical Officers)

Table 7 – Availability of operational performance measures

Desirable measures

28. As the next element of our review we have contrasted what is in place with what we see as the minimum desirable. In our view the measurement regime should be sufficient to provide answers to the following questions:
- Is the cost of the service competitive? For example, is it regularly compared to the charges that would be levied by an alternative provider, where such data exists?
 - If there is no such data, is similar assurance provided through benchmarking or by other means – preferably across all providers of such services, not merely those in the public sector?
 - Is the performance of key elements of the activity measured, e.g. productivity?
29. A number of services are procured through tendering. This provides a measure of price competitiveness. Some services are provided and recharged on an on-cost recovery basis while others are based around schedule of rates which have not been market tested. Some units,

notably fleet management, have compared their hourly servicing rates with those which would be charged by private contractors. This comparative data has been made available to users, providing the necessary reassurance that the in-house provider compares favourably on price. This should be seen as good practice which could usefully 'rolled out' across other services.

30. More generally there is a case for subjecting those services using schedule of rates to market testing, possibly on a cyclical basis. It may be deemed necessary to expose the whole service contract to competition, thereby precipitating a rigorous review of the in-house costs. As there is no clear contactor/client split, there is insufficient understanding of the cost base which makes comparison with private sector contractors difficult.
31. Following the repeal of the compulsory competitive tendering legislation, it is understood that only one service within the Authority, waste collection, has voluntarily exposed itself to external competition. In the event, the exercise did not prove conclusive as the two companies invited to tender subsequently withdrew their tenders.

Summary of performance

32. Our views of the current financial performance of each function are:

Function	Adequacy of current financial performance
Building cleaning	Consistent pattern of income over recent years. Virtual break even position in the last two years suggesting that performance is satisfactory
Design and print	Reducing income levels and increasing deficits are cause for concern. Prices are understood to be non competitive with those available externally and users are opting to do their own copying rather than using the design and print unit
Environmental maintenance	Despite a rising trend in income over recent years, there have been sizeable trading losses in the last two years. A contributory factor has been the incidence of long term sickness absence. The possibility of schools withdrawing from grounds maintenance contracts with the Authority, presents a challenge for this operation
Fleet management	Virtual break even position in the last two years suggesting that performance is satisfactory
Highways maintenance	Increasing income levels over recent years coupled with a consistent pattern of trading surpluses suggest satisfactory performance
Housing maintenance	29% reduction in income between 2006/7 and 2007/8 is mainly the result of a change in the way in which programmed and planned maintenance of a capital nature performed by contractors has been disclosed. In previous year this was shown as income to the housing maintenance contracting unit. From 2007/8, it is shown as housing capital repairs. The sizeable deficit in 207/8 of £177k, indicative of low productivity, is cause for concern
Leisure management	8% reduction in income between 2006/7 and 2007/8 reflects a number of factors including: <ul style="list-style-type: none"> • Closure of loss making nursery at Flint pavilion • Downsizing of Connah's Quay, Saltney and Hope leisure centres • Partial closure of Hollywell centre for roof repairs Increased deficit in 2007/8 is attributed in part to redundancy costs
Other catering	Consistent pattern of income and virtual break even position over recent years suggests satisfactory performance
Schools and welfare	Reducing income levels because of falling school meal take up coupled with increasing food costs which can't be passed on in the short term have lead to

catering	higher deficits. This is cause for concern
Waste Collection	Trading in the last two years suggests satisfactory performance

Table 8 – Adequacy of current performance and available measures

33. The various mechanisms in place geared to demonstrating financial and operational performance are not currently sufficient to show how the contracting units are performing relative to the resources used.
34. The main measures currently in place comprise:
 - Financial outturn reporting on a monthly and annual basis to the Executive as part of the monthly Budget Monitoring Process. The outturn is also subject to analysis at the Overview and Scrutiny Committee;
 - Trading surplus/deficit disclosure reporting for the ten contracting units though the annual accounts. The 2007/8 accounts indicate that only two units returned a surplus in 2007/8 (Highways maintenance and Waste Collection). However as income within these accounts is essentially no more than a recharge of costs incurred, the value of these accounts in terms of demonstrating financial and operational performance is necessarily limited;
 - Operational performance measures via national and local indicators reported to WAG and the Authority's Overview and Scrutiny Committee;
 - Comparative measurement of specific activities through, for example, membership of the CSS (County Surveyors Service); CLAW (Consortium of Local Authorities in Wales); WATO (Welsh Association of Technical Officers); and APSE (Association for Public Sector Excellence) networks.
35. The review has highlighted that effective use of benchmarking is variable. Some services use it dynamically, others less so.
36. There is a need to determine for each trading unit an agreed suite of key performance measures, say a maximum of five per trading activity. Currently there are far too many which make it difficult for officers and members to gain a real understanding of performance. Selection of individual indicators should be integral with service planning. The indicators, which we suggest should be determined by the Overview and Scrutiny Committee, would be supplementary to the 40 critical performance indicators which have recently been identified, none of which relate to trading activities.
37. In terms of the trading accounts, these together with the associated budgets should be refined so that:
 - Income is more realistically based to recognise underlying cost and market conditions rather than say based on the level of charge in the previous year with an inflation uplift. Charges should be determined on the basis of commercial principles so that clients are able to better judge whether the in-house charge compares favourably to what an external provider would levy.
 - The need for and level of subsidy for individual trading services should be reviewed. In this context, it is likely that, for example, the level of subsidy for the schools meals service will increase over coming years. The budgetary implications and impact on other services needs to be clearly articulated. In considering schools meals subsidy, account should be taken of the number of free meals granted when there is no entitlement. The cost of this falls on the Authority.
 - Expenditure is based on actual costs incurred, particularly in connection with central support service recharges
38. As a further indicator of performance, it is recommended that all trading services which have the opportunity to tender or quote for work should report annually at least, the tendering/quotation

success rate. Such reports should also state the number of invitations to tender/quote and the number the service submitted.

What economies of scale and other efficiencies might arise through restructuring or centralisation?

39. One of the main drivers behind this report was a wish to examine whether and how economies of scale might be unlocked by a structural review of the trading functions. There were several strands to this line of thought, which we examine in turn:

- Does the current structure offer appropriate clarity between the client and the contractor roles?
- Are there any obvious benefits in re-locating/rationalising individual units?
- On what basis are central service charges levied? What are the likely savings and other benefits of central support functions servicing one single consolidated trading unit?
- Are there currently any skill shortages within the units, such as for example marketing and business planning which restructuring or centralisation could resolve?
- What options exist for users to buy in equivalent services from external sources?
- Are depot arrangements optimal?

Structural clarity

40. A number of different lines of reporting exist. Although we do not consider that there should be a clear distinction - a hard split – between client and contractor in each instance, it is interesting background to examine both aspects:

Function	Contractor reporting line	Client reporting line	Client and Contractor effectively merged
Building cleaning	Facilities management perform the contracting role reporting to the Assistant Director (Education)		Merged. Client can in effect be a room occupant who may request a revised specification e.g. one off shampooing, or change in frequency
Environmental maintenance	Environmental maintenance	Contracts with the schools arranged via personnel in Education who effectively act as client agent. Other clients include Community and Housing, Social Services and private consumers.	
Fleet management			Yes. The fleet management team effectively determine the nature and frequency of servicing

Highways maintenance	No defined contractor or client now for Highways maintenance activities.	Internal clients include design sections in Engineering Services, Traffic section, other Directorates. External clients include North Wales Trunk Road Agency(NWTRA), Community Councils, private companies or individuals	
Other cleaning	Facilities management perform the contracting role		
Schools and welfare catering	Facilities management perform the contracting role		
Waste Collection	The Environmental Services Manager acts as head of the contracting function. However there is also a client element within this role. The Environmental Services Manager should therefore be viewed as 'two-hatted'.	A quality validations team within the waste collection function perform the client role	

Table 9 – Reporting lines

41. We have assessed the arrangements against the following criteria:

- Is there clarity?
- Do they present a conflict of interest?
- Are the arrangements such that they provide appropriate support and review for both client and contractor?

42. There are a number of anomalies emerging from this analysis, especially in relation to the wide variation between units in the degree to which client and contractor functions are separated. Most are 'soft splits', some operational managers acknowledging that they are essentially 'two hatted.' Fleet management provides an example of client and contractor roles being in effect merged, fleet management determining the nature and frequency of servicing. This is probably historical, the expertise for making such decisions assumed to reside, most appropriately, with the contractor. Whether this provides a model 'template' around which other services could or should be structured is perhaps open to challenge.

Rationalisation

43. As part of our work we identified a significant sample of individuals, primarily in the contractor functions but also those who regarded themselves as representing the client, or in some cases both. In each case we asked for their views on the merits of drawing the various functions together into one or more consolidated units. In summary their opinions were:

- There was some evidence of management feeling isolated, notably in housing maintenance;
- The role of education as a client agent is generally unclear;

- There was widespread confusion over responsibility, particularly in relation to Education. There is a strong case for developing the role and capacity of schools as clients and for developing a standard contract for grounds maintenance, catering and cleaning. If the existing client agent role of Education is to be retained, there is a priority need for a clear service level agreement;
- A lack of clarity as to the advisory role of Facilities Management in connection with cleaning in schools. This appears an open ended commitment, the fee received for which is unrelated to the time taken and skill involved in providing such advice. The arrangement needs to be formalised, ideally through some form of service level agreement or equivalent. Without this, there is a view that there is no certainty that the service provided covers the costs of delivery;

Central services

44. We looked at the use by the various functions of centrally provided services for two different purposes:
- To consider what level of support each need
 - To assess whether recharges are appropriately set
45. Clearly any change in the level of use of central services has implications for the provider of that service; which will require further consideration.
46. The following table summarises the recharges levied:

Function	2005/6 £000 Note (i)	2006/7 £000 Note (ii)	2007/8 £000 Note (iii)
Building Cleaning and Catering	170	175	312
Building Maintenance and Refuse Collection	233	277	164
Design and Print Unit	108	111	128
Highways Maintenance, Street Cleansing, Grounds Maintenance, Vehicle Maintenance	218	196	115
Leisure Management	135	139	164
Total recharge contracting functions	864	898	883

Table 10 – Central support recharges 2005/6 to 2007/8

Notes

- (i) Recharge based on previous year + inflation
- (ii) Recharge based on previous year + inflation of 2.95%. The recharge to building maintenance and refuse collection includes an additional £36,500 for external audit fees. The recharge to highways Maintenance, street cleansing, grounds maintenance and vehicle maintenance is based on the 2005/6 figure less £27.5k transferred to Flintshire Business Services
- (iii) Recharge based on actual costs

47. What clearly emerges from the table is the significant change in the level of some of the recharges to services once allocations moved to an actual cost incurred in 2007/8.
48. We also examined the basis on which the charges are levied and the extent to which users of the service can specify the service they wish to receive or the price they pay.
49. Common basis of apportionment apply throughout the council; they are calculated by Finance and updated annually during the budget setting process. Appendix C provides examples of the allocation bases used. It should also be noted that:
 - Control is largely vested in the provider of the service
 - There is no accepted mechanism for varying the charge according to the quality of service provided, or in response to volume variations in year
 - There are no arrangements for trading units to buy in services from external suppliers, and in practice they do not do so
 - Widely seen as merely a year-end accountancy exercise which results in costs being apportioned to budget holders who have no ability to control them.
50. The review has highlighted a number of issues in connection with the recharge of central support services. It is recognised that the whole process of central support recharging is currently being reviewed. The issues identified are:
 - A need for Service Level Agreements;
 - Allocation carried out too late, usually one of the last transactions in the closing down process. The recharges should be budgeted, Services being advised at the start of the year as to the likely level of recharge;
 - Inconsistency in the way in which allocations made;
 - Should reconsider whether the predominant base of allocating recharges by reference to FTE's is the most appropriate;
 - Historically, recharges based on previous year plus an inflation uplift, regardless of the actual cost;
 - Services are not aware of the basis on which centrally provided support services are charged;
 - Services do not have any say in the price paid for centrally provided support services;
 - The charges levied are not linked to the volume of support provided;
 - Services are not aware as to whether the internal re-charging for centrally provided support services is applied consistently across the Authority;

Ability to purchase services from elsewhere

51. We found no services who believed they had the option to buy in equivalent support services from external sources.

Are Depot locations optimal?

52. The location of many of the trading units is a significant factor in their efficiency. Ideally they need to be so based that they can deliver services to their clients efficiently, while the buildings

themselves should be fit for purpose.

53. At present, the various functions are primarily based at:

- Housing maintenance – Canton depot, in poor condition and on an awkward site. However, the problems are mitigated as many staff operate using imprest stock from their vans
- Highways – Primarily based at Halkyn, conveniently located on the A55 for the services provided. In reasonable condition but site is congested with, the present time, limited options for expansion
- Fleet management – Alltami and Queensferry, the former in sound condition, the latter blighted by the possibility of compulsory purchase to accommodate a widening of the A494 road.
- Waste collection and recycling – Queensferry and Flint, the latter with insufficient capacity to satisfy the projected expansion of the recycling function.

54. As can be seen, a number of the operational units are based in more than one depot, namely:

- Highways – Halkyn and Alltami
- Fleet management – Alltami and Queensferry
- Waste collection and recycling – Queensferry and Flint

55. Operational managers have referred to the inherent inefficiency and additional cost of having to deliver a service from multiple bases, as in the case of having to have a storekeeper at both the Alltami and Queensferry depots. If these depots were merged, one storekeeper would be sufficient. If depots were to be either rationalized or merged, there are likely to be other costs savings through 'economies of scale'. In relation to grounds maintenance, there is one supervisor in Canton and three in Alltami where the manager is based. This is a fragmented service as is cleansing.

56. One conveniently located 'super' depot would appear to offer many advantages. The present depots present a number of problems, be that in terms of the:

- Poor condition of some
- Uncertain future, for example Queensferry with the possibility that the A494 road widening scheme could be reactivated or Canton with the disposal potential for housing development
- Capacity constraints at most depots
- Projected expansion of the recycling function which means the present activity will soon out grow its base in Flint.

57. The following table provides further analysis:

Depot	Potential for expansion	Services housed	Condition	Other comment
Halkyn	Possibility of acquiring additional land, between the depot and the A55. The land is currently owned by a	Highways including salt barn for gritting function	Generally sound	The depot is well positioned for operational purposes

	farmer. The Authority had an option to buy this land a few years ago at an especially favourable price but this opportunity might now have passed.			
Canton	None	Housing Grounds maintenance Street cleaning	Poor	The future of Canton is intrinsically linked to housing stock disposal decisions
Alltami	Some scope for expansion. However a recent decision by the Police who occupy neighbouring land and buildings to exercise an option not to release land, limits the potential. There are constraints elsewhere around the site represented by a quarry to one side, industrial units behind and an A road to the front of the depot.	Fleet maintenance and management Highways management Salt barn for gritting function Grounds maintenance	Good	The depot is well positioned for operational purposes
Queensferry	None given the possibility of A494 road widening scheme being reconsidered at some future date	Refuse collection Fleet maintenance (refuse collection and housing repair vehicles)	Poor. A number of reasonably important building repairs, including roof maintenance, have been deferred.	Blighted by A494 road widening scheme. While the scheme as originally proposed has been shelved, it is likely to be reactivated within five years on a reduced scale.
Flint recycling centre	None	Waste recycling	Average	Congested site which could prove inadequate in size if projected expansion in recycling activity materialises, particularly with the anticipated growth in food recycling. Understood that being considered for relocation. The centre also processes skip waste for Denbighshire.
Dobbs Hill near Buckley	n/a	Vacant	n/a	Previously used by highways and gritting service. Vacated four years ago. Still owned by the Authority

Table 11 – Depot analysis

58. Additionally there are fixed and mobile grounds maintenance bases covering the cemeteries at Hope, Hawarden and Connah's Quay.
59. Appendix E plots the location of the five main depots. This shows how closely clustered they are, albeit all on key arterial routes, convenient for operational purposes. Having five depots in such close proximity to each other must offer potential for rationalisation.
60. It is recommended that decisions on the future of depots should form part of the asset management strategy informed by the ongoing condition survey. Decisions must reflect outcomes of delivery debate recognising the short term issue of Queensferry and the longer term ambition of perhaps having a single main depot for retained functions, supplemented by one or two small outlying depots where justified on operational grounds.

What alternative forms of provision exist?

What alternatives exist?

61. In principle there are several potential alternatives, including:
 - Full scale outsourcing, in which the client procures the service from an external source, which could be either in the private or voluntary sector. Traditionally that has involved specifying the nature of the service required, exposing it to competition agreeing a charging mechanism and then monitoring subsequent delivery
 - A partnership arrangement, where two or more bodies agree broadly based terms of reference for service delivery and funding
 - Shared service deals in which more than one authority cooperates to arrange for the service to be provided for the benefit of all
 - Forms of delivery that fall between these options, involving for example the provision of specialist skills, or additional capacity at particular times of year

Existing service provision

62. From discussions within the Authority and our understanding of developments outside the Authority, we have drawn up the following summary of the market place:

63.

Function	Alternative providers
Schools and welfare catering	External providers with roots in compulsory competitive tendering still exist but the extent to which there is a local presence is difficult to ascertain
Building cleaning	Many operators of differing sizes and specialisms characterise the market
Other cleaning	Many operators of differing sizes and specialisms characterise the market
Highways maintenance	Evidence from a neighbouring English authority suggest that there are contractors with the capacity to take on full responsibility for most if not all highways maintenance functions
Environmental maintenance	Many operators of differing sizes and specialisms characterise the market particularly for grounds maintenance. The existence of these is self evident from the option exercised recently by an Authority secondary school to break away from the Authority provided service. If other schools follow suit, grounds maintenance contractors could be well positioned to build up a scale of operation and skill base which could position them favourably relative to the in-house service.
Fleet management	Other than neighbouring local authorities, it isn't clear that there are local private contractors with the capacity and skill base to perform the fleet management function.
Waste Collection	External providers with roots in compulsory competitive tendering still exist, evidenced by two being voluntarily invited to tender for this service within the Authority

Table 12 – Analysis of alternative providers

64. In general terms there appear to be alternative private sector providers operating in most of the services currently delivered in-house, notably building cleaning, catering, waste collection, grounds maintenance and elements of the highways function. However little is known as to whether external provision is cheaper and/or better. There has been the occasional ad-hoc exercise by services, for example, fleet management, to compare its servicing charge against those levied by external providers.
65. As a means of providing some assurance that the contracting functions are fit for purpose and can stand comparison against external suppliers, it is timely for the Corporate Management Team to give serious consideration to selective soft market testing of services.

Regional provision

66. Where economies of scale are especially pronounced, we can see significant merit in considering provision through arrangements spanning several North Wales authorities. There are already well established consortia purchasing arrangements in place in a number of areas which have yielded benefits. There would inevitably be major obstacles to overcome but these shouldn't be insurmountable. Some services lend themselves more readily to provision on a regional or joint authority basis than others. The potential for economies of scale and enhanced operational efficiency is most likely in trading areas like highways and waste collection. There are already joint working arrangements in place, albeit on a limited scale, a particular example being the processing of the Denbighshire skip waste at the Flint recycling centre.
67. Partnership arrangements and the sharing of depot facilities with neighbouring authorities to deliver fleet maintenance have already been considered. However, the availability of local maintenance service providers, especially those of a specialist nature, is a constraint. The

Authority considered in detail the possibility of outsourcing fleet maintenance as part of the Fleet Management Best Value review in 2002. It has continued to monitor the possibilities since that time. The need to maintain a fleet management function could not be outsourced if the Authority's fleet users continued to operate Operator Licensed vehicles. Options for sharing fleet maintenance facilities with other local authorities have also been considered but there is no geographical logic. Additional travel time and therefore increased vehicle downtime for users outweighs any advantage which depot sharing would produce.

68. The fleet maintenance function also provides a good example in terms of the way in which it maximises the use of joint purchasing opportunities with other bodies to achieve economies of scale. The Authority is a voluntary member of Value Wales. The Head of Fleet Services regularly meets with his Welsh colleagues to specifically discuss joint purchasing opportunities and share good practice and knowledge.
69. Such collaborative working is perhaps the exception not the rule: managers within environmental maintenance have referred to their service working in isolation to neighbouring authorities, with minimal collaboration.

Implications for central services if their customer base is reduced

70. From the perspective of the Authority as a whole it is important to recognise the knock-on implications of granting more freedom to trading units, be it to use alternative providers of central services or to reduce the charges.

Other issues emerging in carrying out review

71. In this final section of our report we comment on a number of issues which emerged in the course of carrying out the review :
 - Service planning
 - Staffing
 - Administrative support
 - Responsibility for contract negotiation

Service Planning

72. We have also considered the service planning arrangements. Given that there are no activities with a significant level of external customers, other than schools, it is logical that there should be a close relationship between the requirements of the client and the services offered by the provider. Further that should extend to the quantity and volume of service, as well as the financial aspects.
73. A report to the Corporate Management Team (CMT) in February this year confirmed the minimum content of service plans namely:
 - Priorities
 - Operational risks and the Service response to these
 - Strategic risk
 - Performance
 - Resources
74. There was some flexing of an earlier requirement that service plans should follow a prescribed format.

75. In our view effective service and business planning processes within units have still to be fully developed and embedded. There is a lack of consistency. While the plans may meet the minimum content requirements as outlined above, the way in which the plans are used in some services, is probably not as the CMT would wish.
76. Service plans could usefully:
- Specify the nature of work to be commissioned and how it is to be delivered;
 - Set out a clear rationale for the trading unit;
 - Require a closer linkage between service planning, risk assessment and budget;
 - Identification, where relevant, of further opportunities to increase revenues. One possible of the latter is delivery of a cleaning service to the schools;
 - Assessment of the market;
 - Identify measures by which efficiency can be demonstrated.
77. In terms of the budgetary processes, budget setting remains incrementally based. A move to zero based budgets has been under consideration for a number of years. There is a need for a clear strategy as how and when zero based budgets are to be progressed. Other issues to be addressed in relation to the budgetary arrangements include:
- Opinions expressed by operational managers that budgets invariably make insufficient provision for inflation. One particular example quoted relates to the 2007/8 schools catering budget in which pay inflation was factored in at 2.4% when the pay award was 3.45%.
 - Delays in finalising the available budget resource. As late as June 2008, some services were still not aware of the 2008/9 budget
 - Absence of budget setting guidelines, other than in connection with identification of budget savings

Staffing issues

Recruitment

78. Certain operations are currently disadvantaged by an over dependence on interim management appointments and the use of agency based operatives. Certain senior posts have remained unfilled for too long, for example there has not been a cleaning manager for two years. The recent appointee is on a six month agency contract and will only be working four days per week. A corporate lack of investment in apprenticeships has lead to difficulties in recruiting and in securing continuity of the skill base. The number of supervisory staff within operational units may need to be reconsidered in the light of anticipated change in a number of areas including the projected expansion of the waste recycling activity and the reconfiguration of the highways function. Quality control within building cleaning is being undermined because of insufficient supervision. Each location should be checked four times annually by the supervisors but this requirement is not being met.
79. In terms of agency staff, many operations are having to use them extensively, far in excess of what operational managers regard as desirable. For example, environmental maintenance has 43 agency staff, equating to 56% of all operatives within the service. Refuse collection has a core 'team' of 20 agency operatives (20% of all operatives within the service). The Highways operation is similarly dependant on agency staff. Most authorities use agency staff to cover workload peaks is the case of grounds maintenance in the summer months. The position in Flintshire is somewhat different in that for some services, agency staff are used throughout the

year, regardless of workload loadings. Operational managers refer to the problems with agency staff, in particular:

- High turnover of staff used. This is attributed to the fact that as the earnings of agency staff are deemed to be 'casual' and non guaranteed, such staff can't secure a mortgage and therefore move on to permanent employment;
- Reluctance to invest in training for agency staff because most are regarded as temporary
- Lack of commitment
- Perception that, on an hourly basis, agency staff are more expensive than permanent employees. This perception is perhaps misplaced, not least because they are not entitled to bonus

80. Recent evidence suggests that the Authority has difficulty in recruiting at senior officer level. This possibly suggests staff gradings are out of alignment with other public service bodies. The CMT may well wish to commission a review of this area.

Administrative support

81. The level of administrative support in some areas likewise might need to be reviewed as in some areas it appears 'too lean'. For example, within building cleaning, there is a need for an intermediary administration post between the senior administration officer and the administrative assistants.

Responsibility for contract negotiation

82. Management responsibility for contract negotiation was not always clear. It is of concern that a secondary school has recently 'opted out' at extraordinarily short notice of the grounds maintenance contract with the Authority, preferring to use a private contractor. Given the possibility that other schools might follow suit, this poses a serious threat to the viability of the in-house function, to the point of the latter actively considering withdrawing from grounds maintenance. The contract negotiations were handled by a team within Education operating independently of the grounds maintenance management. The contract should have been structured to provide appropriate notice period of say a year. Grounds maintenance management believe the contract arrangements should have managed within their own service.

Appendix A: Project brief

Introduction

The draft 2008 Regulatory Plan noted that a review of the Council's contractor functions is especially timely given the Authority's senior management restructuring proposals and, at a more detailed level, the reference in the Strategic Assessment of Risks and Challenges document to business structures and DSO performance.

Objectives

The proposed review seeks to answer three key questions:

1. How does the Authority satisfy itself that its trading units are fit for purpose, particularly in terms of their financial and operational performance?
2. Would restructuring assist in the identification of efficiencies and economies of scale, and bring about useful clarification of client and contractor responsibilities?
3. What alternative forms of provision exist, and how can they best be evaluated?

How does the Authority satisfy itself that the units are fit for purpose?

- What lessons can be drawn from current measures of financial and operational performance?
- What other mechanisms exist to demonstrate efficiency such as productivity?
- How does the Authority and users know that prices are competitive and can users challenge the prices charged?
- How effective are the service and business planning processes within units?
- What benchmarking arrangements are in place and what do these reveal?

What economies of scale and other efficiencies might arise through restructuring and/or centralisation?

- How clearly identified are the client and contractor functions, and how well do the current arrangements work?
- Are there any obvious benefits in re-locating/rationalising individual units?
- On what basis are central service charges levied? What are the likely savings and other benefits of central support functions servicing one single consolidated trading unit?
- Are there currently any skill shortages within the units, such as for example marketing and business planning which restructuring or centralisation could resolve?
- What options exist for users to buy in equivalent services from external sources?

What alternative forms of provision exist?

- What are the options for exposing trading units to competition?
- What alternative private sector provision exists for equivalent services?
- What is known as to whether external provision is cheaper and/or better?
- What are the likely benefits of moving to sub-regional arrangements through for example partnership working with other authorities?
- What are the implications for central support services if their customer base is reduced?

Review coverage

The review will cover the following operational areas:

- Schools and welfare catering
- Building cleaning
- Other catering
- Highways maintenance
- Housing maintenance, where PwC have a substantial base of knowledge
- Environmental maintenance
- Fleet Management, using the current WAG review as a basis
- Waste Collection

Review methodology

The review will start with an initial fact finding exercise in each of the operational areas to capture information in relation to:

- Current organisational arrangements
 - Identification of contractor and client split
 - Examples of a two hatted approach in relation to the above
 - Reporting lines
 - Location of depots/operational bases
 - Employee numbers
 - Method of commissioning work
 - Scope and scale of any external work undertaken
 - Support services that are provided in-house
 - Whether units are sufficiently large to justify the support services which are currently provided in-house
 - Whether senior managers are aware of any areas of particular weaknesses in their own operation
 - Whether internal re-charging for support services is applied consistently
 - Extent to which units operate 'corporately'
- Budgets and charging
 - Outline of the budget setting approach adopted by both client and contractor and the link between the two in terms of for example projected income levels
 - The way in which budgets are structured e.g. identification of fixed costs to give an indication of the minimum income requirement to break even

- Impact on contractor if client runs out of funds
- Budget monitoring arrangements
- Charging frequency and method of charging e.g. schedule of rates, day works, service level agreement, contract
- Consistency of budgetary arrangements between units
- Governance
 - The role of members including the point at which they involve themselves in the contractor side
- Quality control
 - Arrangements currently in place and whether these known to users of the service
 - Whether there are any major issues in relation to quality control
 - The arrangements for controlling variation orders
 - The way in which units measure performance
 - Process for contractor knowing that they are delivering to clients' requirements and expectations

Subsequently it is envisaged that more detailed work will only be needed in a limited number of areas. However PwC have requested that each function identify a suitable contact from whom they can obtain both financial and operational information

Consequences

There could be significant implications arising from this and subsequent work, which might for example include:

- The externalisation of certain functions
- An increase in regional and partnership working
- The strengthening and extension of our procurement capacity
- Substantial centralisation of those functions that continue to be delivered internally, with consequent managerial change

Project Sponsor

The Chief Executive has agreed to sponsor this work

Timing

The review will commence as soon as possible. A tentative date for a first draft of a report is September.

Appendix B: Trading results

	2007/8			2006/7			2005/6			2004/5		
	Income	Surplus/(deficit)	%	Income	Surplus/(deficit)	%	Income	Surplus/(deficit)	%	Income	Surplus/(deficit)	%
	£k	£k		£k	£k		£k	£k		£k	£k	
Building cleaning	962	-7	-1%	950	5	1%	951	-91	-10%	897	36	4%
Design and print	1087	-93	-9%	1212	-65	-5%	1341	-41	-3%	1378	3	0%
Environmental maintenance	3394	-145	-4%	3241	-313	-10%	3034	257	8%	3100	-260	-8%
Fleet management	2746	-36	-1%	2563	-101	-4%						
Highways maintenance	6820	69	1%	6067	65	1%						
Housing maintenance	7123	-177	-2%	10004	28	0%	8877	254	3%	9011	-137	-2%
Leisure management	3887	-258	-7%	4207	-113	-3%	4012	-79	-2%	3757	85	2%
Other catering	720	-15	-2%	722	30	4%	688	142	21%	842	8	1%
Schools and welfare catering	2936	-330	-11%	3027	-212	-7%	3039	194	6%	2985	-39	-1%
Waste Collection	5078	142	3%	5101	413	8%	4706	-398	-8%	4363	347	8%
Total	34753	-850	-2%	37094	-263	-1%	26648	238	1%	26333	43	0%

Appendix C: Central support recharges – Basis of allocation

Charge	Basis of apportionment
Corporate strategy	
Information Technology	Departmental with further split in line with BVACOP guidance using FTE's
Other customer services	Allocation per service accountant
Policy, Performance and Partnerships	FTE's
Human Resources	FTE's excluding schools
Single Status/Job Evaluation Team	FTE's
Corporate Training and Development	Attendees
Payroll	Number of lines per payslip
Occupational Health	FTE's
Legal and Democratic	
Administration	Allocation per service accountant
Legal Services	Chargeable hours per timesheet
Financial	
Service Accounting	Chargeable hours per timesheets
Capital and Corporate Accounting	Chargeable hours per timesheet
Internal Audit	Chargeable days
Funds	Chargeable hours
Corporate Procurement, Risk Management and Insurance	Percentage of contract work
Cash Collection	Allocation per service accountant
Enforcement and Inspection	Allocation per service accountant
Accounts Payable and Accounts Receivable Control	Percentage of invoices raised
Central Overheads	Apportioned as per expenditure (total direct cost plus support)
Central office accommodation	Admin building office occupation, based on percentages provided by valuer
Other	

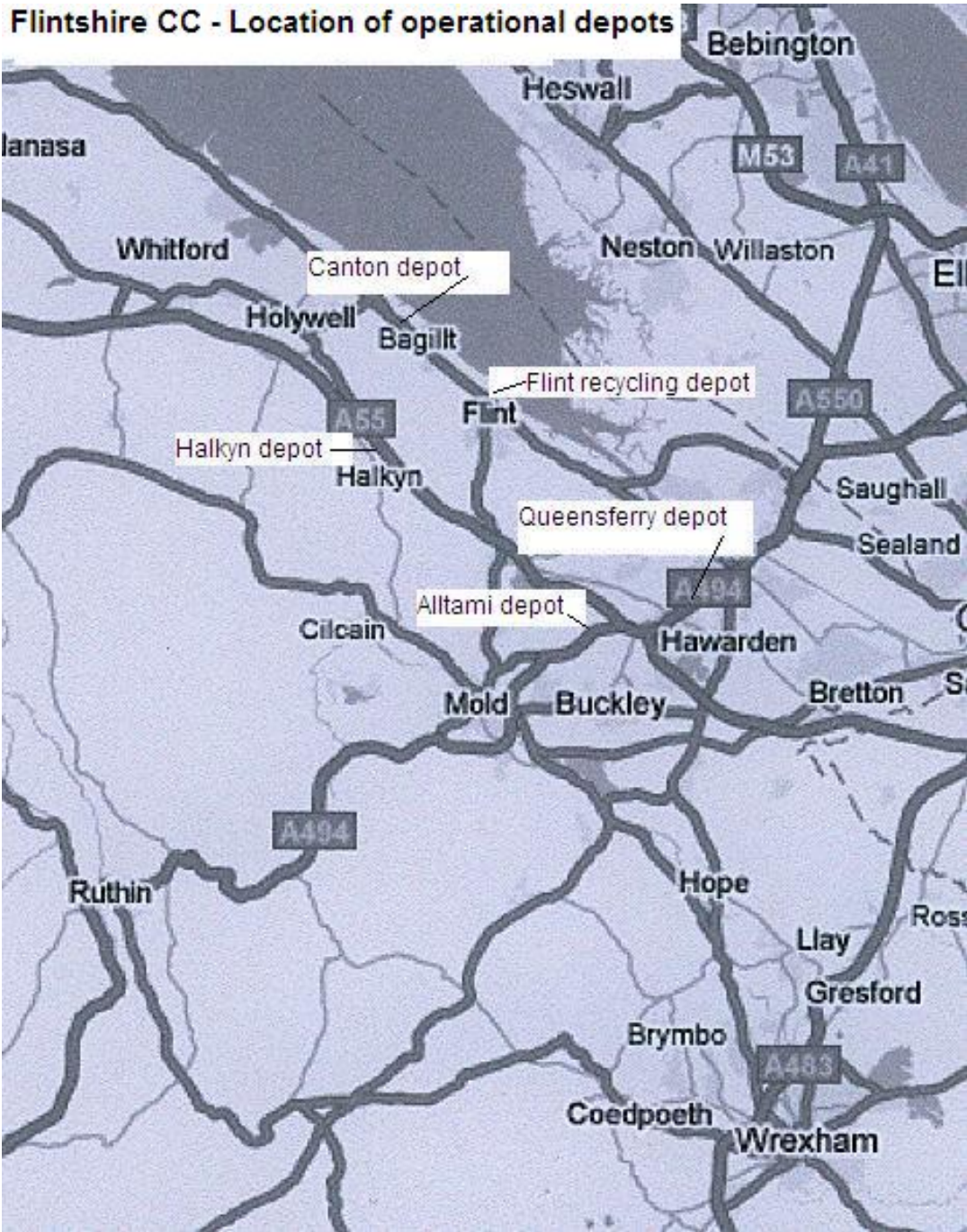
Pension Back Funding	Allocation provided by Service accounting
Depreciation	Admin building office occupation, based on percentages provided by valuer
Bank charges	!00% to Corporate Management
External Audit – accounts and Governance/Performance Fee	!00% to Corporate Management
Audit of specific grants	Allocated to the BVACOP line relating to grants
Non funded Pensions and redundancies	100% to in distributed costs
Insurance (external premiums)	Allocation provided by insurance manager
Development grants	Allocated to the BVACOP to match funding
Pension Back Funding	Allocation provided by Service Accounting
Chief Executive	
Corporate Communications	2% Democratic representation and 98% Corporate Management
Lord Lieutenancy	100% Central Overheads
Corporate subscriptions	100% Central Overheads
Other Chief Executive Services	9% Central Overheads, 29% Democratic representation and 63% Corporate Management
Property Design	Allocation per service accountant
Property Asset and Development	Allocation per service accountant
Property Maintenance	Allocation per service accountant
Energy efficiency	Allocation per service accountant
Administration	Allocation per service accountant
Finance	Allocation per service accountant
Carelink	Allocation per service accountant
Welsh Translation	!00% to Corporate Management
Central despatch	Postage expenditure per Directorate
Public Information	!00% to Central Overheads
Switchboard and Reception	FTE's excluding schools
Voluntary Organisations/Community Chest	100% Grants, Bequests and Donations
Policy Grants	100% Grants, Bequests and Donations

Appendix D: Recommendations

Recommendation	Paragraphs in the report
<p>Introduce a programme of review of the various contractor functions to coincide with strategic decisions over the future delivery of the various services. Each review should consider the clarity of the client and contractor roles, whether the costs being charged to each activity are appropriate, how the basis of charges levied on the client can be enhanced, the adequacy of the service specification provided to the contractor and how soft market testing can be introduced.</p> <p>In relation to specific services:</p> <p><i>Housing repair</i></p> <ul style="list-style-type: none"> Implement, as soon as possible, market tested schedule of rates to demonstrate whether (a) the costs of the private sector are being matched (b) the unit is functioning effectively. If the service can not make a satisfactory return, alternative methods of delivery should be explored. <p><i>Highways/Street scene</i></p> <ul style="list-style-type: none"> Continue the development of an explicit service specification Introduce a programme of soft market testing <p><i>Education catering and other services to schools</i></p> <ul style="list-style-type: none"> Develop a standard contract between secondary schools and the various service providers, setting out the service required, the price and appropriate terms and conditions. Clarify the Education's client agent role in relation to advice it provides to the schools on contracting functions. Where appropriate, it will be probably be necessary to charge schools for such advice. 	4-9,18
Develop distinct service plans for all contractor functions, setting out plans for efficiency improvements and succinct performance measures	75-80
Explore ways of reducing the number of charging bases currently in place	12-14
Charges levied by in-house contractors should be determined on the basis of commercial principles so that users are better positioned to judge whether the in-house charge compares favourably to what an external provider would levy.	37
Critically review the need for and level of subsidy for individual contracting functions	37
Determine for each trading unit an agreed suite of key performance measures	36
Arrangements for review and monitoring performance need to be re-established within the building cleaning and school and welfare catering functions	27
Require contracting functions to regularly report their success in tendering for work	38, 75

<p>Ensure that the ongoing review of the way in which central service costs are recharged takes account of:</p> <ul style="list-style-type: none"> • The need for greater transparency • A recharge mechanism which more fairly reflect the level and quality of support provided • The likely advantage which Service Level Agreements fir recharges might bring 	12,18, 44-51
<p>Determine whether the location of the various depots meets operational needs and whether the advantages of closing a number of depots outweigh the disadvantages. Decisions on the future of depots should form part of the asset management strategy informed by the ongoing condition survey.</p>	14-17, 52-60
<p>Explore options for joint provision of services or collaborative working via arrangements with other authorities in North Wales</p>	65-68
<p>Develop a clear strategy as how and when zero based budgets are to be progressed.</p>	80
<p>Revisit the approach to interim management appointments and the use of agency based operatives.</p>	82-84
<p>Review the level of administrative support available within contracting functions</p>	85
<p>Clarify responsibility for contract negotiation for grounds maintenance</p>	86

Appendix E: Location of depots



In the event that, pursuant to a request which Flintshire County Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Flintshire County Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Flintshire County Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Flintshire County Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 6

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **STRATEGIC ASSESSMENT OF RISKS AND CHALLENGES**
 2008/09 REVIEW

1.00 PURPOSE OF REPORT

- 1.01 (1) To receive the outcomes of the Audit Committee and Overview and Scrutiny Committee meetings which reviewed the strategic assessment of risks and challenges for 2008/09;
(2) endorse the revised structure and presentation of the document and;
(3) endorse the use of the revised version in business and regulatory planning.

2.00 BACKGROUND

- 2.01 The strategic assessment of risks and challenges was endorsed by the Executive in June 2008, having first been approved in March 2008.
- 2.02 Three categories of risks and challenges are identified within the assessment:
- Community Leadership - critical issues which cannot be solely managed by the Council
 - Council Delivery - public service issues which are largely within the control and responsibility of the Council
 - Council Governance - issues of organisational governance and management.
- 2.03 The initial review of the risks and challenges was first considered by Executive at its meeting on 7 October and has subsequently been reviewed by all Overview and Scrutiny Committees and the Audit Committee.

3.00 CONSIDERATIONS

- 3.01 The assessment of strategic risks and challenges is a long-term statement capturing the organisational challenges where change and improvement is required. The assessment contains work-streams which are a fundamental part of an organisational change programme, for example school asset planning, and more immediate improvement challenges, such as housing repairs and maintenance.

- 3.02 The assessment informs (1) the Council Plan, (2) the Improvement Plan (3) The Joint Risk Assessment, (4) the Regulatory Plan, (5) the Community Strategy, (6) the Improvement Agreement and (7) the annual and forward budget process.
- 3.03 The review document provides an in-year position statement for each of the items within the assessment. In particular it:
- provides a commentary against each of the items,
 - identifies deletions from the assessment,
 - reviews the net risk level i.e. our view of how the risk levels have altered following actions which have been completed or are in progress; and
 - proposes new or increased risks and challenges.
- 3.04 Considerations from the scrutiny committees have been taken into account and changes made to the document as appropriate. These changes have focused on the level of the risk itself and the presentation of the information. In particular the scrutiny committees made a useful contribution on the presentation and synergy of the document with their forward work programmes. The considerations also provide confidence that the content of the risk assessment is largely supported.
- 3.05 This review document will form the basis of our joint risk assessment with the regulators on 22 January and will subsequently inform the content of the Regulatory Plan. In addition it will be one of the main documents within our business planning.

4.00 RECOMMENDATIONS

Executive Members to:

- 4.01 To receive the outcomes of the Audit Committee and Overview and Scrutiny Committee meetings which reviewed the strategic assessment of risks and challenges for 2008/09.
- 4.02 Endorse the revised structure and presentation of the document.
- 4.03 Endorse the use of the revised version in business and regulatory planning.

5.00 FINANCIAL IMPLICATIONS

- 5.01 There are no direct financial implications resulting from this report. However, the review of the assessment and the any resulting financial implications will be considered as part of the budget planning process for 2009/10 and further years as part of the medium term financial strategy.

6.00 ANTI POVERTY IMPACT

6.01 There are no direct anti poverty implications within this report.

7.00 ENVIRONMENTAL IMPACT

7.01 There are no direct environmental implications within this report.

8.00 EQUALITIES IMPACT

8.01 There are no direct equalities implications within this report.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no direct personnel implications within this report.

10.00 CONSULTATION REQUIRED

10.01 Ongoing consultation will take place with Overview and Scrutiny committees in relation to specific items within the assessment as part of their Forward Work Programmes.

11.00 CONSULTATION UNDERTAKEN

11.01 All Directorates have been involved in the review and refresh of the strategic assessment.

12.00 APPENDICES

12.01 Provided under separate cover.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS**

Strategic Assessment of Risks and Challenges

Contact Officer: Karen Armstrong
Telephone: 01352 702740
E-Mail: karen_armstrong@flintshire.gov.uk

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 7

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **ANNUAL LETTER FLINTSHIRE COUNTY COUNCIL 2007/08**

1.00 PURPOSE OF REPORT

1.01 To present to the Executive the annual letter of the Appointed Auditor and Relationship Manager for 2007/08 and to agree a response to the issues of significance included within the letter.

2.00 BACKGROUND

2.01 Under the Code of Audit and Inspection Practice, the Relationship Manager is required to produce an annual letter summarising the work undertaken by external and independent regulators. That letter incorporates a summary of the work undertaken by the external auditor.

2.02 The Annual Letter has been presented to the Audit Committee on 27 November and to full Council on 2 December.

3.00 CONSIDERATIONS

3.01 The resolution of the Audit Committee reported to the Council was:

"Resolved.

a) That the Committee is satisfied that the Letter presents a fair and balanced picture;

b) That the Committee is satisfied with the responses the Council has made and the progress outlined in the Letter;

c) That the positive comments in relation to performance and acceptance of challenges be noted."

3.02 The Chief Executive, Directors and Heads of Service have discussed in detail the issues of significance within the letter with both Executive members and the Regulators. A formal response, based on these discussions, will be presented at the meeting.

3.03 The issues of significance within the Letter will be represented in the review of the strategic assessment of risks and challenges and in the Regulatory Plan and Internal Audit Plan 2008/09 and 2009/10.

Date: 24/12/2008

4.00 RECOMMENDATIONS

4.01 That the Executive is requested to receive the Annual Letter and to agree a formal response.

5.00 FINANCIAL IMPLICATIONS

5.01 There are no financial implications explicitly stated in this report.

6.00 ANTI POVERTY IMPACT

6.01 There are no anti poverty implications explicitly stated in this report.

7.00 ENVIRONMENTAL IMPACT

7.01 There are no environmental implications explicitly stated in this report.

8.00 EQUALITIES IMPACT

8.01 There are no financial implications explicitly stated in this report.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no personnel implications explicitly stated in this report.

10.00 CONSULTATION REQUIRED

10.01 Any response from the Executive will be sent to the Wales Audit Office.

11.00 CONSULTATION UNDERTAKEN

11.01 None

12.00 APPENDICES

Appendix 1: 2008 Annual Letter

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 BACKGROUND DOCUMENTS

Annual Letter Flintshire County Council 2008.

Contact Officer: Chief Executive
Telephone: 01352 702100
E-Mail: chief_executive@flintshire.gov.uk



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

2007-08

November 2008

Authors: Alan Morris and PricewaterhouseCoopers LLP

Ref: 910A2008

Annual Letter

Flintshire County Council

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We have not yet been able to express an opinion on the Council's 2007-08 Financial Statements as we are awaiting the completion of the audit of A D Waste Limited by its auditors	9
An examination of the Council's significant financial systems did not identify any material weaknesses in internal control but there are areas where continued improvement is required	10
We have yet to certify that the audit has been completed in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit and Inspection Practice and there were no formal questions or objections to the financial statements	12
The Council's improvement planning arrangements complied with statutory requirements but we identified areas where further work is required	12
The Council's Annual Performance Report has been delivered appropriately and represents a balanced picture of performance in the last year	12
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The Council's performance management reporting arrangements have very recently been overhauled and appear much improved but need to be tested against the emerging Council Plan and Community Strategy	14
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The Council had satisfactory arrangements in 2007-08 to help it achieve economy, efficiency and effectiveness in its use of resources	15
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The Relationship Manager's report on behalf of the Auditor General	21
The annual joint risk assessment validated the Council's strategic improvement priorities and effective action has been taken in response to many of the recommendations in previous audit and inspection reports	21
The first phase of the Council's organisational transformation has been completed in line with the original plan, timeframe and within budget	22
The Council has made a sound start in developing its medium term financial strategy	23
Performance of the Council's contractor functions is mixed. However, there is no clear case at present for consolidating the service providers into a single unit but a programme of detailed review is required	24
Priorities and actions have been identified to improve the effectiveness of the Community Safety Partnership but better management will enable these to be realised	26
Service reviews identified notable strengths and progress, however there are areas where further improvement is required	27
The Council continues to make good progress on planning for the future waste management requirements	27
Members must agree the Housing Strategy by January 2009 to avoid the possibility of financial penalties and damage to the Council's reputation	27
Progress continues to be made with changes to the structure, management and working practices within the Planning and Development Control Section although some of the intended enhancements have yet to be fully realised	28
The new HR/Payroll System should, when fully operational, provide enhanced management information on a range of HR issues	29
The Council now has a good strategic planning framework for tackling school organisation and education capital issues, but further work is still required to bring together all of the information and to develop and implement the required strategies	30
An Estyn Inspection of the quality of adult community-based learning concluded that learners attain well and, overall, the quality of teaching, training and assessment in the Council is good	30
The Council has engaged positively with the Wales Audit Office's initiatives to promote improvement	31

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Status of this document

This document has been prepared for the internal use of Flintshire County Council as part of work performed in accordance with statutory functions, the Code of Audit and Inspection Practice and the 'Statement of Responsibilities' issued by the Auditor General for Wales.

No responsibility is taken by the Wales Audit Office (the Auditor General and his staff) and, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under Section 45 of the Freedom of Information Act 2000. The Section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales (and, where applicable, his appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@wao.gov.uk.

Summary

1. This Annual Letter sets out the key messages arising from work undertaken over the last twelve months up to the point when it was written by:
 - the Auditor General's Appointed Auditor, PricewaterhouseCoopers LLP under the Code of Audit and Inspection Practice (the Code); and
 - the Relationship Manager (RM) on behalf of the Auditor General under the studies and inspection powers of the Auditor General.
2. The Annual Letter includes a summary of audit and inspection work and reports progress against improvement actions. It draws on published reports of other inspectorates to provide an annual summary to Flintshire County Council (the Council). The work planned for the year was set out in the Regulatory Plan 2007-08 and more detail on the specific aspects of the work undertaken can be found in the separate reports that have been issued during the year.
3. The Annual Letter will be presented to all members at the meeting of Council on 2 December 2008.
4. The Appointed Auditor has not yet completed the audit of accounts in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit and Inspection Practice. It is not possible to conclude the audit at present as issues remain over A D Waste Limited that have prevented that company's auditors from reaching an opinion on its accounts. Our views at this stage are:
 - although we have not yet expressed an opinion on the Council's Financial Statements we have not identified any material weaknesses in internal control;
 - the Council's improvement planning arrangements complied with statutory requirements but we identified areas where further work is required;
 - the Council had satisfactory arrangements in 2007-08 to help it achieve economy, efficiency and effectiveness in its use of resources; and
 - there are opportunities for the Council to secure the best use of resources and further improvement in its delivery of services.
5. The Appointed Auditor also notes that the Council faces potential difficulty and delay in recovering its investments of £3.7 million in Landsbanki, the Icelandic bank, but comments that the investments were consistent with the Treasury management policy in operation at the time and form only a modest proportion of the total value of the Council's investments as at 31 March 2008.

-
6. The Relationship Manager has concluded that:
- The annual joint risk assessment validated the Council's strategic improvement priorities and effective action has been taken in response to many of the recommendations in previous audit and inspection reports.
 - The first phase of the Council's organisational transformation has been completed in line with the original plan, timeframe and within budget;
 - The Council has made a sound start in developing its medium term financial strategy;
 - Performance of the Council's contractor functions is mixed. However, there is no clear case at present for consolidating the service providers into a single unit but a programme of detailed review is required;
 - Priorities and actions have been identified to improve the effectiveness of the Community Safety Partnership but better management will enable these to be realised;
 - Service reviews identified notable strengths and progress, however there are areas where further improvement is required;
 - The Council continues to make good progress on planning for the future waste management requirements;
 - Members must agree the Housing Strategy by January 2009 to avoid the possibility of financial penalties and damage to the Council's reputation;
 - Progress continues to be made with changes to the structure, management and working practices within the Planning and Development Control Section although some of the intended enhancements have yet to be fully realised;
 - The new HR/Payroll System should, when fully operational, provide enhanced management information on a range of HR issues;
 - The Council now has a good strategic planning framework for tackling school organisation and education capital issues, but further work is still required to bring together all of the information and to develop and implement the required strategies; and
 - An Estyn inspection of the quality of adult community-based learning concluded that learners attain well and, overall, the quality of teaching, training and assessment in the Council is good.
 - The Council has engaged positively with the Wales Audit Office's initiatives to promote improvement.
7. In recent years the Council has faced a number of significant risks and challenges which we have highlighted in previous Annual Letters. These have included building maintenance, housing strategy, planning, corporate management, performance management and risk management. We have been encouraged by the energy with which many of these issues have been addressed in 2007-08. Nevertheless, given the number of new senior officers and the extent of the issues that remain to be faced, the challenge of the further changes required should not be underestimated.

We recommend no statutory inspections this year

8. The Appointed Auditor is required each year to recommend whether, on the basis of audit work undertaken, the Auditor General should carry out a Best Value Inspection of the Council or whether Welsh Ministers should recommend a course of action, referred to as 'a direction' under Section 15 of the Local Government Act 1999 (the 1999 Act). On the basis of audit work undertaken.
9. The Appointed Auditor:
 - does not recommend that the Auditor General should carry out a Best Value Inspection of the Council under Section 10A of the 1999 Act; and
 - does not recommend that Welsh Ministers should give a direction under Section 15 of the 1999 Act.

The Appointed Auditor's report

10. The Financial Statements are an essential means by which the Council accounts for its stewardship of the resources at its disposal and its financial performance in the use of those resources. The Code identifies that it is the Council's responsibility to:
 - put systems of internal control in place to ensure the regularity and lawfulness of transactions;
 - maintain proper accounting records; and
 - prepare Financial Statements in accordance with relevant requirements.
11. As auditors we are required to audit the Financial Statements and to issue an auditor's report which includes an opinion on whether the Financial Statements present fairly the financial position and transactions of the Council. The auditor's report also refers to compliance with relevant legislation, directions, regulations, and applicable accounting standards.

Although we have not yet expressed an opinion on the Council's Financial Statements we have not identified any material weaknesses in internal control

We have not yet been able to express an opinion on the Council's 2007-08 Financial Statements as we are awaiting the completion of the audit of A D Waste Limited by its auditors

12. International Standard on Auditing (ISA) 260 requires auditors to report to 'those charged with governance' the findings of our accounts audit. The Appointed Auditor's report Audit of the Financial Statements – reporting to those charged with governance was presented to the Audit Committee on 24 September 2008. A summary of the findings is set out in Exhibit 2.

Exhibit 2: ISA 260 reporting to the Council

Reporting requirement	Auditor's response
Modifications to the auditor's report.	At the time of writing the auditor's report has not been issued. This is due to the delay in receiving an opinion from Deloitte on the accounts of A D Waste Limited, a material subsidiary of the Council and a review of the implications of the collapse of Icelandic Banks.
Unadjusted misstatements.	There were no unadjusted material misstatements. A number of adjustments were not processed on the grounds of materiality (both individually and in aggregate). These totalled 18 unadjusted misstatements, netting to a credit of £272,000 to the Income and Expenditure account.
Material weaknesses in the accounting and internal control systems identified during the audit.	No material weaknesses were noted in the accounting and internal control systems identified during the audit. We have made a number of control recommendations which have been agreed and considered by the Council.
Views about the qualitative aspects of the entity's accounting practices and financial reporting.	A number of significant reclassification adjustments were made again this year after reporting similar issues in previous years.
Matters specifically required by other auditing standards to be communicated to those charged with governance.	No matters arose.
Any other relevant matters relating to the audit.	No matters arose.

13. We have yet to issue our auditor's report on the Financial Statements.

An examination of the Council's significant financial systems did not identify any material weaknesses in internal control but there are areas where continued improvement is required

14. Our review of the Council's financial systems has involved documenting them and where necessary testing the operation of the internal controls. We have concluded that the Council's significant financial systems can be relied upon to produce materially correct outputs. We have however identified scope to improve controls in some areas and reported these to management.

-
15. In summary, the improvements required are:
- The basis for calculating the bad debts provision needs to be reviewed.
 - The overall bank reconciliation should be completed on a monthly basis although the individual income and expenditure reconciliations are completed regularly.
 - The carrying figure for Probation of £320,000 should be investigated further by the Council, and should be cleared from the ledger, if necessary.
 - All Account Payable control account reconciliations should be signed and dated as reviewed. The proforma reconciliation should be amended to include a 'Completed by' and 'Reviewed by' section to act as a prompt to the systems and performance team.
 - All virements with a budget line impact should be completed and retained.
 - Arrangements should be made in the event of significant staff absence to preserve the segregation of duties required for virements with a budget line impact, to ensure the proper level of review is maintained.
 - Proforma budget virement notification forms should be amended to include a budget line impact section.
 - A manager in each directorate should periodically run a manual journal report. These should be reconciled to the authorised journal request forms held on file.
 - The Council should liaise with Assembly Government and come to a resolution on the amounts set aside in order to meet the anticipated obligations from a change in the use of capital assets funded by the former Welsh Development Agency grant.
 - The Council should undertake a detailed review of its asset records to ensure all assets that belong to the Council are included on the asset register.
 - The quarterly capital monitoring working papers should be supported by a ledger screen print as information on the ledger is live and moves.
 - The Council should review its coding of payroll on implementation of the new payroll/HR system.

We have yet to certify that the audit has been completed in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit and Inspection Practice and there were no formal questions or objections to the financial statements

16. In accordance with the Accounts and Audit (Wales) Regulations 2005 the Council has advertised the rights of local electors to:
- inspect and make copies of the Annual Return;
 - question the auditor about the accounts; and
 - attend before the auditor and make objections to the accounts or any item in them.
17. These rights have not been exercised. Although we continue to receive letters on a range of issues from members of the public and other interested parties, none of these have been regarded as formal questions or objections to the financial statements.

The Council's improvement planning arrangements complied with statutory requirements but we identified areas where further work is required

The Council's Annual Performance Report has been delivered appropriately and represents a balanced picture of performance in the last year

18. Under the Local Government Act 1999 and subsequent guidance issued by the Assembly Government in Circular 28/2005, an Improvement Plan must be published by 31 October each year. We are required to audit the Improvement Plan in accordance with statutory requirements and guidance, and to report our findings, including on the completion of the joint risk assessment, our audit of the Council's Performance Indicators (PIs) and on its performance measurement arrangements.
19. The Council's statutory obligation is discharged by the preparation of an annual performance report, of which a summary this year will appear in 'Your Community, Your Council.' The report was approved by the Council on 28 October 2008, and from a review of the draft complied fully with the guidance in Circular 28/2005.

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20. Other matters include:
- the detailed Plan and the Summary are concise, well written documents which report a balance of good performance and areas for improvement; and
 - the 'Stage 1' Improvement Plan compiled in October 2008 complies with the guidance in Circular 28/2005.
21. Detailed responsibilities, the scope of our work and the audit certificate are set out in Appendix 3.

Our audit of the National Strategic Indicators highlights that the Council has satisfactory arrangements in place for the collection and validation of performance information in most areas

22. The Annual Performance Report 2007-08 reports performance during 2007-08 against the relevant PIs. It shows 45 per cent of the PIs as having met or exceeded their target. In terms of comparative performance against the PIs for 2006-07, 47 per cent demonstrate some measure of improvement. Overall, the report comments that the Council ranks as the fourth highest performing authority in Wales.
23. The Welsh Local Government Association (WLGA) October performance briefing notes that nationally more than 70 per cent of indicators showed improvement in 2007-08, continuing the overall trend. It drew attention to a number of excellent social services joint reviews, and Estyn inspections, and commented amongst other areas on lower levels of bed-blocking, increased waste recycling and higher levels of secondary school attendance. However it notes continuing difficulties around homelessness, staff sickness levels and the speed of processing disabled facilities grants.
24. The Council continues to out-perform other Welsh authorities in a majority of areas. The Council scores highly in many areas of social care, education and public protection. The areas of concern are well understood; they continue to include the speed of housing repair, and the processing of disabled facilities grants. It is pleasing to see that even in these areas there are positive plans in place to address the shortfall.
25. In August 2008 the Council introduced three categories of target. As set out in a report to Executive they are:
- improvement targets, where current performance is judged unsatisfactory;
 - incremental targets, where marginal improvement is sought; and
 - maintenance targets, where performance is currently good and needs to continue.

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26. We welcome this development which will help drive organisational performance through the concentration of effort.
 27. Turning to the mechanics of collection of data, there remain some gaps in the arrangements for the collection and validation of performance information in some service areas – notably for homelessness and carbon dioxide emissions, which we have drawn to the attention of officers.
 28. We did note reservations in five areas of data collection, largely the result of an inadequate audit trail. We also made changes to the Council's initial performance indicator figures in another five cases, although the changes were relatively minor.

The Council's performance management reporting arrangements have very recently been overhauled and appear much improved but need to be tested against the emerging Council Plan and Community Strategy

29. The Council's Executive noted in October that there is a variety of reporting arrangements in place and much detailed information, but that there remains a need to distil the key messages from this raw data. Executive then set out a detailed report that set and categorised targets, with the aim of informing the work programmes of Overview and Scrutiny committees.
30. We see this development as sound and helpful, especially as it clarifies those service areas which require particular attention. We note the next stage is to develop further a set of political priorities to help direct resources; the two should form complementary strands of the Council's strategy. In due course these assumptions will underpin a Council Plan that articulates members' aspirations and indeed those set out in the Community Strategy. Ultimately it would also be helpful for there to be a clearer relationship with the strategic risk assessment, so that the organisational and strategic priorities can be seen together.
31. We have been concerned about the extent of the information that is available. We note however that the Council is aiming to reduce information through concentrated reporting using the new categorisation of targets and through exception reporting.

Whole of Government Returns were completed appropriately

32. In accordance with the Government and Resources and Accounts Act 2000 and relevant guidance issued by the Assembly Government, a Consolidated Pack (C-Pack) is prepared annually by the Council to assist HM Treasury with its production of the Whole of Government Accounts (WGA).
33. On behalf of the National Audit Office (NAO) as auditor of the WGA, the Wales Audit Office is required to audit the C-Pack in accordance with statutory requirements and NAO audit instructions.
34. From our audit, which has yet to be completed, of the Council's return this year we found:

- arrangements are in place to ensure satisfactory production of the WGA C-Pack;
 - the C-Pack was consistent with the audited statutory accounts;
 - material transaction streams and balances with other WGA bodies were identified completely and correctly; and
 - transaction streams and balances with the Assembly Government in excess of £5 million were formally agreed as required.
35. We recommend that the Council ensure its final return is updated as soon as possible to reflect the final audited statutory accounts.

The Council had satisfactory arrangements in 2007-08 to help it achieve economy, efficiency and effectiveness in its use of resources

36. The Public Audit (Wales) Act 2004 requires auditors to satisfy themselves that the audited body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. This requirement is reflected in the Code.
37. Our conclusion has been reached as part of our annual audit of the accounts. We examined evidence of the existence of the Council's corporate performance management and financial management arrangements. In this work we do not comment on or provide assurance on the effectiveness of those arrangements during the year.
38. Separate Value-for-money work does consider where arrangements or their operation could be improved. The results of such work carried out during 2007-08 are set out later in this Annual Letter. This work informs our conclusion on the existence of arrangements but is not essential to it.
39. The auditor's report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources during 2007-08 is set out in Appendix 1. The criteria used to assess this are set out in Appendix 2.
40. We have concluded that in 2007-08 the Council had satisfactory arrangements in place to support the achievement of its responsibility to secure economy, efficiency and effectiveness in its use of resources. The detailed results of our assessment are summarised in Exhibit 3.

Exhibit 3: Assessment of proper arrangements

Aspect	Arrangement	Yes or no
Strategic and operational objectives	Has the Council put in place arrangements for establishing, reviewing and implementing its strategic and operational objectives?	Yes
Meeting the needs of users and taxpayers	Has the Council put in place arrangements to ensure that services meet the needs of users and taxpayers, and for engaging with the wider community?	Yes

Aspect	Arrangement	Yes or no
Internal controls	Has the Council put in place arrangements to ensure compliance with established policies, procedures, laws and regulations?	Yes
Risk management	Has the Council put in place arrangements for identifying, evaluating and managing operational and financial risks and opportunities, including those arising from involvement in partnerships and other forms of joint working or contracting?	Yes
Resource Management	Has the Council put in place arrangements for managing its financial and other resources, including arrangements to safeguard its financial standing?	Yes
Reviewing Performance	Does the Council have arrangements in place to monitor and review performance, including arrangements to ensure data quality?	Yes
Standards of Conduct	Has the Council ensured that its affairs are managed in accordance with proper standards of conduct and to prevent and detect fraud and corruption?	Yes
Overall Conclusion	Has the Council put in place proper arrangements to secure 'economy, efficiency and effectiveness' in its use of resources?	Yes

41. Whilst we found no issues leading us to qualify the Value for Money opinion, areas were identified where improvements could be made:
- The Council has conducted an extensive review of its own organisational needs with good involvement from members and chief officers. Organisational priorities for change and improvement have been set however priorities from the new administration have not yet been clarified.
 - The intention is for individual services to have primary responsibility for enhancing their own effectiveness. A key element will be the critical review that is provided through the broadly based assessment of Scrutiny Committees.
 - The Council wide restructuring has been undertaken to ensure that there is appropriate focus on strategic risks and developments. There will be greater capacity for individuals to operate strategically and we would expect to see improvements as a result of this.
 - The plan for the introduction of the medium term financial strategy is sound in principle.
 - The performance system needs further integration into the service plans and the day to day activity of service directorates.

There are opportunities for the Council to secure the best use of resources and further improvement in its delivery of services

The Council has a good record of achieving its revenue budget and has appropriate arrangements in place to manage and use its financial reserves. However, it faces increasing financial pressures in several areas

42. We are responsible for assessing whether the Council has put in place adequate arrangements to monitor, control and report on its financial standing. Our audit was based on a review of:
- setting the revenue budget and capital programme;
 - financial monitoring and reporting;
 - meeting financial targets; and
 - financial reserves.
43. We have examined budget reports and procedures and we are satisfied that:
- suitable arrangements are in place;
 - the Council's revenue and capital budgets cover all relevant areas of income and expenditure and are based on realistic assumptions;
 - the Council has in place sound arrangements for financial monitoring and reporting which should ensure that any potential material misstatements and variances will be identified; and
 - the Council has achieved its efficiency targets for the year
44. The Council has a good track record of operating within its revenue budget and this continued in 2007-08 with a small underspend. The most recent budget monitoring reports indicate that the Council is again on target to achieve its budget in 2008-09. There are, however, a number of financial pressures that will need to be considered and managed over the next few years. These are described at Exhibit 4.

Exhibit 4: Financial pressures

Financial pressures	Implications
Job evaluation and Single Status	The job evaluation process is nearing completion and the Council is well advanced in estimating the future impact on budgets. We have been pleased to provide a limited level of support. A number of equal pay claims have been received. The Council has formed a specialist team to consider its response and is currently considering its options.
Wales Housing Quality Standard	The Council is re-examining its options for meeting the Quality Standard and is discussing those options with the Assembly Government. The Council's current estimate is that it will need some £455 million over 30 years to achieve the Standard and to maintain the stock at that level.

Financial pressures	Implications
Local Government Settlement	The local government settlement for 2009-10 has resulted in a 2.7 per cent increase in Assembly Government funding compared with a Wales average of 2.9 per cent. The settlement represents a significant challenge to the Council in respect of setting a balanced budget. In addition to the pressure from the local government settlement, the economic downturn will also represent a challenge to the Council, particularly in areas such as capital receipts and general price inflation.

45. Members and officers continue to review reserves annually to ensure that the reasons they were established remain valid and that the amount reserved is based on realistic assumptions of need. Exhibit 5 identifies that, as at 31 March 2008, the Council had some £34.895 million in cash-backed capital and revenue reserves (including school reserves) which is a £10.2 million increase compared to last year. It is very pleasing to see that in a single year the Council has achieved the level of increase in such reserves that it had aspired to over a three year period.

Exhibit 5: the Council's cash-backed reserves, 2006-07 and 2007-08

	2006-07 £ million	2007-08 £ million
Capital earmarked	1.305	2.695
Revenue earmarked	1.329	4.397
General:		
General balances	6.977	6.723
Earmarked balances	10.970	17.076
Other service areas	0.433	0
Total	18.380	23.799
Housing Revenue Account (HRA)	1.347	1.428
Schools	2.334	2.576
Total	24.695	34.895

Source: Flintshire County Council Draft Accounts 2007-08

46. Earmarked reserves have been set aside for known commitments such as waste disposal and winter maintenance. At £23.799 million general reserves are at a prudent level. As part of the budget setting approval process the Council must continue to ensure that these reserves are appropriate and taken into account. The Council must also continue to work with primary and secondary schools to ensure that their reserves are appropriate.

47. As described in Exhibit 6, the Actuary identified a deficit of £186.484 million on the Council's Pension Fund (using the methodology within Financial Reporting Standard (FRS) 17) compared with £148.320 million in 2006-07. The main reason for the increase in the net pension liability is primarily due to changes in the assumptions used by the actuary. As reported last year, the Council intends to increase the contributions over the remaining working life of employees as assessed by the scheme's actuary. This will impact on future revenue expenditure and will require careful planning and continued monitoring and incorporation into the Council's medium term financial plan.

Exhibit 6: The Council's Pension Fund valuation

	2006-07 £ million	2007-08 £ million
Estimated value of assets in the scheme	317.325	314.870
Estimated liabilities	465.645	501.354
Net liability	148.320	186.484

Source: Flintshire County Council Draft Accounts 2007-08

The Council has appropriate financial management arrangements in place but has deposits in a bankrupt Icelandic Bank

48. The Council's significant financial systems are effective.
49. To demonstrate financial stewardship, the Council needs to ensure effective financial management including:
- effective internal financial controls, such as robust standing orders and financial regulations, strong budgetary control and effective Internal Audit;
 - recognised standards of financial conduct;
 - appropriate arrangements to ensure that the Council only enters into transactions where there is specific legal provision for it to do so; and
 - effective arrangements to prevent and detect fraud and corruption.
50. Our review of these areas found:
- that the arrangements to maintain the systems of internal control were effective;
 - that, as in previous years, Internal Audit has met the required professional standards and we have been able to place reliance on its work;
 - that effective arrangements were in place to ensure that the Council enters into transactions only where there is specific provision for it to do so; and
 - as in previous years, the ethical framework of the Council was operating effectively as were the arrangements for preventing and detecting fraud and corruption.

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51. In October 2008 the Council was informed of difficulties over its three investments totalling £3.7 million in the Icelandic bank, Landsbanki. Those investments were consistent with the Council's treasury management policy, and total investments at 31 March 2008 amounted to £52 million. In common with a number of other public sector bodies, the Council should monitor the position in light of advice from the WLGA and HM Treasury.
52. We have therefore concluded that effective financial management arrangements are in place.

The Council made effective use of the National Fraud Initiative

53. The National Fraud Initiative (NFI) is a biennial computerised data matching exercise conducted across England and Wales. The Audit Commission is responsible for the exercise in England and the Auditor General is responsible for the exercise in Wales through his appointed auditors at local government bodies.
54. The exercise is designed to identify overpayments to suppliers and benefit claimants and to detect fraud perpetrated on public bodies. The referrals from the 2006-07 exercise were released in January 2007 to participating bodies including local councils. The matches have been investigated and resulted in the identification of £4.7 million of fraud and overpayment across Wales. In May 2008, the Auditor General published a national report on the overall findings of the 2006-07 exercise.
55. The Council reported savings of £68,050 in respect of NFI in 2006-07. However, we believe that after taking into account a projection of the savings that result from stopping further payment of erroneous claims the figure should be £218,628. The Council took appropriate action to investigate the matches and to address instances of suspected fraud and error.
56. Data extractions for the 2008-09 exercise commenced in October 2008 and authorities should receive data matches in early 2009. The Auditor General is undertaking the 2008-09 exercise in accordance with the powers set out in the Serious Crime Act 2007 to conduct data matching exercises to assist in the prevention and detection of fraud in Wales. The Auditor General has recently published a Code of Data Matching Practice to help ensure that people's information is protected and processed appropriately during data matching exercises such as NFI.

Our certification of the Council's 2007-08 grant claims and returns is nearing completion

57. The main issues we have identified in conducting the work set out by the Auditor General relate to:
- A continuing high percentage of grant claims missing Authority submission deadlines. It is an appropriate time for the Council to review how the grant claim submission arrangements should be revised to secure improved compliance with deadlines. There appears a need to clarify and strengthen the role of the grant claim coordinators based within services and make

them more accountable to those with grant coordination responsibilities within central finance.

- The variable quality of grant claims presented for certification. The number of grant claims which were either amended by us or subject to audit reservation or qualification remains too high. Officers are currently reviewing the arrangements with a view to securing minimum standards in the quality of grants produced.
 - The completeness and accuracy of the grant claims register. A number of grants, predominantly project based ones, have been presented for audit certification with minimal or no notice, such claims not featuring in the grants register. We have suggested that officers should regularly liaise with Assembly Government or The Welsh European Funding Office to determine that certification is statutorily required and what the relevant submission dates are.
58. We anticipate producing a further detailed report on our grant work for officers early in 2009.

The Relationship Manager's report on behalf of the Auditor General

The annual joint risk assessment validated the Council's strategic improvement priorities and effective action has been taken in response to many of the recommendations in previous audit and inspection reports

The Council's risk assessment and risk management arrangements have improved significantly over the last year with staff and elected members now more fully engaged in the process and its outcomes. It is, however, vital that the priorities identified by this process are fully supported by members if real and sustained improvements are to be achieved

59. The Council has completed, and agreed with its regulators, a risk assessment of its services and corporate functions. The outcomes of the risk assessment are summarised in the Strategic Assessment of Risks and Challenges (SAoRaC), which now contains a full summary of the Council's organisational priorities.
60. The improvement to the risk assessment process has resulted in much greater clarity in the identification of the Council's strategic priorities. These will need to be agreed by members, and augmented with their political priorities, as they will provide the foundation for the Council Plan due for publication in early 2009.
61. We have noted further improvements in the Council's arrangements for monitoring its strategic risks with the SAoRaC subject to regular review by the Corporate Management Team, Executive, Audit Committee and the Overview and Scrutiny Committees. The recently completed mid-year review provides a commentary on progress against planned actions and makes an assessment of

the revised level of risk. This has indicated a reduced level of risk in a number of areas. The Council will meet with its regulators to discuss and agree an updated joint risk assessment early in the New Year.

The Council has responded positively to the recommendations of previous inspection work but needs to ensure that all final reports and agreed actions are presented to Executive and scrutiny committees in accordance with the required timescales

- 62. We have followed up the implementation of recommendations arising from our work on Highway Infrastructure, Homelessness and Affordable Housing, to ensure that the Council has appropriate mechanisms in place to respond to external challenge. In addition we looked at a sample of reports from other inspection bodies to see if there is a consistent approach across the Council to considering and addressing issues that are raised in regulators' reports.
- 63. We found that the Council has a formal means to report, manage and respond to recommendations contained in regulators reports. This has resulted in clear ownership of the reports in regards to the governance and scrutiny function and means that some, but not all, the important issues that are raised in the regulators reports have been addressed by the Council.
- 64. There are, however, a number of areas for improvement to ensure that all final reports and agreed actions are presented on time. We found that although there is clear ownership of reports in regards to the governance and scrutiny function at a corporate level, more streamlining of the progress could ensure that the Council's targets for receiving reports are consistently met.
- 65. Recommendations in regulators reports effectively address the issues identified from the work. In the reports that we followed up the staff that we interviewed had evidence that the recommendations had helped to improve Council services. The recommendations are clear, concise and are focused on improving outcomes for citizens.

The first phase of the Council's organisational transformation has been completed in line with the original plan, timeframe and within budget

- 66. The Council has now completed the first phase of its organisational transformation with the establishment of three directorates and a review of its first tier officer structure. A business case for organisational change was developed and agreed by Council between December 2007 and February 2008. Director roles and responsibilities have been redefined and two new chief officers in the Lifelong Learning and Environment Directorates have been appointed. The main objective of the changes is to enable the Council to focus more clearly on the formulation and delivery of its strategic priorities.
- 67. Structures and processes are now beginning to be implemented to support this objective. These include the establishment of the newly constituted Corporate and Senior Management Teams and the introduction of a new scheme of delegation

that will enable Heads of Service to take decisions which would previously have been the preserve of Directors.

- 68. The second tier pay and grading review has also been completed which should facilitate the appointment of permanent staff to all key posts. This phase has also reviewed the roles and responsibilities of Heads of Service to enable more consistent alignment with the Director level changes. The next phase of the organisational transformation has recently been agreed with the Trade Unions.
- 69. We wholly support the Council's efforts to enhance its strategic capacity and focus and identify efficiencies from the review of its organisational and officer structure. The Council has tackled a very difficult area with energy and enthusiasm.

The Council has made a sound start in developing its medium term financial strategy

- 70. The Council has launched a wide ranging initiative to guide the development of its future financial strategy. The immediate value of this initiative is already being seen in the greater rigour with which the 2009-10 budget is being compiled. The principal elements are set out in the Table below:

Principle	Description
Corporate Approach	A corporate rather than departmental approach to the revenue budget and capital programme planning processes.
Financial and Business Planning	Financial planning linked to corporate business planning processes which take account of performance and strategic risks issues.
Efficiencies	The need to develop an environment where maximising efficiencies is an automatic on-going process to increase resources and for the effectiveness of service provision.
Procurement	The need to adopt a corporate approach to procurement linked to the drive for efficiencies.
Fees & Charges	Current levels to be reviewed and compared with market rates whilst taking account of client affordability.
Use of Reserves	The use of unallocated reserves to be limited to one-off, and not on-going, revenue expenditure.
Specific Grants	The need to consider the funding implications of specific grants transferring into the Revenue Settlement.
Prudential Borrowing	The need to explore the possibility of increasing the capital programme by the use of prudential borrowing.
Capital Receipts	The need to align capital receipt assumptions with the Asset Management Plan and Capital Strategy.

- 71. We welcome this initiative, and are in the process of assisting with the elements relating to fees and charges and prudential borrowing, as well as commenting on the overall design. We will report in due course.

Performance of the Council's contractor functions is mixed. However, there is no clear case at present for consolidating the service providers into a single unit but a programme of detailed review is required

There is no clear case for structural change

- 72. One of the main issues we addressed was the case for drawing together all of the service providers into a single unit. In principle such a move might support senior management, encourage economies of scale and introduce skills that no one service can justify, such as marketing.
- 73. Overall we do not advocate such a move at present. In many areas there is no clear split between client and contractor, nor do we believe there should be one. Centralizing the services would thus force a number of employees to make unwelcome choices. Communication between the client and contractor is often enhanced by co-location, and there are difficult location issues. The disadvantages outweigh the benefits.

The performance of the Housing Repairs service needs significant further improvement

- 74. Much work has been completed over the last eighteen months to improve the performance of this service, not least in response to the issues raised in the report in the public interest. We believe many of these initiatives are sound; in particular the phased introduction of a market tested schedule of rates should, in due course, demonstrate whether the costs of the private sector are being matched. There is much to be done before productivity levels meet the standard required, and the performance of the housing repairs service needs further significant improvement.
- 75. Given the uncertainty over the Council's Housing Strategy, we do not believe that it would be opportune to consider alternatives at this point. However, regardless of the outcome of members' deliberations it will still be necessary to show that the service is functioning effectively. We recommend that the schedule of rates be fully implemented as soon as possible, linked to appropriate quality and performance measures, and that the year to 31 March 2010 should be seen as critical. If the service can not make a satisfactory return, alternative methods of delivery should be explored.

The performance of the Highways/Street Scene service is generally sound

- 76. Some limited market testing has already taken place which reinforces the message from other available measures that performance in this service is generally sound. The re-design of this function in any case means a more fundamental review would not be timely. We recommend the development of an explicit service specification and a programme of soft market testing.

The role of the Lifelong Learning Directorate as a client agent for school services, including catering, should be clarified

- 77. A very small number of schools have begun to exercise their rights as the end user of certain Council provided services. We see this leading to a more general debate on the role that the Lifelong Learning Directorate should play as a client agent, and it emphasises the need for greater clarity over the respective responsibilities of school, contractor and local authority.
- 78. The potential advantages of change would be a greater clarity in the role of the customer, a more explicit specification of what is to be provided and, through appropriate terms in the contract, greater security for the provider.

The variety of charging bases is too wide and should be reduced and the recharging of central service costs is unduly complex and lacks transparency

- 79. The financial results of any trading activity say little about underlying efficiency unless they are supported by a basis of charging that fairly reflects the value of the work performed. At present, a wide variety of bases is employed. Also, the recharging of central costs is highly complex and lacks any real transparency.

The current location of depots is unsatisfactory although there are disadvantages with the alternatives

- 80. The limitations of the current depots have been widely explored in recent years and plans are in place for the disposal of Canton. The location of the various depots needs to reflect operational factors, as well as organisational structures, but services such as winter maintenance and education catering obviously have very different needs.
- 81. Ideally the number of depots should be minimised to afford economies of scale but, those remaining should meet the operational needs of the services that operate from them. Our review has pointed to the need to consider carefully the potential expansion of Alltami and the closure of Queensferry.

Priorities and actions have been identified to improve the effectiveness of the Community Safety Partnership but better management will enable these to be realised

- 82.** A review of the Community Safety Partnership has recently been undertaken. In order to identify a consensus of issues, priorities and actions for the Partnership, we agreed that the review would use Open Space Technology, a consultation and engagement process, facilitated by the Wales Audit Office. A two day event was held which was attended by a large cross section of representatives from the Partnership. The following key issues for the Partnership were identified:
- The establishment of a Community Safety Unit to ensure a cohesive and coordinated approach, maximising existing resources and expertise in order to make the Council a safer place to live work and visit and the identification of a plan for implementation and addressing potential barriers to success.
 - A review of the role of the Community Safety Partnership in addressing community cohesion as a means to building a safe secure environment that embraces diversity, race, faith and spans generations.
 - Support for vulnerable people to enable them to be safe and feel safe, secure and respected.
 - Identification of a process for developing community safety priorities which compared the different drivers between local and national priorities.
 - Involve children and young people in community safety solutions, a key area for future development of the Partnership.
 - A greater emphasis on youth provision with greater communication between organisations, working together and funding as integral issues.
- 83.** Some of these proposals will be challenging. The Council and its partners should identify what can realistically be further developed and incorporated into a formal action plan. It was clear that some of the issues from our previous audit on Community Safety were still apparent within the Partnership and better management could more effectively direct and co-ordinate its future activities.

Service reviews identified notable strengths and progress, however there are areas where further improvement is required

The Council continues to make good progress on planning for the future waste management requirements

84. Waste management is a significant corporate risk for the Council. The Council's Waste Strategy seeks to meet the performance targets in the European Community Landfill Directive (the Directive), for the diversion of municipal waste away from disposal at landfill sites. The Council will incur considerable penalties if it fails to meet these targets which escalate towards 2020. The National Waste Strategy 'Wise About Waste' contains milestone targets for recycling and composting that aim to guide councils to meet the requirements of the Directive.
85. The Council has developed a strategic approach to waste management with the other councils of North Wales. The Council is the lead authority for the North Wales Waste Partnership which also comprises the Councils of the Isle of Anglesey, Gwynedd, Conwy and Denbighshire. The partnership has been set up to provide a regional approach to the treatment and disposal of residual waste in North Wales and thus assist in meeting waste minimisation, recycling and landfill reduction targets.
86. At an operational level the recent decision to bring in house the services currently provided by A D Waste Ltd will require careful management.

Members must agree the Housing Strategy by January 2009 to avoid the possibility of financial penalties and damage to the Council's reputation

87. Members are aware of the need to identify a Housing Strategy and Business Plan to achieve the requirements of the Wales Housing Quality Standard (WHQS). In last year's letter we made the following comments in relation to the Housing Strategy:
- Implementation is likely to consume a significant proportion of senior officers' time in the forthcoming year, particularly given the various changes in structure that are likely to emerge. Capacity for further developments will be limited.
 - There are significant implications for the level of financial support that will be available for other areas of need, particularly capital, which members will wish to take into account.

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88. The Assembly Government expects all social landlords in Wales to devise realistic programmes for bringing their properties up to the WHQS by the end of 2012. During 2008, the Council established a Local Strategic Housing Review Board to develop a strategy by, at the latest, January 2009, to achieve this goal. During a recent visit to the Council the Minister emphasised the importance of adhering to the timetable. The Council is fully aware of possible sanctions by the Assembly Government if an acceptable Business Plan is not submitted in accordance with the agreed timetable. The principal sanction is the suspension and/or reclamation of the Major Repairs Allowance.
89. This is a highly complex issue which generates strong views but we emphasise:
- the risk to the Council of not reaching a decision by the January 2009 meeting;
 - the extent of the work required to compile business plans especially if a partial transfer is contemplated as that would require the cost implications for both the retained and the transferred stock to be assessed; and
 - the limited level of officer support available.

Progress continues to be made with changes to the structure, management and working practices within the Planning and Development Control Section although some of the intended enhancements have yet to be fully realised

90. Members will recall the substantial report that we presented in the summer of 2006, and the resulting consideration by Overview and Scrutiny Committee. We have recently performed some follow up work to assess the response to the areas of concern that had arisen. The main points are set out below:

Departmental issues

91. We made a number of recommendations regarding the structure, management and ways of working of the current workforce within the Planning and Development Control Section. From discussions with officers, progress has been made against most of these recommendations, to the point that the backlog of applications is falling. A small number of issues remain, such as vacancies and members of staff 'acting up' to fill a position in a role above their own.

Members

92. We expressed some concern over what we perceived as a high level of substitute members. Following review by the Constitution Working Group, a protocol has now been established allowing substitutes only in the case of illness and annual leave and when agreed in advance with the Chair of the Planning Committee. Three members per party are trained as Planning Committee substitutes. While this is a welcome development, we note that at the latest Planning Committee meeting three substitutes were used, and we consider this to be an area that warrants further review in due course.

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93. We had a number of concerns regarding the robustness and compliance with the decision process. A new protocol has been put in place to refer decisions where members wish to depart from policy either to Executive Committee, Council, or the next meeting of the Planning Committee. This process has been activated on two occasions, but it remains unclear whether it is proving effective.
94. Finally, our review identified a number of occasions when the provisions of the scheme of delegation were not followed. We subsequently recommended that a local target should be established to monitor the number of times on which the provisions of the scheme of delegation are not followed, with the medium term aim of limiting its use. Whilst the Committee disagreed on this point we noted there was a complaint following the September planning meeting at which 30 applications were considered. This was both time consuming in terms of paperwork for the members to read as well as the actual time taken in Committee. A number of members left the Committee before the end resulting in a number of decisions being made without full Committee approval.

The new HR/Payroll System should, when fully operational, provide enhanced management information on a range of HR issues

95. During the year we have maintained a watching brief over the development of the new HR/Payroll System. In principle this is an initiative we very much welcome as it should improve management information on a variety of HR issues.
96. The new system went live in November 2008, following a period of parallel running. We understand that a quarterly report on employee numbers and costs will be produced that should remedy the deficiencies that have been identified previously both in determining the number of employees of the Council, and in budgeting for their cost. Furthermore the process of confirming the base budget for employee cost should provide an opportunity to re-visit the numbers and basis of employment of those concerned, which is also welcome.
97. We should like to commend the contract that has been introduced in recent months, MASS, which is designed to improve the value for money obtained when agency staff are recruited. Some 326 individuals are engaged through various agencies, at an annual cost of £6.6 million. It has been found that there is widespread variation in the mark-up charged by the 32 agencies involved. To rationalise this, a further agency has been engaged in conjunction with two other councils, its role being to drive down the costs associated with agency staff. At the same time a series of challenges has been introduced to encourage managers to think more broadly before going down this route. In particular a maximum period of six months has been enforced in the contract. Total savings of between three and eight percent are envisaged. We think this is an excellent example of how savings and efficiencies can be generated, and would like to suggest it be put forward in the Wales Audit Office Good Practice Exchange so other councils can benefit.

The Council now has a good strategic planning framework for tackling school organisation and education capital issues, but further work is still required to bring together all of the information and to develop and implement the required strategies

- 98. Progress in tackling the issues identified in the October 2007 report is now better planned strategically and co-ordinated operationally, and since summer 2008 there has been a greater drive to tackle the issues.
- 99. A good strategic planning framework has been developed and was approved by the Executive in August 2008. It identifies the actions required and contains a clear timetable for bringing together all of the information needed and for developing a capital strategy by spring 2009. Consultation is then planned on specific proposals to take place during summer 2009. The Council has provided increased staff resources to tackle the workload involved in delivering this strategy. Expenditure on repairs and maintenance in schools has also been increased from £800,000 to £4 million per year for the next four years, and a prioritised capital programme has been published for all schools in 2008-09. This will be repeated in 2009-10. Work is on-track to complete two new special schools by April 2009.
- 100. The Council still faces key decisions in terms of its future schools provision which includes those in relation to sixth form provision to meet the 14-19 transformation agenda. The Council has also to fully identify the capital resources required to make all schools 'fit for purpose'. As a result, it is important that momentum is maintained and the necessary decisions are taken based on clear evidence. The Council rightly identifies that school asset management remains a key strategic risk pending completion of the work.

An Estyn Inspection of the quality of adult community-based learning concluded that learners attain well and, overall, the quality of teaching, training and assessment in the Council is good

- 101. Most learners make good progress, are well motivated and attend class regularly. Many learners use their skills to extend their learning or to improve their daily lives.
- 102. Almost all tutors respond effectively to learners' needs. Many tutors plan their sessions well and use a good variety of teaching methods. However, a few tutors do not plan all their sessions effectively and miss opportunities for learners to assess their own learning and to identify their own progress.

-
103. All providers in the Flintshire Community Learning Network work well together. The network draws its membership from a range of providers and key strategic organisations. It has a good structure for the strategic and operational management of the provision. It works well to prepare, agree and deliver strategic and operational plans for adult community-based learning. However, the network does not monitor progress well enough or maximise the use of all its facilities and resources. The Council's departmental managers work well within the network to organise courses and learning activities.
104. The network's jointly produced Self-Assessment report (SAR) is honest, self-critical and strongly evidence-based. However, one provider is not fully involved in the process. All providers have a very good quality assurance system in place. The quality development plan is a very good, useful document. However, this is not used well enough by the network across all provision.

The Council has engaged positively with the Wales Audit Office's initiatives to promote improvement

The Council is committed to using the Good Practice Exchange through shared learning

105. In 2007, the Wales Audit Office embarked on a long-term programme of promoting improvement across public services through the capture, evaluation and dissemination of good practice. Web-based facilities to support improvements in sickness absence management, fleet management, occupational health and grants management have been launched and the ability to access Wales Audit Office case studies and facilities to share learning across public services have been developed.

The Council is committed to delivering the Making the Connections agenda and overall its approach to fleet management is making best use of resources to support improvements in service delivery

106. The Wales Audit Office is committed to an ongoing programme of work focusing on the Making the Connections (MtC) agenda across the public sector in Wales. In 2007 we completed a baseline assessment of progress made in implementing that agenda, following which we concluded that a phased review of asset management would provide a framework for future work.
107. The first phase of that work – on fleet management – was designed to identify whether public sector organisations' arrangements made the best use of resources to support improvement in service delivery. The Welsh public sector collectively uses approximately 16,000 vehicles which cost some £200 million per annum to run. We estimate that these vehicles drive some 250 million miles per annum which generates some 110,000 tonnes of carbon dioxide (CO₂). Effective fleet management can improve service delivery, reduce operating costs and minimise the environmental impact of the fleet.

-
108. The Council's fleet of 404 vehicles costs £2.7 million to run each year. We estimate that these vehicles travel 3.5 million miles each year and produce 2,800 tonnes of CO₂.
109. The Council does not have a clear corporate strategy for fleet management. We believe that it would be useful to develop such a strategy, which should have clear links to other areas of asset management planning such as buildings and ICT equipment.
110. The Council has effective procurement arrangements for its fleet. Procurement decisions are based on robust cost calculations for vehicle selection and financing. Factors like residual and maintenance costs are explicitly recognised and in future emission factors will be included. Central contracts are used extensively. The Council is a voluntary member of Value Wales, and the Head of Fleet Services regularly meets with his Welsh colleagues to specifically discuss joint purchasing opportunities and share good practice and knowledge.
111. Effective arrangements are in place to ensure the efficient use of the Council's fleet. Vehicle maintenance, which is primarily provided in-house, appears under control and up to date. The Council uses the DfT produced 'Guide to Maintaining Roadworthiness' to determine maintenance schedules. An external auditing agency has been commissioned to randomly externally audit 120 vehicles annually to monitor compliance. The results of these audits feature as one of the performance indicators for fleet management.
112. Administrative systems to support fleet management appear soundly based. Fleet administration is included in the Council's ISO 9001 accreditation which is externally audited twice a year.
113. More needs to be done in relation to driver training. The Council is currently reviewing its driver licensing checking system but does not have sufficient resources to undertake the number of checks best practice would dictate:
- the drivers handbook needs to be updated; and
 - a policy relating to drivers of fleet vehicles needs to be produced, clarifying drivers' responsibilities.
114. Our review also highlighted a number of issues in relation to vehicle disposal. While the policy on disposal, integral within replacement policy, is clear, a focus meeting in which the views of vehicle users were canvassed, revealed a number of concerns. These are linked to what the users believe are inconsistent and unreasonably high penalty costs incurred by them under the lease when the vehicles are returned to the lease companies who handle most disposals having funded the original vehicle purchase.
115. We have made a series of recommendations about these issues that the Council should take into account which can improve service delivery, reduce operating costs and minimise the environmental impact of the fleet.

Appendix 1

Auditor's report on the arrangements for securing economy, efficiency and effectiveness in its use of resources in 2007-08

Conclusion on the Council's arrangements for the year ended 31 March 2008 for securing economy, efficiency and effectiveness in its use of resources	
The Council's responsibilities	
<p>The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, and to ensure proper stewardship and governance. The Council is also responsible for regularly reviewing the adequacy and effectiveness of these arrangements.</p>	
Auditor's responsibilities	
<p>We have a responsibility under Section 17(2)(d) of the Public Audit Wales Act 2004, to conclude from our audit of the Council's annual accounts and other relevant information whether we are satisfied that it has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. For the purposes of our work in this area, we have assessed 'proper arrangements' as principally comprising an organisation's corporate performance management and financial management arrangements, significant elements of which are defined in paragraph 48 of the Auditor General's Code.</p> <p>We report if significant matters have come to our attention which prevent us from concluding that the Council has made such proper arrangements. In carrying out our work, we have not considered whether the arrangements in place represent all those that could be in place. We are also not required to consider, nor have we considered as part of this aspect of our work, the effectiveness of the arrangements in place in securing Value for Money during the year under review.</p>	
Conclusion	
<p>The following conclusion has been based on, and limited to, work carried out as part of our audit of the 2007-08 accounts, together with any other information that we have considered to be relevant to our examination, to establish, in all significant respects, what arrangements the Council had in place during the year to support the achievement of its responsibility to secure economy, efficiency and effectiveness in its use of resources.</p> <p>Based on the Council's Annual Governance Statement and as a result of the work carried out, as described above, as part of our audit of the 2007-08 accounts, and all other information that we have considered to be relevant, we are satisfied overall as to the existence of the arrangements that the Council had in place during the year to support the achievement of its responsibility for securing economy, efficiency and effectiveness in its use of resources. We have also raised various issues with the Council, and made recommendations to improve its arrangements. These matters are further discussed and explained in the Annual Letter.</p>	
<p>PricewaterhouseCoopers LLP Cardiff Appointed Auditor November 2008</p>	<p>Wales Audit Office 24 Cathedral Road Cardiff CF11 9LJ</p>

Appendix 2

Criteria for assessing the Council's arrangements during 2007-08 for securing economy, efficiency and effectiveness in its use of resources

Corporate performance management and financial management arrangements	Questions on arrangements
Establishing objectives, determining policy and making decisions	Has the Council put in place arrangements for setting, reviewing and implementing its strategic and operational objectives?
Meeting needs of users and taxpayers	Has the Council put in place channels of communication with users and taxpayers, and other stakeholders including partners, and are there monitoring arrangements to ensure that key messages about services are taken into account?
Compliance with established policies	Has the Council put in place arrangements to maintain a sound system of internal control, including those for ensuring compliance with laws and regulations, and internal policies and procedures?
Managing operational and financial risks	Has the Council put in place arrangements to manage its significant business risks?
Managing financial and other resources	Has the Council put in place arrangements to evaluate and improve the Value for Money it achieves in its use of resources?
	Has the Council put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities?
	Has the Council put in place arrangements to ensure that its spending matches its available resources?
	Has the Council put in place arrangements for managing and monitoring performance against budgets, taking corrective action where appropriate, and reporting the results to senior management and the Council?
	Has the Council put in place arrangements for the management of its asset base?
Monitoring and reviewing performance	Has the Council put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to the Council?
	Has the Council put in place arrangements to monitor the quality of its published performance information, and to report the results to Council members?
Proper standards of conduct etc	Has the Council put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business?

Appendix 3

Audit of the 2008-09 Improvement Plan

Certificate

We certify that we have audited the Council's Improvement Plan in accordance with Section 7 of the 1999 Act and the Auditor General's Code. We also had regard to supplementary guidance issued by the Assembly Government such as Circular 28/2005.

Respective responsibilities of the Council and the auditors

Under the 1999 Act the Council is required to prepare and publish a Best Value Performance Plan summarising:

- its assessments of performance; and
- its position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

This was supplemented by further guidance on how the WPI will be implemented under Sections 3, 5 and 6 of the 1999 Act as set out in the National Assembly' Circular 18/2002. Under this guidance, the statutory Best Value Performance Plan has been replaced by a statutory Improvement Plan.

Assembly Government circular 28/2005 superseded Circular 18/2002 and requires the Plan to be published no later than 31 October of the financial year to which it relates.

The Council is responsible for preparing the Plan and for the information and assessments set out within it. The Council's future work programme set out in the Plan should connect to the outcomes of the updated risk assessment.

The Council is also responsible for establishing appropriate performance management and internal control systems from which the information and assessments in its Plan are derived, and for ensuring that it provides sufficient capabilities and capacity needed to manage change and improvement. The form and content of the Plan are prescribed in Section 6 of the 1999 Act and the statutory guidance issued by the Assembly Government.

As the Council's appointed auditors, we are required under Section 7 of the 1999 Act to carry out an audit of the Plan, to certify that we have done so, and to report whether we believe that the Plan has been prepared and published in accordance with statutory requirements set out in Section 6 of the 1999 Act and statutory guidance and, where appropriate, recommending how the Plan should be amended so as to accord with statutory requirements; and to recommend:

- Where appropriate, procedures to be followed in relation to the Plan.
- Whether the Auditor General should carry out an inspection of the Council under Section 10A of the 1999 Act.

- Whether the Assembly Government should give a direction under Section 15 of the 1999 Act – eg, directing the Council to amend its Plan, carry out a review of a specific function or hold a local inquiry. Details of all possible directions can be found in the 1999 Act.

Scope of the Improvement Plan audit

We planned and performed our work to obtain all the information and explanations that we considered necessary in order to report and make recommendations in accordance with Section 7 of the 1999 Act.

For the purposes of our report, we have interpreted compliance with the statutory guidance issued by the Assembly Government in the document, *Wales Programme for Improvement: Guidance for Local Authorities*, as being sufficient to meet the statutory requirements under Section 6 of the 1999 Act.

We are not required to form a view on the completeness or accuracy of the information, or realism and achievement, of the Plan published by the Council. Our work therefore comprised a review and assessment of the Plan and, where appropriate, an examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the Plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the Plan complied with the requirements of the legislation and statutory guidance. For the purpose of determining whether or not to make recommendations on procedures to be followed in relation to the Plan, our work included:

- a review and assessment and, where appropriate, examination on a test basis of evidence relevant to the adequacy of the systems set in place by the Council for collecting and recording specified performance information; and
- the testing of specific NSPIs selected on the basis of criteria set out by the Wales Audit Office.

The work we have carried out in order to report and make recommendations in accordance with Section 7 of the 1999 Act cannot be relied upon to identify all weaknesses or opportunities for improvement.

We planned our work so as to collect sufficient evidence to satisfy ourselves that the Plan includes those matters prescribed in legislation and statutory guidance, and the arrangements for publishing the Plan, complied with the requirements of legislation and statutory guidance.

PricewaterhouseCoopers LLP
Cardiff

Appendix 4

Audit and inspection fees

Your 2007-08 audit and inspection fees were based on the risks identified and an assessment of the work needed to address those risks. They are currently expected to be in line with those set out in your Regulatory Plan as summarised below.

Audit and Inspection fees 2007-08 (excluding VAT)

	2007-08 planned (£)	2007-08 expected actual (£)
Accounts	195,900	195,900
Performance audit	139,100	139,100
Performance inspection	92,565	92,565
Total	427,565	427,565

In addition to the fee above, we are required to certify your government grant claims and returns for which we must charge the actual time taken to undertake the work at skill related fee rates. This work is not complete: at this stage we anticipate this work will cost approximately £140,000 plus VAT.



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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 8

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **GREEN DRAGON:ENVIRONMENTAL MANAGEMENT**
 SYSTEM

1.00 PURPOSE OF REPORT

- 1.01 To inform Executive that Flintshire County Council has been successful in gaining Green Dragon Level 3 accreditation.
- 1.02 To seek approval to continue with the system by maintaining Level 3 in 2009, and to aspire to gain Levels 4 and 5 by 2012.

2.00 BACKGROUND

- 2.01 The Green Dragon Standard is a stepped standard recognising effective environmental management. The Standard offers an environmental management system and rewards actions taken to achieve environmental improvements
- 2.02 There are five levels of the standard, with each step contributing towards achievement of the International and European environmental standards ISO 14001 and EMAS. During the appraisal and audit process for the Green Dragon Standard there is an evaluation of costs as well as environmental performance. This means that at each stage the Council will have an outline environmental management system that can be applied to the budget.
- 2.03 The accreditation of Green Dragon Environmental Management System to Level 2 was a Policy Agreement target for Flintshire, which was awarded in 2007. It was highlighted at the time as being a positive step forward in the Wales Audit Office National Improvement Study: Sustainable Development.
- 2.04 It is recognised that the biggest step of achievement in the Green Dragon Standard is the move upwards from Level 2 to Level 3.
- 2.05 The audit for accreditation to Level 3 was undertaken in October 2008. The findings of the audit are detailed below.

3.00 CONSIDERATIONS

- 3.01 The audit included a number of site visits to:

Date: 24/12/2008

- scrutinise the system to ensure compliance with Flintshire County Councils Environment Policy;
- Conduct an overview of efficiencies: and
- Scrutinise the additional requirement for Level 3 which is the measuring and reporting of carbon emissions.

3.02 The final report is still to be received, however we have been advised that Level 3 has been achieved. We are the first Council in North Wales to gain Level 3.

3.03 The auditors fed back the management system was robust, and commended the Council on its corporate approach. Other Councils have applied for accreditation on a service specific basis. In the auditors opinion such applications are less likely to result in corporate change and high efficiency.

3.04 The Council needs to consider the business case for continuing with the Green Dragon Standard and progress through to Level 5.

The benefits of such an approach are:

- Provides a structured approach, clear targets and a strategic overview;
- There is an experienced skilled officer group, who aid, advise and distribute information quickly;
- The corporate approach supports good practice which is shared from site to site, and service to service;
- Accreditation of the standard is held in regard in the business and other public sectors;
- Identifies and focusses on ways of gaining efficiency savings; and
- The underlining principles of Green Dragon can be used for determining suitability of site and/or location of a service.

The costs of this approach will be in relation to an investment /reallocation of time to spread existing good practise, and maintaining the system.

3.05 The benefits of the business case strongly support the continuance of the Green Dragon Scheme and it is proposed that the Council maintains Level 3 over the forthcoming year and continues improving procedures, management support and guidance to gain levels 4 and 5 respectively by 2012.

4.00 RECOMMENDATIONS

4.01 That Executive acknowledges the accreditation for Green Dragon Environmental Management Level 3.

4.02 That Executive supports the principle for the continuance of Green Dragon by maintaining Level 3 over the forthcoming year, and for its continuance to gain levels 4 and 5 by 2012.

5.00 FINANCIAL IMPLICATIONS

5.01 The financial implications of continuing with Green Dragon is the external auditing cost of approximately £3,000, these are covered within the existing Policy, Performance & Partnerships Unit budget.

There are no other direct financial implications known at this time.

6.00 ANTI POVERTY IMPACT

6.01 There are no known anti-poverty impacts of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 Green Dragon Environmental Management Standard is a mechanism which ensures good environmental practice at a service level, and its fundamental aim is to prevent pollution and identify efficiencies.

8.00 EQUALITIES IMPACT

8.01 There are no known equalities impacts of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no known personnel impacts of this report.

10.00 CONSULTATION REQUIRED

10.01 There is no known consultation required.

11.00 CONSULTATION UNDERTAKEN

11.01 The officer working group who supports Green Dragon are fully aware of the implications and consequences of this report.

12.00 APPENDICES

12.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 **BACKGROUND DOCUMENTS**

WAG Green Dragon Standard

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 9

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **COUNTY FINANCE OFFICER**
SUBJECT : **REVENUE BUDGET MONITORING 2008/09 (MONTH 7)**

1.00 EXECUTIVE SUMMARY

- 1.01 The report updates members on the Council's financial position for 2008/09 in respect of the the General Fund and the Housing Revenue Account.
- 1.02 Members are requested to note the projected net overspend of £0.320m (£0.717m at month 6) on the General Fund and the projected overspend of £0.510m (£0.436m at month 6) on the Housing Revenue Account.
- 1.03 Although more than half way through the year there are still many risks associated with the projection, and these are identified in the report (para 2.14).
- 1.04 Members are requested to note that unallocated Non Standard Inflation of £1.000m and Central Contingencies of £0.050m are assumed to be spent and future allocations will be monitored through subsequent monitoring reports (section 3).
- 1.05 On the basis that all non ringfenced underspends will be returned to the reserve, and that the net ringfenced overspend will be met from the reserve, the Contingency Sum available at 31st March 2009 (above the base level of £5.112m) will be £2.900m (para 4.01). However this would reduce to £1.676m if the current projected directorate non-ringfenced overspends are not managed within the cash limited budget (4.03).
- 1.06 Direct effects of the current unstable economic climate are estimated to be in the region of £1m, with probably more indirect effects reflected within a range of service budgets (2.14).
- 1.07 Taking into account the projected overspend of £0.510m on the Housing Revenue Account the level of balances at 31st March 2009 will be £0.740m (para 5.06).

2.00 PURPOSE OF REPORT

- 2.01 To provide members with the most up to date revenue budget monitoring information (Month 7) for the General Fund and the Housing Revenue Account.

Date: 24/12/2008

GENERAL FUND

2.02 The table below shows an in-year overspend of £0.320m, which is a decrease of £0.397m on the figure reported at month 6.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	In-Year Over / (Under) spend		Non Ring-fenced		Ring-fenced	
			Month 6	Month 7	Month 6	Month 7	Month 6	Month 7
	£m	£m	£m	£m	£m	£m	£m	£m
Direct Services								
Community Services (Exc Housing)	48.176	48.468	0.422	0.447	(0.238)	(0.397)	0.660	0.844
Community & Housing	15.431	15.776	0.043	(0.092)	0.097	(0.014)	(0.054)	(0.078)
Lifelong Learning	104.216	104.144	0.981	1.000	0.542	0.546	0.439	0.454
Environment	17.089	17.363	0.591	0.551	0.591	0.551	-	-
Support Services								
Chief Executive	0.772	0.785	(0.003)	-	(0.003)	-	-	-
Corporate Strategy	8.336	8.590	0.082	0.113	0.082	0.113	-	-
Financial, Legal & Democratic Services	7.205	7.205	0.048	0.014	0.048	0.014	-	-
Clwyd Theatr Cymru Contribution	1.001	1.001	-	-	-	-	-	-
Total Services	202.226	203.332	2.164	2.033	1.119	0.813	1.045	1.220
Central and Corporate Finance	25.915	24.809	(1.447)	(1.713)	(1.447)	(1.713)	-	-
Total	228.141	228.141	0.717	0.320	(0.328)	(0.900)	1.045	1.220

2.03 The Original Budget column reflects the budget approved by Council on the 4th March 2008. The Revised Budget column reflects in-year virements which have been approved in compliance with Finance Procedure Rules. Appendix 1 gives further analysis of the above net figures showing separately the total expenditure and total income for each Service. Appendices 2-10 detail directorate variances compared to the revised budget in budget book format.

2.04 The Organisational Restructure is being implemented in a phased process which means that the disaggregation of budgets has not yet been undertaken. Due to this, the figures mainly reflect the previous structure, with the exception of Children's Services which is now included within Community Services. The monitoring report will be changed to reflect changes as and when they occur.

2.05 The net projection can be grouped into underspends and overspends over ringfenced and non-ringfenced budgets as follows:-

	Mth 6 £m	Mth 7 £m	Variance £m
Non Ringfenced			
(Underspends)	(1.688)	(2.124)	(0.436)
Overspends	1.360	1.224	(0.136)
	(0.328)	(0.900)	(0.572)
Ringfenced			
Overspends/(Underspends)	1.045	1.220	0.175
General Fund Revenue Account in-year (under)/ overspend	0.717	0.320	(0.397)

Significant New Variances

Community Services - Professional Support (Mental Health) – Overspend of £0.040m (£0.118m at Month 6)

- 2.06 The increase in the underspend within the service relates to the cost of the Emergency Duty Team which has previously been reported within Mental Health Services, but is now reflected across individual services. The projected cost of the service for the year has also reduced by £0.028m due to later than anticipated appointment of employees.

Community Services - Out of County Pooled Budget - Overspend of £0.881m (£0.697m at Month 6)

- 2.07 The projected overspend on Children's Out of County Placements has increased by £0.184m from Month 7 to £0.881m. The majority of the increase (£0.135m) relates to one case which has now become a residential placement. The cost of four new placements and one placement extension (£0.076m) has been partially offset by the projected ending of placements for part of a family sibling group (saving of £0.065). The remaining £0.038m relates to the net effect of changes to the care packages of three placements. A Task and Finish Group is due to meet to review the internal approval processes for out of county placements and to discuss associated matters around procurement and unit costs. The first meeting is scheduled to take place December/January, with an expectation that the work and resultant report is completed prior to the commencement of the new financial year.

Community and Housing - Housing Grants - Overspend of £0.050m (Underspend of £0.004m at Month 6)

- 2.08 The position has been revised since month 6 as it is now projected that the overall grant fee income targets will not be reached. In previous years the backlog of grants has helped ensure that targets have been reached. At the present time the grants section have eliminated any backlog and are processing grant applications on an up to date basis.

**Community and Housing - Waste Disposal – Underspend of £0.429m
(£0.246m at Month 6)**

- 2.09 The increased underspend position since month 6 is due to further reductions in the projected outturn on tipping fees. A provision had previously been included for an anticipated claim from A.D.Waste for transferring waste out of county. As previously reported the financial implications arising from the transfer in-house are being dealt with separately.

**Finance - Housing Benefit/Council Tax Benefit - Overspend of £0.002m
(£0.060m at Month 6)**

- 2.10 Due to the potential for volatility in this area, a monthly closedown is being undertaken. The month 7 closedown has shown additional subsidy received of £0.184m and a reduction in the bad debt provision of £0.016m, offset by additional transfer payments of £0.142m.

**Central & Corporate - Central Loans & Investment Account -
Underspend of £0.926m (£1.176m at Month 6)**

- 2.11 The revised projected outturn of £11.297m reflects decreased temporary investment income of £0.306m (reflecting reduced investment rates and potential loss of investment income by way of the Council's investment in Landsbanki) offset by reduced internal interest charges of £0.032m and reduced external interest charges of £0.024m.

**Central & Corporate - Corporate Other - Underspend of £0.863m
(£0.347m at Month 6)**

- 2.12 The month 6 monitoring report indicated that the school transport budget of £0.490m (held centrally as non standard inflation) was unlikely to be required but the effects of contracts being retendered would be assessed before confirming this. Further work has now been undertaken and the projected underspend of £0.490m is now included within the overall total of central and corporate. The remaining increase in the projected underspend is due to a reduction in the collection fund deficit of £0.026m.

**REQUEST FOR CARRY FORWARD - COMMUNITY & HOUSING - FIRE
SAFETY ORDER**

- 2.13 Included in the budget is a one-off amount of £0.350m in respect of fire risk assessment works in order to comply with legislative requirements. The Council is now required to procure the work through a OJEU notice, which will result in an order not being made until the following financial year so permission is sought to carry forward this funding.

STATEMENT ON RISK

- 2.14 Even though we are over half way through the year, there are still many unknowns that could have a significant impact on the final position, with the following of particular note:-

- a) The pay award has still not been agreed and any final settlement above or below 2.5% will change the projection.
 - b) There is a significant amount of non standard inflation and central contingency currently held at the centre (see section 3) which is currently assumed as being required. Included in this allocation is an amount of £1m in respect of energy (gas, electricity,oil), and the amount required from this allocation is unlikely to become clear until well into the winter months.
 - c) Fuel costs increased significantly in the early part of the year and no specific additional resource was included in the budget. This impacts across many services of the council such as local bus service contracts, school transport, refuse collection and client contract costs within Social Services for Adults. However, it is apparent that the cost of fuel has begun to drop and the impact on council services will continue to be monitored closely.
 - d) The effects of recent changes in interest rates have a significant impact on the amount of interest receivable on investment income and interest payable on debt. The implications of this will be reported in future monitoring reports.
 - e) Rising inflation generally will also have an impact in respect of the prices the Council pays for its goods and services, and also the impact on the income that the Council must generate to achieve its budget. e.g. leisure income.
 - f) The impact generally of the current unstable economic climate, and in particularly the housing market is beginning to affect various council services and the direct effects of this are estimated to be in the region of £1m, with probably more indirect effects reflected within a range of service budgets.
 - g) It has recently been approved to transfer in-house the services currently provided by A.D.Waste. The financial implications regarding this transfer are yet to be determined and no account of any in-year overspend is included in the projection (para 2.09 refers).
 - h) A number of significant corporate projects are nearing completion and Phase 2 of the review of Organisational Design is now underway. The in-year financial effects of these are currently being analysed and will be reported to members in future monitoring reports.
- 2.15 Taking into account the overall projected overspend and all of the risks identified above, it is important that the monitoring process ensures that all changes to the projection are reported early. This will help ensure that where necessary corrective action can be implemented, and also that information is

available for future financial planning. Finance Procedure Rules require an action plan to be submitted to the County Finance Officer in respect of those Departments projecting an overspend.

3.00 NON STANDARD INFLATION/CENTRAL CONTINGENCIES

NON STANDARD INFLATION

- 3.01 Included in the budget is an amount of £2.606m, which, as in previous years is being held centrally until the actual need is known.
- 3.02 With the exception of the items detailed in 3.03 below, all allocations have now been allocated to the relevant directorate.
- 3.03 As detailed in 2.12 the school transport budget of £0.490m is now shown as a projected underspend within Central and Corporate. The only other amount remaining is the £1m in respect of additional energy costs which will be monitored closely throughout the winter months. Early indications are that the full allocation will be required and the projection assumes this.

CENTRAL CONTINGENCIES

- 3.04 The budget for 2008/09 included £0.269m in respect of Central Contingencies. It was agreed that these items be held centrally and only allocated out to services when the actual increase in cost is known. Allocations of £0.219m have previously been reported and the amount remaining of £0.050m is assumed to be required at a later stage in the year, and is therefore assumed in the projection to be spent.

4.00 UNEARMARKED RESERVES

- 4.01 The amount of un-earmarked reserves brought forward into 2008/09 and the current projected amount available for delegation to Executive is detailed below. This is on the basis that all non ringfenced underspends will be returned to the reserve, and that the net ringfenced overspend will be met from the reserve (see 2.05)

	£m	£m
Un-earmarked Reserves as at 1 April 2008		10.737
Less – Base Level (Inc increase as per budget report 2008/09)		<u>5.112</u>
Amount Available for Delegation to Executive		5.625
<u>Less other approvals in 2008/09 budget report</u>		
One – Off expenditure	(1.901)	
Contribution to Capital Programme	<u>(1.000)</u>	(2.901)
Less In-year approvals previously reported *		(0.728)
Add Non Ringfenced Underspends (see 2.05)	2.124	
Less Ringfenced Overspends (2.05)	<u>(1.220)</u>	<u>0.904</u>
Amount remaining as at 31 st March 2009 (above base level of £5.112m)		2.900
Less Projected Non-Ringfenced Overspend		<u>(1.224)</u>
Amount remaining as at 31 st March 2009 if overspend met (above base level of £5.112m)		1.676

* The in-year approvals total is £0.051m less than reported at Month 6 due to a double counting error.

4.02 Action Plans are required from Directorates projecting a non ringfenced overspend, to identify ways of containing net expenditure within the cash limited budget. However, if this is not achievable Finance Procedure rules state that any overall directorate overspend (non ringfenced) 'will be payable in the following financial year, unless the Executive or Council authorise otherwise.'

4.03 If Executive or Council were to approve that the current projected non ringfenced overspend of £1.224m was to be met from unearmarked reserves, the contingency sum available would reduce from £2.900m to £1.676m.

5.00 HOUSING REVENUE ACCOUNT

5.01 On 19th February, 2008, the Council approved a Housing Revenue Account budget for 2008/09 of £22.613m.

- 5.02 The budget provided for a closing balance at 31st March, 2009 of £0.986m which at 4.36% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 5.03 Since the 2008/09 budget was agreed, the accounts for 2007/08 have been closed (subject to audit) and the closing balance at the end of 2007/08 was £1.342m which was £0.264m higher than the estimate of £1.078m. This has the effect of increasing the opening balance for 2008/09 by the same amount.
- 5.04 The projected revenue account and the use of balances for 2008/09 are set out in Appendix 11 and the reasons for significant variances from last month are shown in the following paragraphs.

Significant New Variance

Finance and Support - Underspend of £0.154m (£0.187m at Month 6)

- 5.05 The authority is in the process of making compensation payments to the affected tenants in respect of the Extra Care Housing Scheme at Jasmine Crescent, Mold. It is now projected that all of the £0.192m will be required. Earlier projections were anticipating an underspend of £0.028m.
- 5.06 The net effects of the revised balance brought forward and the projected outturn is that there would be balances in hand at the end of the year of £0.740m (budget £0.986m) which at 3.3% of budgeted expenditure is slightly greater than the minimum level of 3% recommended by the County Finance Officer.

6.00 RECOMMENDATIONS

- 6.01 Members are recommended to:-
- a) Note the overall report.
 - b) Note the General Fund Contingency Sum available as at 31st March 2009. (Section 4).
 - c) Note the projected final level of balances on the Housing Revenue Account.(para 5.08)

7.00 FINANCIAL IMPLICATIONS

- 7.01 The financial implications are as set out in Sections 2.00 – 5.00 of the report.

8.00 ANTI-POVERTY IMPACT

- 8.01 None.

9.00 ENVIRONMENTAL IMPACT

9.01 None.

10.00 PERSONNEL IMPLICATIONS

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 General Fund Variances - Appendices 1-11.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Month 7 Monitoring Papers

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APPENDIX 1

EXPENDITURE	Original Budget	Revised Budget	In-Year Over / (Under) spend		Non Ring-fenced		Ring-fenced	
			Month 6	Month 7	Month 6	Month 7	Month 6	Month 7
	£m	£m	£m	£m	£m	£m	£m	£m
Direct Services								
Community Services (Exc Housing)	61.453	61.686	2.057	2.147	1.397	1.303	0.660	0.844
Community & Housing	34.204	34.562	0.484	0.444	0.538	0.522	(0.054)	(0.078)
Lifelong Learning	129.496	129.406	0.730	0.835	0.291	0.381	0.439	0.454
Environment	38.903	39.371	0.161	0.136	0.161	0.136	-	-
Support Services								
Chief Executive	0.783	0.809	(0.013)	(0.018)	(0.013)	(0.018)	-	-
Former Corporate Strategy	11.175	11.504	(0.120)	(0.087)	(0.120)	(0.087)	-	-
Financial, Legal & Democratic Services	42.710	42.890	0.358	0.558	0.358	0.558	-	-
Clwyd Theatr Cymru Contribution	1.001	1.001	-	-	-	-	-	-
Total Services	319.725	321.229	3.657	4.015	2.612	2.795	1.045	1.220
Central and Corporate Finance	32.659	32.284	(0.388)	(0.934)	(0.388)	(0.934)	-	-
Total Expenditure	352.384	353.513	3.269	3.081	2.224	1.861	1.045	1.220
INCOME								
Direct Services								
Community Services (Exc Housing)	(13.277)	(13.218)	(1.635)	(1.700)	(1.635)	(1.700)	-	-
Community & Housing	(18.773)	(18.786)	(0.441)	(0.536)	(0.441)	(0.536)	-	-
Lifelong Learning	(25.280)	(25.262)	0.251	0.165	0.251	0.165	-	-
Environment	(21.814)	(22.008)	0.430	0.415	0.430	0.415	-	-
Support Services								
Chief Executive	(0.011)	(0.024)	0.010	0.018	0.010	0.018	-	-
Former Corporate Strategy	(2.839)	(2.914)	0.202	0.200	0.202	0.200	-	-
Financial, Legal & Democratic Services	(35.505)	(35.685)	(0.310)	(0.544)	(0.310)	(0.544)	-	-
Clwyd Theatr Cymru Contribution	-	-	-	-	-	-	-	-
Total Services	(117.499)	(117.897)	(1.493)	(1.982)	(1.493)	(1.982)	-	-
Central and Corporate Finance	(6.744)	(7.475)	(1.059)	(0.779)	(1.059)	(0.779)	-	-
Total Income	(124.243)	(125.372)	(2.552)	(2.761)	(2.552)	(2.761)	-	-
Net Expenditure	228.141	228.141	0.717	0.320	(0.328)	(0.900)	1.045	1.220

COMMUNITY SERVICES (EXCLUDING HOUSING)

APPENDIX 2

Budget Monitoring as at Month 7 - Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Children's Services					
-3	Children's Training	119	171	167	(4)	(1)
27	Family placement	1,526	1,526	1,553	27	-
	Grants	162	101	101	-	-
39	Family Support	290	290	328	38	(1)
	Prevention and Support	75	75	75	-	-
-257	Other Residential	709	709	452	(257)	-
-27	Professional Support	5,553	5,589	5,562	(27)	-
	Youth Offending Team	376	367	367	-	-
-25	Special Investigation	38	38	13	(25)	-
(246)	Sub-Total - Children's Services	8,848	8,866	8,618	(248)	(2)
	Services for Older People					
(1)	Community Re-enablement	380	381	374	(7)	(6)
4	Day Services	1,216	1,194	1,194	-	(4)
(16)	Intermediate Care Beds	155	155	135	(20)	(4)
124	Domiciliary Support	6,435	6,435	6,529	94	(30)
	- Extra Care	-	190	195	5	5
	- Meal Services	1	1	1	-	-
	- Supporting People Income	(847)	(847)	(847)	-	-
(99)	Residential Services	9,602	9,540	9,412	(128)	(29)
107	Professional Support	2,390	2,472	2,581	109	2
119	Sub-Total - Services to Older People	19,332	19,521	19,574	53	(66)
	Physical Disability & Sensory Impairment					
(20)	Vulnerable Adults	106	106	86	(20)	-
(24)	Day Centres	137	137	113	(24)	-
42	Equipment - Stores	314	314	361	47	5
	- ESF Transition	-	-	-	-	-
	- Domiciliary Support	1,450	1,450	1,443	(7)	(7)
	- Minor Adaptations	126	126	126	-	-
	- Supporting People Income	(219)	(219)	(219)	-	-
149	Residential Services	641	641	816	175	26
27	Professional Support	1,205	1,205	1,237	32	5
(8)	Visual Impaired	11	11	2	(9)	(1)
(16)	Supported ABI	39	54	39	(15)	1
150	Sub-Total - PDSI	3,810	3,825	4,004	179	29
	Learning Disability Services					
39	Work Opportunities	1,775	1,770	1,840	70	31
(83)	Community Living	7,165	7,151	7,056	(95)	(12)
38	Day Services	957	962	991	29	(9)
(6)	Sub-Total - Learning Disability Services	9,897	9,883	9,887	4	10
	Mental Health Services					
	- Contracts	19	19	19	-	-
(5)	Day Services	233	233	225	(8)	(3)
(9)	Grants	130	130	121	(9)	-
(42)	Supported Accommodation	426	426	377	(49)	(7)
16	Supported Living	330	330	344	14	(2)
	- Supporting People Income	(567)	(513)	(513)	-	-
(65)	Residential Services	470	412	351	(61)	4
118	Professional & Support	819	802	842	40	(78)
(8)	Substance Misuse	223	226	217	(9)	(1)
(8)	Work Schemes	394	394	383	(11)	(3)
(3)	Sub-Total - Mental Health Services	2,477	2,459	2,366	(93)	(90)
	Ringfenced Budgets					
697	Out of county Pooled Budget - Children's Services	2,545	2,545	3,426	881	184
(51)	Learning Disability	570	570	520	(50)	1
(21)	Mental Health	391	391	370	(21)	-
35	Older People	-	-	34	34	(1)
660	Sub-Total - Ringfenced Budgets	3,506	3,506	4,350	844	184
	Partnerships and Performance					
(27)	Business Systems and Financial Assessments	977	945	915	(30)	(3)
(30)	Supporting People	-	136	109	(27)	3
(206)	Business Services - Income	(2,684)	(2,686)	(2,927)	(241)	(35)
(12)	Finance	331	331	315	(16)	(4)
(2)	Good Health	28	28	26	(2)	-
42	Management & Support	1,030	1,030	1,072	42	-
(15)	Public Information & Planning	438	438	422	(16)	(1)
(2)	Training	186	186	184	(2)	-
(252)	Sub-Total - Business Services	306	408	116	(292)	(40)
422	TOTAL - COMMUNITY SERVICES (EXCLUDING HOUSING)	48,176	48,468	48,915	447	25

COMMUNITY SERVICES (EXCLUDING HOUSING)

Budget Monitoring as at Month 7 - Objective Analysis

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
717	Employees	27,089	27,480	28,180	700	(17)
135	Premises	740	740	889	149	14
365	Transport	1,977	1,988	2,401	413	48
424	Supplies and Services	1,939	1,998	2,449	451	27
491	Third Party Payments	27,020	26,786	27,234	448	(43)
(60)	Transfer Payments	2,568	2,614	2,602	(12)	48
(16)	Support Services	36	66	63	(3)	13
1	Capital Financing	84	13	14	1	-
(1,635)	Income	(13,277)	(13,217)	(14,917)	(1,700)	(65)
422	TOTAL - COMMUNITY SERVICES (EXCLUDING HOUSING)	48,176	48,468	48,915	447	25

COMMUNITY & HOUSING

APPENDIX 3

GENERAL FUND

Budget Monitoring as at Month 7 - Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Business & Support - Operational					
	- Cemeteries	464	464	464	-	-
	- Sub-Total - Business & Support - Operational	464	464	464	-	-
	Customer & Housing Services					
(7)	Community Services	200	200	191	(9)	(2)
	- Grants & Contributions	94	94	94	-	-
(19)	Homelessness - Non Ringfenced	325	328	308	(20)	(1)
(54)	Homelessness - Ringfenced	336	336	258	(78)	(24)
(4)	Housing Grants	(123)	(123)	(73)	50	54
(9)	Housing Strategy	-	68	54	(14)	(5)
1	Neighbourhood Wardens	245	250	254	4	3
(92)	Sub-Total - Customer & Housing Services	1,077	1,153	1,086	(67)	25
	Technical Services - Operational					
35	Waste Collection	2,722	2,713	2,748	35	-
(246)	Waste Disposal	4,604	4,606	4,177	(429)	(183)
(22)	Agricultural Estates	(142)	(142)	(150)	(8)	14
(16)	Fly Tipping	83	83	69	(14)	2
	- Sustainable Waste Management	235	283	283	-	-
49	Markets	(93)	(93)	(44)	49	-
196	Property Holdings	(27)	(27)	168	195	(1)
29	Recycling	504	504	537	33	4
131	Civic Amenity Sites	1,610	1,712	1,843	131	-
(4)	Public Conveniences	169	169	167	(2)	2
(288)	Industrial Units	(1,802)	(1,802)	(2,088)	(286)	2
1	Animal & Pest Control	121	128	128	-	(1)
(135)	Sub-Total - Technical Services - Operational	7,984	8,134	7,838	(296)	(161)
	Technical Services - Support					
55	Administrative Buildings	1,201	1,201	1,254	53	(2)
176	Design Services	(69)	(69)	108	177	1
3	Energy Services	217	217	224	7	4
(28)	Corporate Property Maintenance	2,523	2,532	2,511	(21)	7
(35)	Valuation and Estates	517	517	482	(35)	-
171	Sub-Total - Technical Services - Support	4,389	4,398	4,579	181	10
	Supporting People					
23	Carelink	125	128	154	26	3
2	Community Centres	126	126	128	2	-
156	General	(1,371)	(1,371)	(1,250)	121	(35)
2	Management & Admin.	253	222	224	2	-
(3)	Relief Wardens	215	219	218	(1)	2
	- Tenants Gardens	231	231	231	-	-
(4)	Resident Wardens	973	1,189	1,187	(2)	2
176	Sub-Total - Supporting People	552	744	892	148	(28)
	Business Units					
2	Waste Collection - Contractor	(195)	(195)	(190)	5	3
(79)	Administration Support	1,160	1,078	1,015	(63)	16
(77)	Sub-Total - Business Units	965	883	825	(58)	19
43	TOTAL - COMMUNITY & HOUSING	15,431	15,776	15,684	(92)	(135)

COMMUNITY & HOUSING

Budget Monitoring as at Month 7 - Objective Analysis

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
(125)	Employees	9,974	10,171	10,037	(134)	(9)
517	Premises	8,450	8,458	9,110	652	135
330	Transport	1,611	1,611	1,967	356	26
46	Supplies and Services	6,481	6,391	6,281	(110)	(156)
(435)	Third Party Payments	7,666	7,909	7,436	(473)	(38)
20	Transfer Payments	24	24	45	21	1
(6)	Support Services	(240)	(240)	(245)	(5)	1
137	Capital Financing	238	238	375	137	-
(441)	Income	(18,773)	(18,786)	(19,322)	(536)	(95)
43	TOTAL - COMMUNITY & HOUSING	15,431	15,776	15,684	(92)	(135)

LIFELONG LEARNING

APPENDIX 4

Budget Monitoring as at Month 7

Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Out County Pooled Budget					
439	Special	1,278	1,278	1,732	454	15
439	Sub-Total - Out County Pooled Budget	1,278	1,278	1,732	454	15
	Libraries, Culture and Heritage					
	- Libraries and Arts	2,407	2,403	2,416	13	13
37	County Record office and Records Management	422	426	457	31	(6)
	- Museums and Heritage Service	380	380	374	(6)	(6)
	- Schools Library Service	334	334	334	-	-
37	Sub-Total - Libraries,Culture & Heritage	3,543	3,543	3,581	38	1
	Leisure Services					
242	Leisure Centres and Pools	2,483	2,483	2,725	242	-
23	Recreational Grounds and Amenities	415	415	438	23	-
23	Leisure services	267	267	290	23	-
(5)	Play Development	333	333	328	(5)	-
283	Sub-Total - Leisure Services	3,498	3,498	3,781	283	-
	Delegated Schools Budgets					
	- Nursery	1,073	1,073	1,073	-	-
	- Primary	36,662	36,662	36,662	-	-
	- Secondary	32,263	32,263	32,263	-	-
	- Special	3,016	3,016	3,016	-	-
	- Sub-Total - Delegated Schools	73,014	73,014	73,014	-	-
	School Improvement Service					
	- Early Years	-	-	-	-	-
	- Primary - non delegated	766	766	766	-	-
	- Secondary non - delegated	538	538	538	-	-
2	Inclusion	5,755	5,755	5,757	2	-
	- School Improvement Service	1,323	1,323	1,323	-	-
2	ICT Unit	1,083	1,083	1,085	2	-
	- Schools Related	1,379	1,379	1,379	-	-
34	Sports Development	136	136	170	34	-
38	Sub-Total - School Improvement	10,980	10,980	11,018	38	-
	Development and Resources					
	- Youth and Community	1,276	1,276	1,276	-	-
	- Pupil/Student Transport	6,147	5,947	5,947	-	-
	- Student Finance	108	108	108	-	-
	- Service Units	2,040	2,040	2,040	-	-
184	Facilities Services	1,190	1,335	1,522	187	3
	- Management and Administration	1,142	1,125	1,125	-	-
184	Sub-Total - Development & Resources	11,903	11,831	12,018	187	3
981	TOTAL - LIFELONG LEARNING	104,216	104,144	105,144	1,000	19

LIFELONG LEARNING

Budget Monitoring as at Month 7

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Balances	-	-	-	-	-
32	Employees	100,937	100,916	100,914	(2)	(34)
23	Premises	7,651	7,637	7,660	23	-
	- Transport	5,204	5,004	5,020	16	16
79	Supplies and Services	7,955	8,100	8,219	119	40
439	Third Party Payments	7,055	7,055	7,577	522	83
	- Transfer Payments	85	85	85	-	-
157	Support Services	409	409	566	157	-
	- Capital Financing	200	200	200	-	-
251	Income	(25,280)	(25,262)	(25,097)	165	(86)
981	TOTAL - LIFELONG LEARNING	104,216	104,144	105,144	1,000	19

ENVIRONMENT

APPENDIX 5

Budget Monitoring as at Month 7

Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Highways & Transportation					
	- Maintenance Works					
	- Structural Maintenance	939	939	939	-	-
	- Routine Maintenance	2,108	2,408	2,408	-	-
	- Environmental Maintenance	2,198	1,890	1,890	-	-
	- Winter Maintenance	488	488	488	-	-
116	- Street Lighting	750	819	935	116	-
	- Structures	73	73	73	-	-
	- Car Parks	64	64	64	-	-
25	Fleet Services	75	75	100	25	-
125	Neighbourhood Services	935	1,140	1,260	120	(5)
	- Transportation	1,052	1,052	1,052	-	-
	- Concessionary Fares	269	270	270	-	-
	- Trunk Road Management Unit	(38)	(38)	(38)	-	-
20	Environmental Maintenance Trading Account	-	-	20	20	-
	- Highways Maintenance Trading Account	-	8	8	-	-
286	Sub-Total - Highways & Transportation	8,913	9,188	9,469	281	(5)
	Engineering Services					
	- Consultancy	46	6	6	-	-
(60)	Highways Strategy	1,047	908	848	(60)	-
(20)	Land Drainage Works	229	229	209	(20)	-
(50)	Traffic Services	519	497	417	(80)	(30)
	- Traffic Works	170	192	192	-	-
(130)	Sub-Total - Engineering Services	2,011	1,832	1,672	(160)	(30)
	Planning					
350	Planning Control	12	(18)	332	350	-
	- Service Development and Control	243	242	242	-	-
	- Policy and Implementation	518	752	752	-	-
	- Environment and Conservation	293	328	328	-	-
150	Land Charges	(234)	(219)	(54)	165	15
	- Countryside Service	359	318	318	-	-
500	Sub-Total - Planning	1,191	1,403	1,918	515	15
	Public Protection					
	- Pollution Control	317	285	280	(5)	(5)
	- Environmental Control	341	341	341	-	-
	- Food Safety	362	399	394	(5)	(5)
(10)	Health & Safety	293	255	235	(20)	(10)
	- Trading Standards	646	646	646	-	-
	- Building Control	261	261	261	-	-
	- Building Regulations Charging Account	-	-	-	-	-
(10)	Sub-Total - Public Protection	2,220	2,187	2,157	(30)	(20)
	Management Support & Performance					
	- Finance & Performance	684	683	683	-	-
(30)	Directorate Support	705	705	675	(30)	-
	Information Services	148	148	148	-	-
	Electronic Services	154	154	154	-	-
(15)	Geographical Information Services	88	88	73	(15)	-
(45)		1,779	1,778	1,733	(45)	-
	Regeneration					
(10)	Economic Development	485	485	475	(10)	-
	- Tourism	132	132	132	-	-
	- European Partnership	-	-	-	-	-
	- Flintshire Business Services	358	358	358	-	-
	- Communities First	-	-	-	-	-
(10)	Sub-Total - Regeneration	975	975	965	(10)	-
591	TOTAL - ENVIRONMENT	17,089	17,363	17,914	551	(40)

ENVIRONMENT

Budget Monitoring as at Month 7

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
(60)	Employees	17,532	17,335	17,255	(80)	(20)
116	Premises	1,574	1,663	1,779	116	-
135	Transport	5,321	5,173	5,303	130	(5)
(10)	Supplies and Services	5,439	5,623	5,613	(10)	-
(20)	Third Party Payments	8,577	9,146	9,126	(20)	-
-	- Transfer Payments	6	6	6	-	-
-	- Support Services	454	456	456	-	-
-	- Capital Financing	-	-	-	-	-
430	Income	(21,814)	(22,039)	(21,624)	415	(15)
591	TOTAL - ENVIRONMENT	17,089	17,363	17,914	551	(40)

CHIEF EXECUTIVE**APPENDIX 6****Budget Monitoring as at Month 7****Objective Analysis**

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
9	Management & Administration	440	440	457	17	8
(12)	Corporate Communications	332	345	328	(17)	(5)
						-
(3)	TOTAL - CHIEF EXECUTIVE	772	785	785	-	3

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
11	Employees	482	482	493	11	-
(1)	Premises	1	1	-	(1)	-
2	Transport	3	3	6	3	1
(2)	Supplies and Services	201	219	227	8	10
	- Third Party Payments	-	-	-	-	-
	- Transfer Payments	-	-	-	-	-
(23)	Support Services	96	104	65	(39)	(16)
	- Capital Financing	-	-	-	-	-
10	Income	(11)	(24)	(6)	18	8
(3)	TOTAL - CHIEF EXECUTIVE	772	785	785	-	3

SERVICES WITHIN FORMER CORPORATE STRATEGY

APPENDIX 7

Budget Monitoring as at Month 7

Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Management					
15	Management	294	209	240	31	16
15	Sub-Total - Management	294	209	240	31	16
	Human Resources & Organisational Development					
	- CRB Checks	74	74	74	-	-
(20)	Corporate Training & Development	278	278	252	(26)	(6)
40	Payroll	333	404	445	41	1
	- Human Resources	819	874	871	(3)	(3)
2	Job Evaluation	78	78	80	2	-
	- Temporary HR Projects	54	271	271	-	-
22	Sub-Total - HR & Org Development	1,636	1,979	1,993	14	(8)
	Occupational Health & Safety					
(1)	Occupational Health & Safety	679	679	671	(8)	(7)
	- Counselling Support	60	60	59	(1)	(1)
(1)	Sub-Total - Occupational Health & Safety	739	739	730	(9)	(8)
	Policy, Performance & Partnerships					
(26)	Civil Contingencies	136	136	111	(25)	1
	- Policy Grants	-	-	-	-	-
(50)	Policy, Performance & Partnerships	1,063	1,059	1,035	(24)	26
(76)	Sub-Total - Policy, Performance & Partnerships	1,199	1,195	1,146	(49)	27
	ICT & Customer Services					
(6)	Information Communication Technology	3,773	3,773	3,766	(7)	(1)
6	Customer Services	695	695	706	11	5
122	Design & Print	-	-	122	122	-
122	Sub-Total - ICT & Customer Services	4,468	4,468	4,594	126	4
82	TOTAL - CORPORATE STRATEGY	8,336	8,590	8,703	113	31

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Final Outturn	Variance	
£000		£000	£000	£000	£000	£000
(175)	Employees	7,054	7,162	6,996	(166)	9
7	Premises	44	44	55	11	4
9	Transport	83	83	91	8	(1)
45	Supplies and Services	3,593	3,654	3,718	64	19
	- Third Party Payments	173	314	314	-	-
	- Transfer Payments	-	-	-	-	-
	- Support Services	208	220	222	2	2
(6)	Capital Financing	21	27	21	(6)	-
202	Income	(2,840)	(2,914)	(2,714)	200	(2)
82	TOTAL - CORPORATE STRATEGY	8,336	8,590	8,703	113	31

FINANCE AND LEGAL & DEMOCRATIC SERVICES

APPENDIX 8

Budget Monitoring as at Month 7

Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Management & Secretariat - Finance					
53	Management & Secretariat	495	284	339	55	2
	Financial Management & Audit					
(10)	Corporate & Capital Accounting	314	314	305	(9)	1
(41)	Financial Planning	195	195	156	(39)	2
2	Service Accounting	571	571	568	(3)	(5)
(29)	Internal Audit	578	550	520	(30)	(1)
24	Procurement	154	157	174	17	(7)
(54)	Sub-Total - Financial Management & Audit	1,812	1,787	1,723	(64)	(10)
	Funds & Customer Accounts					
6	Pensions & Funds	(8)	(8)	(2)	6	-
7	Insurance & Risk Management	18	18	25	7	-
(42)	Customer Accounts	1,164	1,179	1,157	(22)	20
60	Housing Benefit/Council Tax Benefit	(23)	(23)	(21)	2	(58)
31	Sub-Total - Funds & Customer Accounts	1,151	1,166	1,159	(7)	(38)
	Management & Secretariat - Legal & Democratic Services					
46	Management & Secretariat	-	190	239	49	3
	Legal Services					
(20)	Legal Services	825	853	838	(15)	5
	Democratic Services					
(1)	Business Development	79	77	76	(1)	-
1	Committee, Member & Electoral Services	2,160	2,160	2,163	3	2
(6)	Administration	494	499	495	(4)	2
(2)	Scrutiny	189	189	187	(2)	-
(8)	Sub-Total - Democratic Services	2,922	2,925	2,921	(4)	4
48	TOTAL - FLADS	7,205	7,205	7,219	14	(34)

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
(19)	Employees	7,401	7,378	7,396	18	37
-	- Premises	23	23	24	1	1
(17)	Transport	100	100	85	(15)	2
26	Supplies and Services	2,029	2,230	2,272	42	16
-	- Third Party Payments	-	-	-	-	-
353	Transfer Payments	32,961	32,961	33,456	495	142
15	Support Services	196	193	210	17	2
-	- Capital Financing	-	-	-	-	-
(310)	Income	(35,505)	(35,680)	(36,224)	(544)	(234)
48	TOTAL - FLADS	7,205	7,205	7,219	14	(34)

Budget Monitoring as at Month 7**Objective Analysis**

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Clwyd Theatr Cymru					
(130)	General Administration	(164)	(164)	(294)	(130)	-
(18)	Production Overheads	828	828	810	(18)	-
148	Clwyd Theatr Cymru Productions	497	497	645	148	-
-	- Other Art Forms	(16)	(16)	(16)	-	-
-	- Other Earned Income	(144)	(144)	(144)	-	-
-	TOTAL - CLWYD THEATR CYMRU	1,001	1,001	1,001	-	-

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
47	Employees	2,966	2,966	3,013	47	-
-	- Premises	268	268	268	-	-
(5)	Transport	31	31	26	(5)	-
172	Supplies and Services	1,636	1,636	1,808	172	-
-	- Third Party Payments	-	-	-	-	-
-	- Transfer Payments	-	-	-	-	-
-	- Support Services	-	-	-	-	-
-	- Capital Financing	-	-	-	-	-
(214)	Income	(3,900)	(3,900)	(4,114)	(214)	-
-	TOTAL - CLWYD THEATR CYMRU	1,001	1,001	1,001	-	-

CENTRAL & CORPORATE FINANCE

APPENDIX 10

Budget Monitoring as at Month 7

Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Central & Corporate Finance					
(30)	Coroners	210	210	180	(30)	-
	- Central Services - Other	3	3	3	-	-
(1,176)	Central Loans & Investment Account	12,323	12,223	11,297	(926)	250
(7)	Financing & Funding (insurance, banking etc.)	3,611	3,711	3,704	(7)	-
	- Development Grants	292	279	279	-	-
	- Corporate Discretionary Rate Relief	95	95	95	-	-
(347)	Corporate Other	7,109	6,746	5,883	(863)	(516)
(1,560)	Sub-Total - Central & Corporate Finance	23,643	23,267	21,441	(1,826)	(266)
	Levying Bodies					
	- North West/Wales Sea Fisheries Committee	27	27	27	-	-
	- Fire Service	6,739	6,739	6,739	-	-
	- Sub-Total - Levying Bodies	6,766	6,766	6,766	-	-
	Other					
113	Central Service Recharges	(1,618)	(1,618)	(1,505)	113	-
	- Contribution to / (from) Balances	(2,876)	(3,606)	(3,606)	-	-
113	Sub-Total - Other	(4,494)	(5,224)	(5,111)	113	-
(1,447)	TOTAL - CENTRAL & CORPORATE FINANCE	25,915	24,809	23,096	(1,713)	(266)

Subjective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement between Periods
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
(403)	Employees	7,529	7,255	6,852	(403)	-
	- Premises	49	1,049	1,049	-	-
	- Transport	-	490	-	(490)	(490)
(54)	Supplies and Services	3,410	1,932	1,878	(54)	-
(30)	Third Party Payments	7,771	7,758	7,728	(30)	-
	- Transfer Payments	-	-	-	-	-
113	Support Services	(1,618)	(1,618)	(1,505)	113	-
(14)	Capital Financing	15,518	15,418	15,348	(70)	(56)
(1,059)	Income	(6,744)	(7,475)	(8,254)	(779)	280
(1,447)	TOTAL - CENTRAL & CORPORATE FINANCE	25,915	24,809	23,096	(1,713)	(266)

HOUSING REVENUE ACCOUNT

APPENDIX 11

Budget Monitoring as at Month 7

Objective Analysis

Month 6 Variance		2008/09 Budget Monitoring				Movement
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
	Income					
57	Rents (Council Houses & Garages)	(22,074)	(22,074)	(22,006)	68	11
82	Capitalised Salaries	(443)	(443)	(360)	83	1
-	- Interest	(4)	(4)	(4)	-	-
139	Sub-Total - Income	(22,521)	(22,521)	(22,370)	151	12
	Expenditure					
299	Building Maintenance Trading Account	300	300	620	320	21
(134)	Housing Subsidy (Deficit)	6,688	6,688	6,554	(134)	-
(145)	Estate Management	1,017	1,017	888	(129)	16
32	Home Ownership (Right to Buy)	(4)	(4)	28	32	-
(12)	Allocations and Welfare	347	347	323	(24)	(12)
312	Repair and Maintenance	8,059	8,059	8,375	316	4
132	Capital Financing	2,411	2,411	2,543	132	-
(187)	Finance and Support	2,125	2,125	1,971	(154)	33
-	- Capital Expenditure from Revenue Account (CERA)	1,340	1,340	1,340	-	-
-	- Supporting People Transitional Costs	330	330	330	-	-
297	Sub-Total - Levying Bodies	22,613	22,613	22,972	359	62
528	Net Expenditure before use of/to balances	92	92	602	510	74
528	Contribution to / (from) Balances	92	92	602	510	74
-	Net Expenditure after use of/to balances	-	-	-	-	-
	Balances					
(1,342)	Opening Balance	(1,078)	(1,342)	(1,342)		
528	Contribution to / (from) Balances	92	92	602	510	74
436	TOTAL - HOUSING REVENUE ACCOUNT	(986)	(1,250)	(740)	510	74

Subjective Analysis

Month 4 Variance		2008/09 Budget Monitoring				Movement
		Original Budget	Revised Budget	Projected Outturn	Variance	
£000		£000	£000	£000	£000	£000
(305)	Employees	6,687	6,687	6,348	(339)	(34)
279	Premises	7,595	7,595	7,884	289	10
4	Transport	788	788	800	12	8
675	Supplies and Services	3,888	3,888	4,581	693	18
-	- Third Party Payments	-	-	-	-	-
(47)	Transfer Payments	229	229	212	(17)	30
(274)	Support Services	1,449	1,449	1,177	(272)	2
130	Capital Financing	3,811	3,811	3,941	130	-
(26)	Income	(24,355)	(24,355)	(24,341)	14	40
436	TOTAL - HOUSING REVENUE ACCOUNT	92	92	602	510	74

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 10

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **EQUALITY PROGRESS REPORT**

1.00 PURPOSE OF REPORT

1.01 The purpose of this report is to provide an update of progress towards meeting equality objectives and standards and to inform Executive of future actions.

2.00 BACKGROUND

2.01 Over recent years there has been an increase in equality legislation which aims to reduce inequalities and eliminate the discrimination which affects life chances for different groups of people. Equality is high on the agenda for both central government and the National Assembly for Wales. Elected members have recognised the benefits of embracing the diversity and equality agenda and its contribution to the achievement of the Council priorities for change and improvement and have approved the Diversity and Equality Policy, Disability, Gender and Race Equality Schemes.

2.02 The Council publishes annual reports on progress against meeting the Disability, Gender and Race Equality schemes which set out how we will meet our obligations within these areas of legislation.

3.00 CONSIDERATIONS

3.01 Progress is being made to promote equality throughout the Council's activities and this has been recognised in different national reports:

- The Office of Public Management (OPM) in conjunction with the Disability Rights Commission published a report "Beyond Good Intentions - A resource for local authorities implementing the Disability Equality Duty". This cited examples of good practice from Flintshire County Council;
- The former Commission for Racial Equality (CRE) now merged into the Equality and Human Rights Commission published a report in 2007 outlining their findings of an audit of the 22 local authorities in Wales Race Equality Schemes. Several examples of good practice from Flintshire County Council were highlighted in this report;
- The Welsh Assembly Government (WAG) have conducted a survey into the implementation of the Disability Equality. The report will be published

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at a later date but will include an example of good practice from Flintshire County Council in promoting good relations between disabled people and the local community. This example refers to the pilot project "Citizenship and Disability" undertaken with year 8 pupils from Castell Alun school. The main ideas behind the project were to:

- o increase the pupils' awareness and understanding of disability and disabled people;
- o help to develop a disability friendly school;
- o encourage disabled people to be welcomed, respected and treated with dignity and equality; and
- o show that everyone needs to be treated equally so that they can have the same chance at life as others.

3.02 Further achievements have been made at a local level across all the equality strands, some examples, include:-

- successfully maintaining the Two Ticks accreditation which supports arrangements made for the employment of disabled people;
- putting in place arrangements for "face to face" interpretation to support the existing telephone interpretation and document translation service;
- developing and implementing a rolling programme of physical alterations to buildings to make them more accessible for disabled people, this has included:
 - o alterations to the internal and external Benefits reception at County Hall;
 - o increasing accessibility of the Search room, Hawarden Records Office;
 - o providing three more accessible toilets in County Hall; and
 - o providing an accessible toilet, loop system, new lighting, new doors and carpeting to the Conference Room 1 facilities in County Hall .
- Extending training on Diversity and Equality to ensure that every employee has an awareness of the diversity and equality agenda and understand their responsibilities.

3.03 Steps have been made to make equality central to the way we work, and to address all the equality strands, examples include:-

- providing guidance for procurement officers on how to include equality into service level agreements and contracts;
- including equality objects into the substance misuse contracts;
- incorporating equality into the criteria for allocating grants to voluntary organisations;

- incorporating equality objectives into the revision of the business planning framework;
- working in partnership with Flintshire Citizens Advice Bureau to support a Flintshire Lesbian, Gay, Bisexual and Transgendered (LGBT) group (Encompass);
- establishing a youth group for LGBT young people; and
- establishing links with the Muslim community.

3.04 However, there is still progress that can be made to ensure that there is continuous improvement and equality becomes embedded within all aspects of employment, service delivery and procurement.

Equality Improvement Framework (EIF)

The Welsh Local Government Association (WLGA) has developed the Equality Improvement Framework. The aim of the framework is to establish the basis for mainstreaming equality and lead to continuous improvement in equality in services, policy and employment. The EIF comprises seven equality improvement aims and 11 improvement elements. The aim is to have greater links with the Wales Programme for Improvement and put in place consistent and robust assessment processes to be able to measure performance. Community Services, in partnership with the Corporate Policy, Performance and Partnerships unit, has successfully submitted a bid to the WLGA to pilot the framework. The objectives of the pilot are to:-

- develop a systematic approach to incorporate meaningful equality objectives and measurable targets into service plans within the Community Services Directorate;
- increase awareness and understanding across the Council by sharing the learning points and good practice with other directorates, which will lead to a consistent approach to setting equality objectives and targets across the Council;
- inform the development of the framework for incorporating equality into corporate performance; and
- develop an exemplar project to introduce and roll out the EIF.

The pilot project will start in March 2009 and will be due to finish in May 2010.

Single Equality Scheme

The Equality Bill will introduce a new public sector equality duty to replace the race, disability, and gender equality duties. The aim is to bring together the existing pieces of equality legislation in to a single Act and to ban age discrimination in the provision of goods and services. The Act will place a duty on the public sector to publish a single equality scheme covering age,

disability, gender, race, religion and belief and sexual orientation. The Council currently has separate Equality Schemes for Race, Gender and Disability and is aiming to work towards a single Equality Scheme by June 2010.

3.05 There are challenges translating equality schemes into practice:-

- the lack of meaningful links with all sections of our communities; and
- developing the skills, knowledge and expertise in the workforce to understand their responsibilities and to be able to carry out effective equality impact assessments.

Commitment from the highest level of the organisation and a robust Corporate Equalities Review Team are imperative in managing the equality agenda and translating policy into practice.

4.00 RECOMMENDATIONS

4.01 That members note the contents of this report.

4.02 That members receive a further report on the detailed project plan to work towards a single Equality Scheme.

4.03 That members receive a progress report on the pilot project of the Equality Improvement Framework in Community Services.

5.00 FINANCIAL IMPLICATIONS

5.01 None identified in this report.

6.00 ANTI POVERTY IMPACT

6.01 Making equality central to the way we work through implementation of the Equality Schemes will tackle the barriers currently preventing some of the most disadvantaged people and marginalised communities from accessing the life opportunities on offer.

7.00 ENVIRONMENTAL IMPACT

7.01 None identified in this report.

8.00 EQUALITIES IMPACT

8.01 A full equality impact assessment is not required for this report. Making equality central to the way the council provides services will benefit all groups of people who visit, work and live in Flintshire, enabling people to increase their life chances, fulfil their potential and actively contribute to their communities.

9.00 PERSONNEL IMPLICATIONS

9.01 To achieve positive outcomes, equality has to be the responsibility of every one and become an integral part of the way all employees carry out their roles.

10.00 CONSULTATION REQUIRED

10.01 None required for this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None required for this report.

12.00 APPENDICES

12.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

A Framework For Fairness: Proposals For A Single Equality Bill In Great Britain
June 2006
Department for Communities and Local Government

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E-Mail: fiona_mocko@flintshire.gov.uk

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 11

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **DIRECTOR OF ENVIRONMENT**
SUBJECT : **A541 HENDRE - 30/40 MPH SPEED LIMIT**

1.00 PURPOSE OF REPORT

- 1.01 To advise Members of an unresolved objection received following the advertisement of the proposal to introduce a 40mph and revised 30mph speed limit on the A541, Denbigh Road, Hendre.
- 1.02 To recommend that Members over-rule the objection.
- 1.03 This matter was deferred at the last meeting of the Executive on 18 November as two letters had been inadvertently omitted from the correspondence appended to the report. Copies of those letters are now enclosed. They are:

Letter from the objector dated 3 July 2008
Reply from Flintshire County Council dated 4 August 2008.

Following consideration of the letters, it is not considered that their contents add anything to the papers that were already before Members.

2.00 BACKGROUND

- 2.01 Following a large number of complaints regarding danger to road users caused by speeding traffic and inappropriate driver behaviour especially in the vicinity of the Royal Oak Public House, the introduction of a 40mph "buffer" speed limit was identified as a suitable remedial measure, having considered a number of alternatives including a minor road improvement at Dolfechlas Road junction.

The proposed Order will also re-impose the national speed limit on a section of the A541 currently subject to a 30mph speed. By doing so it will address certain historical anomalies concerning the extent of the speed limit through Hendre village.

- 2.02 Proposals were agreed and advertised to introduce a 40mph speed limit on the A541 to the West of the village and to modify the length of the existing 30mph speed limit to the East.

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- 2.03 Following public advertisement one objection was received and despite strenuous efforts it remains unresolved.
- 2.04 The unresolved objection, from a resident of Hawarden, queried the content and method of the proposed Order and also stated a belief that it was "technically unsound and well outside your Council's policy on speed limits....."
- 2.05 Copies of the relevant correspondence are enclosed in the Appendices section of this report, namely 6 letters from the objector and 6 letters of reply from the Authority.

3.00 CONSIDERATIONS

- 3.01 The proposed speed limits as advertised are considered appropriate for this village location and category of road and will alleviate public concern and address the safety issues raised.
- 3.02 The proposal has the support of the Local Member, Cilcain Community Council, the Chief Constable and Assembly Member.

4.00 RECOMMENDATIONS

- 4.01 That members over-rule the unresolved objection and approve the implementation of the new and modified speed limits as advertised.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The cost of providing the required speed limit signs and the cost of processing the Order will be met from the revenue budget allocated for Traffic Regulation Orders.

6.00 ANTI POVERTY IMPACT

- 6.01 No identifiable impact.

7.00 ENVIRONMENTAL IMPACT

- 7.01 The proposed reduced speed limit will improve road safety for all road users at this location by reducing the risk and severity of collisions.

8.00 EQUALITIES IMPACT

- 8.01 No identifiable impact.

9.00 PERSONNEL IMPLICATIONS

- 9.01 No identified implications.

10.00 CONSULTATION REQUIRED

10.01 No further formal consultation required.

11.00 CONSULTATION UNDERTAKEN

11.01 North Wales Police and Local Elected Member.

11.02 The proposal has been advertised in the press and notices maintained on site throughout the objection period.

12.00 APPENDICES

12.01 A541 Hendre scanned document

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None

Contact Officer: Charles Hughes
Telephone: 01352 704701
E-Mail: charles_hughes@flintshire.gov.uk

Hawarden
Flintshire

16 July 2007

The Legal and Democratic Services Officer
Flintshire County Council
MOLD

Attn. Mrs H. Thelwell
Your Ref. DMD/HT/MM/470190



Dear Mrs Thelwell,

A541 Hendre (Speed Limit) Order 200_

Thank you for your letter and enclosures of the 29 June 2007. I am very grateful for the trouble you and your colleagues have taken to prepare the necessary information I asked for. It certainly clarifies the position, but it does reinforce my concerns about the effect of the Order in its present form, as I will set out shortly.

Before doing so can I first deal with the issue raised in your letter of the 16 May 2007 concerning the 'modifications' to your Council's proposals. The Regulation 14(4) procedure is normally used where the Council have resolved to modify their original proposals, usually following consideration of representations received. That is not the case here as there is, at this stage, no such resolution. This is simply a matter of a drafting error that has resulted in a failure to give proper notice of the Council's intention.

In the case of the proposed Order at Saltney, there is again no modification to the Council's proposals, simply a change in the mechanism by which they might be implemented. The important difference being that, in the Saltney case, full public notice has been given of the Council's intention.

In the Hendre case, although I appreciate that you have notified those on your consultation list about the additional length to be included, (incidentally, it is still not correctly scheduled. See my postscript) it will remain a matter of fact that the Council have never given public notice of their intention in respect of this length of road. As a local tax payer I obviously have no wish to see these proposals re-advertised unnecessarily, but in view of this and what I have to say in relation to other matters concerning this Order, it might be prudent to do so.

Dealing now with the issues in your letter of the 29 June 2007, it is 1(iv) that concerns me most.

If I have correctly understood what you are saying, it is the Council's intention to attempt to use the revocation of a previous revocation to re-introduce restricted road status on nearly 2 Km of road and then rely on the provisions of the proposed Order and the 1982 Act to variously impose a mixture of 40mph, 30mph, derestricted and national speed limits over the top of it.

Frankly, I am at a loss to understand why you would want to do this. In the case of the lengths that would be coincident with the proposed Order, why would you want to have more than one Order on the same length of road, particularly when on 2 of the 3 lengths it would be a different restriction?

In the case of the length outside the proposed new Order it is not clear how the provisions of the 1982 Act (or successor legislation) would be relevant for the newly introduced restriction and it

would be very helpful if you could clarify the situation for me. In this respect it would also be helpful if you could let me know the date(s) when it can be **demonstrated** that the system of street lighting which exists on the majority of the 'pink' road was provided.

I find the concept of revoking a revocation, so as to re-introduce a previous restriction very strange indeed. Even if it were technically possible to do so, there has been no proper public notice given of the effect of that action, which are surely grounds for the Order to be re-advertised.

The only other issue I have concern about is 2(iv) where I asked about the relationship between the Orders and the positions of the existing speed limit signs in the vicinity. From the information you have supplied it would seem that not only has there been an 'unauthorised' moving of the signs at the easterly end, but the same seems to have happened at the westerly end where the signs have been moved to a point considerably beyond the extent of the current Order. I should be grateful if you would confirm that this is in fact what has happened.

I can confirm that it is still my intention to submit a formal objection to the proposals as I believe that they are technically unsound and well outside your Council's policy on speed limits. I appreciate that these are issues I will need to raise with your technical officers, but what I have been attempting to do beforehand is to dispense with the 'legal' issues, so that if we are able to reach accord, as we have at Saltney, it will avoid the necessity for these concerns to be included in my formal objection.

Finally, in general it will never be appropriate for you to submit a holding objection as the substantive objection, as it is in most cases it will have been simply a request for further information and there is actually no substance for your Executive to consider.

Yours sincerely

PS.

I am including these comments as a postscript, so that should you so wish, they may be omitted if you subsequently decide to include all correspondence with the documents you submit to the Executive.

The description in Schedule 2 of the proposed Order is still wrong in that it now leaves a gap of 4 metres between the proposed 40mph and 30mph restrictions. I hope you will not be offended if I were to offer some advice as to how these errors could be minimised.

Part of the problem would appear to be the 'mix and match' way in which you are doing the scheduling. Orders are normally either scheduled as being 'from a point to a point' or alternatively 'from x for a distance of - '. Mixing them as has been done here can lead to mistakes. It is also appropriate that where the same point i.e. one where a change takes place, appears in more than one schedule they should be both be described in the same way.

In this case had the same words 'a point 490metres east of Dolfechlas Road' been used in both the first and second schedule I doubt that either of the errors that have occurred would have taken place.

I can't emphasise enough the importance of these Orders, particularly speed limits being able to withstand any legal challenge. I have recently been closely involved in a case elsewhere, in which a 30mph speed limit had been extended 'unlawfully'. Despite the initial assertions from both the Highway Authority and the Police that the correct procedures had been followed, it was demonstrably obvious that they had not and that the matter would end in tears. As indeed it did with I believe something like 3000 pardons having to be issued.

I trust that you will accept all these comments in the spirit in which they are intended, as I really am trying to be helpful in these matters. I only wish that I was able to reach a similar accord with your technical people, where in general I have been singularly unsuccessful in reaching agreement on matters that are actually my specialism rather than the legal side.

Hawarden
Flintshire

DMD/T470190/RG

2nd November 2007

Mr. D Davies

01352 702325

01352 700289

E Mail Address:

David.m.davies@flintshire.gov.uk

Dear Sir

Road Traffic Regulation Act 1984
A541 Hendre (Speed Limit Order) 200-

Thank you for your letter of 16th July, the contents of which I have considered with my colleagues in the Traffic Section.

As you clearly appreciate, the County Council is seeking to rectify what appears to be a number of historical anomalies relating to this site in order that it is clear to both the public and the enforcing authority, North Wales Police, as to the terms, and extent, of the speed limit. I have taken into account the representations made by you, and others, and after due consideration, it has been decided to re-publish the proposal entirely.

However before I do so, I would invite your comments upon the proposed Order as now redrafted. I now enclose a copy of the proposed Order and should be grateful if you could let me have any comments that you wish to make upon it by no later than Friday 16th November. If I do not hear from you by that date, I shall assume that you have no observations to make and will proceed accordingly.

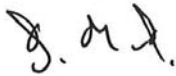
For your reference, the lengths of road specified in the Schedules to the proposed Order are as follows:-

Schedule 1 – Length coloured green on the proposals map enclosed with my letter of 29th June.

Schedule 2 – Length coloured red on the proposals map.
Schedule 3 – Length coloured purple on the proposals map.

I am also inviting the comments of North Wales Police upon the redrafted Order.

Yours faithfully



For County Legal and Democratic Services Officer
Cc. Director of Environment and Regeneration

Hawarden
Flintshire

19 November 2007

The Legal and Democratic Services Officer
Flintshire County Council
MOLD

Attn. Mr D M Davies
Your Ref. DMD/T470190/RG

Dear Mr Davies,

A541 Hendre (Speed Limit) Order 200_

Thank you for your letter of the 2 November 2007. I am glad that within these overall proposals your Council are seeking to rectify these 'historical anomalies' and am happy to try and assist them to do so. I am therefore grateful for being given the opportunity to comment further on this Draft Order.

Although this draft is considerably better than the original one, I still have some concern and would offer the following comments for your consideration.

Dealing with matters as they occur in the draft:-

Article 2

This really does appear to be getting over complicated and in doing so leaves the issue open to argument.

Much of the confusion appears to be in the revocation of part the first 1935 Order by the 1935 (No2) Order.

As I understand it the original 1935 Order introduced a 30mph speed limit on a much longer length of the A541 in this vicinity, which included all the lengths of road now involved.

Later that same year the (No2) Order revoked that restriction in its entirety. That was a '**done deed**' and I am at a loss to understand why you feel it necessary to keep referring to this issue with all the complications that attempting to 'revoke a revocation' could raise.

The 1935 (No2) Order then went on to introduce a 30mph speed limit on a shorter length of road which is that specified in Article 2(b) of the proposed Order. Surely the **only** action necessary in Article 2 is to remove this length of road from the 1935 (No2) Order, as you are doing.

I note that you have included a 'catch all' revocation statement in this article. I am not aware of any other Traffic Regulation Orders (speed limit or otherwise) that would be revoked by this action and am assuming that it is the case that you are not actually aware of any either, but have included it in case one materialises 'out of the woodwork' at some stage. Please see my later comment under 'General'.

I am bound to say that I do not like this way of doing things as in the unlikely event that such Orders do exist, it means that they are not actually being changed themselves and could lead to confusion at a later date. They really need to be identified now and revoked/amended properly.

Article 3

I do not understand why it needs to be complicated by the reference to Article 2 or indeed what bearing it has on the situation. Likewise, why reference to street lights and their distance apart needs to be included, when this is contained within the primary legislation. I believe that all that is necessary is the statement contained in the last 3 lines of the Article.

Article 4

Agreed

Article 5

Other than the issue I have previously raised about the reference to street lights, I have no further comment.

Schedule 1

No comment

Schedule 2

I referred to this issue in the addendum to my letter of the 16 July 2007 and still have some concern about referencing the same point with two different descriptions, especially when the referencing point is something as indeterminate as a road junction.

Unless the reference point has been described more particularly, for example, some Authorities actually specify 'the centre line' of the junction, it would be assumed that the national technical guidance is followed i.e. that when measuring to the west it would be from the west side/kerb line of the side road junction and likewise when measuring to the east it would be from the east side/kerb line of the side road.

This presents no problem in the case of Schedules 1 and 3 because the distances are cumulative. However, in Schedule 2 the distance is measured across the junction and will inevitably fall short by the width of the junction itself, leaving a gap between the 40mph and 30mph lengths. This is why I suggested that the same description of the change point should be used in both schedules.

Schedule 3

No comment (but see general note)

General

I note that you have not responded on a couple of points in my letter of the 16 July 2007. In particular I would like to know the situation to the east of the lengths concerned. To the best of my recollection these street lights were erected after 1982 and there should be in existence a Derestriction Order for this length. Perhaps this why you have included the 'catch all' in Article 2. If there is no record of such an Order and I am correct that the lights were provided after 1982 would it not be prudent to extend Schedule 3 to include all of the 'derestricted' street lit length?

I trust that you will find these comments constructive and helpful.

Yours sincerely

Hawarden
Flintshire

DMD/HT/MM/T470190

20 December 2007

Mr. D.M. Davies

01352 702325

01352 700289

Dear Sir

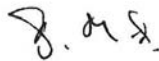
E Mail Address:
david_m_davies@flintshire.gov.uk

Road Traffic Regulation Act 1984
A541 Hendre (Speed Limit) Order 200-

Thank you for your letter of 19th November. I shall be amending the draft Order before publication in order to reflect some of the comments made in your letter.

In the meantime, and in relation to the street lighting system which exists to the east of the A541 intended to be covered by the Order, it is the understanding of those instructing me that the system was erected prior to 1982. However, the County Council's street lighting records are being checked once again with a view to getting further information.

Yours faithfully



 **County Legal and Democratic Services Officer**

Hawarden
Flintshire

8 January 2008

The Legal and Democratic Services Officer
Flintshire County Council
MOLD

Attn. Mr D M Davies
Your Ref. DMD/HT/MM/T470190

Dear Mr Davies,

A541 Hendre (Speed Limit) Order 200_

Thank you for your letter of the 20 December 2007. I am glad that you found some of my previous comments helpful.

I presume that you will not be publicising the proposal until the street lighting issue is resolved and look forward to hearing from you further in this respect.

It also occurs to me that you may wish to consider whether the Statement of Reasons that you previously prepared fully and accurately reflects the reasons why this Order is proposed. What you published appears to be some kind of generic statement that I notice has been used in connection with other proposals where the circumstances were quite different. In this case it makes no reference to the fact that for the greater part of this proposal, the true purpose of making this Order is to correct 'historical anomalies' as you have chosen to refer to them.

As far as the technical merits of the proposal are concerned I still have concern as was indicated in the penultimate paragraph of my letter dated 16 July 2007. I will need further information including measured vehicle speeds and accident history, all of which should be readily available, as they form part of the technical appraisal that your officers will have carried out. If it will help, I am quite prepared to request the information I need as soon as I have had sight of the final draft Order, which might avoid the necessity for me to submit a holding objection when the proposals are published.

Yours sincerely

Hawarden
Flintshire

DMD/HT/MM/T470190

24 April 2008

Mr. D.M. Davies

01352 702325

01352 700289

Dear Sir

E Mail Address:
david_m_davies@flintshire.gov.uk

Road Traffic Regulation Act 1984
A541 Hendre (Speed Limit) Order 200-

Further in this matter, please find enclosed a copy of what I hope is the final draft of the Order which takes into account the comments made in your letter of 19th November. If you have any further comments to make, I should be grateful to hear from you as soon as possible.

With reference to the comments you have made under the heading "General" in your letter of 19th November, after further research it has been ascertained that the installation of the street lighting to the east of the length of the A541 which is to be the subject of the Order was completed on 17th July 1979.

In your letter of 8th January, you state that you still have concerns regarding the technical merits of the above proposal. You further state that you will need further information "including measured vehicle speeds and accident history". Information concerning vehicle speeds and accident history will be provided to you when the draft Order is published. Please inform me what further information, if any, you consider that you will require.

Yours faithfully



 **County Legal and Democratic Services Officer**

DATED

200-

THE FLINTSHIRE COUNTY COUNCIL
(A541 HENDRE) (SPEED LIMIT) ORDER 200-

ORDER
as within

DRAFT

B. C. Davies,
County Legal and Democratic Services Officer,
Flintshire County Council,
County Hall,
Mold,
Flintshire.
CH7 6NR

DMD/HT/T470190

THE FLINTSHIRE COUNTY COUNCIL
(A541 HENDRE) (SPEED LIMIT) ORDER 200-

Flintshire County Council (hereinafter referred to as "the Council") in exercise of its powers under Sections 82(2)(a), 83(2), 84(1)(a) and (2) of, and Part IV of Schedule 9 to, the Road Traffic Regulation Act 1984 (which said Act of 1984 is hereinafter referred to as "the Act of 1984") and of all other enabling powers and after consultation with the Chief Officer of Police in accordance with Part III of Schedule 9 to the Act of 1984 hereby makes the following Order:-

1. In this Order except where otherwise stated any reference in this Order to a numbered Article or Schedule is a reference to the Article or Schedule bearing that number in this Order.
2. The County of Flint (Built Up Areas) (No.2) Order 1935 shall have effect as though in the Third Schedule to that Order, the words:

"A.541. WREXHAM-TREFNANT ROAD
From the Railway Bridge nearest Rhydymwyn to the west end of Glan-yr-afon Terrace, Hendre.",

were deleted.
3. The length of road specified in Schedule 1 to this Order shall be a restricted road for the purposes of Section 81 of the Act of 1984.
4. No person shall drive any motor vehicle at a speed exceeding 40 miles per hour on the length of road specified in Schedule 2 to this Order.
5. The length of road specified in Schedule 3 to this Order shall cease to be a restricted road for the purposes of Section 81 of the Act of 1984.
6. The Interpretation Act 1978 shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.
7. The Order shall come into operation on _____ and may be cited as The Flintshire County Council (A541 Hendre) (Speed Limit) Order 200-.

SCHEDULE 1
30 MPH SPEED LIMIT

A541 Hendre from a point 490 metres east of the centre line of the junction of Dolfechlas Road with the A541 for a distance of 514 metres in an easterly direction.

SCHEDULE 2
40 MPH SPEED LIMIT

A541 Hendre from a point 490 metres east of the centre line of the junction of Dolfechlas Road with the A541 for a distance of 618 metres in a westerly direction.

SCHEDULE 3
DE-RESTRICTED ROAD

A541 Hendre from a point 1004 metres east of the centre line of the junction of Dolfechlas Road with the A541 for a distance of 224 metres in an easterly direction.

THE COMMON SEAL of FLINTSHIRE)
COUNTY COUNCIL was hereunto)
affixed this day of 200)
in the presence of:-)

CHAIRMAN

PRINCIPAL SOLICITOR

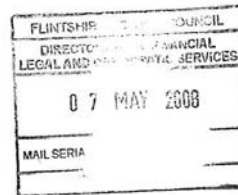
DRAFT

Hawarden
Flintshire

5 May 2008

The Legal and Democratic Services Officer
Flintshire County Council
MOLD

Attn. Mr D M Davies
Your Ref. DMD/HT/MM/T470190



Dear Mr Davies,

A541 Hendre (Speed Limit) Order 200_

Thank you for your letter of the 24 April 2008. The revised Draft Order represents a very considerable improvement in both technical and legal terms and I have no further comment to offer.

I am also grateful to you for the information about street lighting in this vicinity, which makes it clear that there is no necessity to extend Schedule 3 to include the adjacent lengths. It further confirms that the extensions at both ends of the existing '30mph were carried out without lawful authority, which is the historical anomaly that you have previously referred to. My letter of the 8 January 2008 raises the issue of the accuracy of the original Statement of Reasons in this respect.

As far as the further information I require is concerned this is set out below. In asking for this particular information I am assuming that it is still your Council's policy that speed limits should only be introduced in accordance with Welsh Office Circular 1/93.

1. Measured speeds on the lengths of road concerned.
2. The full accident record for the lengths concerned.
3. Your appraisal of the 'character of the road and it's environment' in respect of each of the lengths concerned, in a form that can be directly related to Annex A of 1/93.
4. Some explanation of why you are now promoting speed limits on lengths of road shorter than the minimum half mile referred to by Mr Powell in his letter of the 6 June 2007 concerning Sandy Lane, Saltney, although in that particular case his assertion was erroneous as the length concerned actually exceeded half a mile.

If you would like me to let you know why this information is important to me I will be happy to do so, although I am sure your technical officers will know exactly what I require and why.

I look forward to receiving the information requested. If this can be done sooner rather than later it may remove the need for me to submit a holding objection, or indeed any objection whatsoever.

Yours sincerely

Hawarden
Flintshire

HT/IJ/SS/38/8/124

05 June 2008

Mr I Jones

01352 704632

01352 756444

Dear Sir,

A541 Hendre (Speed Limit) Order 200_

A copy of your letter dated 5th May 2008, addressed to The Authority's Legal and Democratic Services Officer, has been passed to this office to answer your request for further information.

First of all may I confirm that Welsh Office Circular 1/93 remains extant throughout Wales and provides the basis for determining appropriate speed limits. In response to your specific requests I would make the following comments:

1. The measured 85% speeds on the length of road concerned were as follows
A541, Y Dderwen, Hendre (proposed 40mph) to Denbigh = 52mph
A541, Y Dderwen, Hendre (proposed 40mph) to Mold = 49mph
2. The 5 year accident record is attached for your perusal
3. The proposed length of the A541 which is currently 30mph and is proposed to remain 30mph, albeit in a reduced length, represents the main road through a built up village. The horizontal alignment results in inadequate visibility for vehicles accessing and leaving private premises via individual and shared driveways. The lack of footway provision and inability to provide such a facility requires pedestrians on the south side of the A541 to cross to the North side.

The proposed length of the A541 which is proposed to be lowered from the national speed limit to 40mph covers the main road over the extended village envelope. The lack of footway on the south side again requires pedestrians from the hub of the village going to the Royal Oak to cross the A541. The two commercial premises and the junction between them suffer from severely

Copy: Mr I Jones

restricted visibility and the accident records demonstrate the associated problems.

We have taken the view that the high level of traffic passing through the village justifies the imposition of a 40mph limit to protect village life and that the 85%ile speeds are bracketing the 50mph region.

4. Whilst it is generally preferable to aim at ½ mile as a normal minimum length on which to apply speed limit, there will be circumstances where a shorter limit is suitable. In this case the 40mph covers the extended environs of the village, together with the hazards already referred to in Point 3. The 40mph may also be viewed as forming a 'buffer' transition between the national speed limit and the 30mph limit at its existing commencement point.

I fully appreciate why you have requested this information and hope that it will negate any requirement for you to submit an objection in any form. Should you require any further information please do not hesitate to contact me.

Yours faithfully,

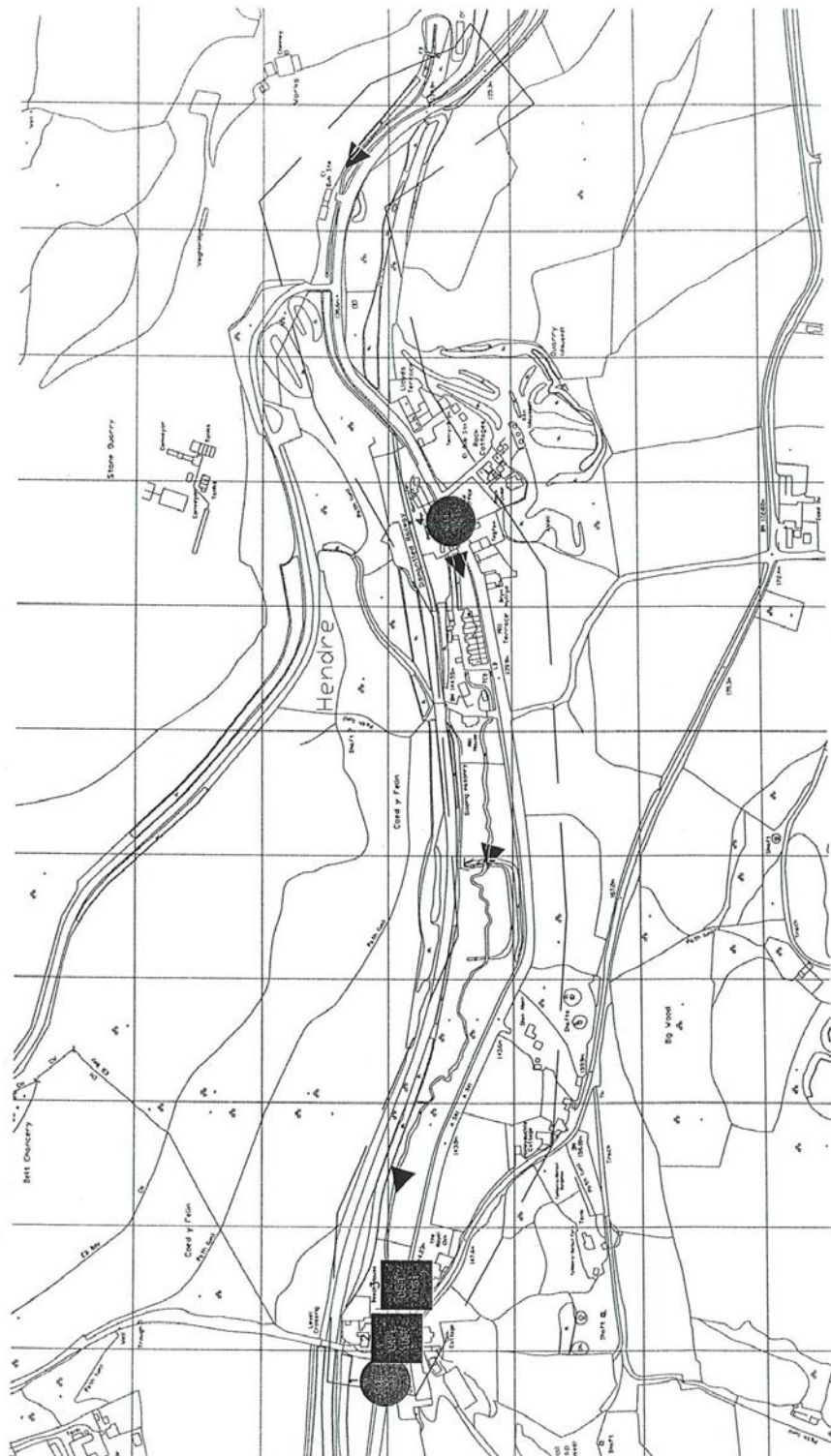


for Interim Chief Highways
and Transportation Engineer (Policy)

Copy: Mr I Jones

A541 Hendre - 5 years

Area L/A	Reference	Severity	Day	Date	Time	Grid Coords
FL 724	03FL1135	Slight	Wednesday	26/11/2003	16:45	318775/367702
Location: A541 HENDRE OUTSIDE HENDRE ENGINEERING SERVICES. 1st Rd: A541 2nd Rd: U						
Description: VEH1 PULLED OUT FROM HENDRE ENGINEERING INTO THE PATH OF ONCOMING VEH2 AND COLLIDED WITH VEH2.						
FL 724	04FL1096	Serious	Tuesday	31/08/2004	11:55	318819/367688
Location: A541 HENDRE 40 YARDS WEST OF THE ROYAL OAK PUBLIC HOUSE. 1st Rd: A541 2nd Rd: U						
Description: VEH1 WAS TRAVELLING BEHIND A SLOW MOVING CARAVAN. VEH1 THEN SWERVED TO LEFT AND INTO A HOUSE ON NEAR SIDE.						
724	05FL1051	Serious	Sunday	26/06/2005	16:15	318825/367689
Location: A541 HENDRE AT JUNCTION OF DOLFECHLAS ROAD. 1st Rd: A541 2nd Rd: U						
Description: DRIVER OF VEH1 TURNED RIGHT AT TOLL GATE COTTAGE AND VEH1 COLLIDED WITH ONCOMING VEH2.						
FL 724	03FL8041	Slight	Friday	20/06/2003	12:00	319469/367649
Location: A541 HENDRE OUTSIDE HOUSE CALLED GLAN YR AFON 1st Rd: A541 2nd Rd:						
Description: V1 ON BEND SEES V4 PARKED AND BRAKES. TRAILER V1 STEPS OUT AND COLLIDES WITH V2. V3 THEN COLLIDES WITH REAR OF V2.						



Hawarden
Flintshire

3 July 2008

The Legal and Democratic Services Officer
Flintshire County Council
MOLD

Your Ref. HT/Ip/T470190

Dear Sir,

**A541 Hendre (Speed Limit) Order 200_
Formal Objection**

I refer to the Public Notice that has been given of the above proposals and wish to raise formal objection to parts of this proposal.

Proposed 30 mph Speed Limit Length

Although your Statement of Reasons suggests that the proposal will reduce the length of the existing 30mph restriction though Hendre, the reality is that it will actually extend the length of the lawful 30mph speed limit. The confusion arises because the existing 30mph speed limit signs at both the easterly and westerly ends have at some time been moved without lawful authority to their current positions, referred to only as 'historical anomalies'. I will deal with this issue in more detail later.

I have no objection to the proposal at the westerly end as the signs will coincide with the start of the developed area, drivers will appreciate the reasons for the speed limit and respect it. However, this is not the case at the easterly end and although the current proposal is an improvement on the existing unlawful situation, I believe that a terminal point closer to the start of the developed area would actually provide greater protection for the village and would be in accordance with both your Council's own and National policy.

The proposed length of 30mph restriction is already shorter than the recommended minimum, nevertheless, I believe that any negative effect of shortening it a little further would be more than outweighed by the benefits I have suggested above. Any concern about protection for the individual quarry access could be addressed by more appropriate measures than an ineffective speed limit.

Proposed 40mph Speed Limit Length

Save for a small cluster of premises close to the Dolfechlas Road junction, the majority of this length is undeveloped. In this respect and others it does not meet either your Council's or National Policy for a 40mph speed limit.

The accident records show that there has been only one collision involving personal injury on this length during the past three years and there is no indication that excess or inappropriate speed was a factor, this is better than the national average.

The existing measured speeds of vehicles are outside the range where a 40mph limit is likely to command the respect of motorists.

It is my understanding that this proposal actually arises out concern expressed by the occupiers of premises adjacent to the Dolfechlas Road junction and I believe that there are better ways of drawing attention to any problems at an isolated location than an unrealistic speed limit, as has been demonstrated successfully at other locations in the County.

This proposal is a prime example of where failing to apply a consistent policy would lead to the confusing situation of a 40mph speed limit on a length of road with very little development and a good accident record, when on the same road less than a mile away at Rhydymwyn, there is significant development and I suspect a worse accident record, yet it has the National speed limit of 60mph when it is patently obvious that a 40mph speed limit would be appropriate.

General

This is only one of a number of instances that have come to light recently where speed limits in this County have been extended or introduced without lawful authority, which must obviously cast doubt on the safety of any prosecutions that may have taken place at these locations. It is difficult to imagine that all this has happened without some form of Member knowledge.

Under the previous Administration this Council introduced many inappropriate speed limits that were clearly not in accordance with their own policy. Unrealistic speed limits do not command the respect of drivers and actually do more harm than good in that they serve to devalue those in places where they really are necessary. The effect of 'crying wolf' is exactly the same as that in the fable.

I trust that this new Administration will take this opportunity to **resolve that** this must not be allowed to continue and that Officers will be advised :-

- 1. Proposals should only be brought to Members for approval where they are in accordance with the Council's policy on speed limits.*
- 2. That speed limits must only be introduced/extended where the correct legal procedures have been fully complied with.*
- 3. To work with the Police and Crown Prosecution Service to ensure that any drivers who may have already been prosecuted as a result of this and other unlawful speed limits are dealt with appropriately.*

Summary

I object to these proposals as they stand and suggest that :-

1. That the easterly termination point of the 30mph speed limit should be adjusted to a point closer to the developed area.
2. No action should be taken on the proposed 40mph limit and Officers should be asked to investigate more appropriate measures to deal with any problems in the vicinity of the Dolfechlas Road junction.
3. The resolution I have suggested in italics above should be adopted.

Yours faithfully

HAWARDEN
Flintshire

DMD/HT/MM/T470190

11 July 2008

Mr. D.M. Davies

01352 702325

01352 700289

Dear Sir

E Mail Address:
david_m_davies@flintshire.gov.uk

Road Traffic Regulation Act 1980
A541 Hendre – Speed Limit Order 200-

I refer to your letter of 3rd July which sets out your formal objection to the above proposed order.

I also refer to your covering letter of the same date. So far as that letter is concerned, I agree with your suggestion that it would be unhelpful for the previous correspondence in this matter to be submitted to the County Council's Executive as part of its consideration of your objection.

So far as your objection letter is concerned, I am sending a copy of it to the Director of Environment and Regeneration for him to consider the representations which you have made regarding the proposed 30 and 40 mph speed limits and for him then to respond to you appropriately.

With reference to the section of your letter headed "General", I am unclear what you mean when you allege that the County Council has extended or introduced speed limits without lawful authority. If it is your view that certain Orders are legally flawed, please let me know. At all times, great care is taken in the drafting of traffic orders so as to ensure, so far as possible, that they will be free from legal challenge. On a number of occasions, representations which you have made in that regard have been acted on by this Department.

However, you may be alleging that the speed limits which have been introduced are legally flawed as they do not, in your view, accord with the County Council's policies. That is not accepted by the County Council and none of the speed limits recently made by the Authority have been the subject of any Judicial Review proceedings.

Continued ...

I do not propose suggesting to the Director of Environment and Regeneration that he should seek to obtain a resolution from the County Council's Executive along the lines proposed by you. The adoption and implementation of any policy on speed limits is ultimately a matter for Members, based upon the professional recommendations of the Director of Environment and Regeneration. Whilst your opinion as to the appropriateness of speed limits may differ from that of the Director of Environment and Regeneration and his staff, that does not mean that speed limits made by the County Council are unlawful.

Yours faithfully

County Legal and Democratic Services Officer



Hawarden
Flintshire

15 July 2008

The Legal and Democratic Services Officer
Flintshire County Council
MOLD

Your Ref. DMD/HT/MM/470190

Dear Sir,

A541 Hendre (Speed Limit) Order 200_

I refer to your letter of the 11 July 2008.

Having submitted my formal objection, am anxious not to protract this correspondence, particularly if it is to be submitted to Members in conjunction with my letter of objection.

However simply for clarification:-

1. I can see no point in engaging in further correspondence with The Director of Environment and Regeneration, as experience has shown that we are unlikely to find any common ground on these matters.
2. My comments do not include any cases where the County Council's actions need to be tested by means of Judicial Review proceedings.
3. Failure of the County Council to comply with their own policy, although undesirable for the reasons I have given, does not affect the validity of any Order subsequently made.
4. I have not suggested that The Director of Environment and Regeneration should seek to obtain a resolution along the lines suggested by me. These are **my** recommendations which I want the Members to consider and are entirely pertinent in the circumstances.

It is of course, open to both yourself and The Director of Environment and Regeneration to make such comments as you might consider appropriate on anything contained in my letter of objection when you report to Members on the matter.

Can I remind you that I have asked to be notified in good time when the matter is to go before Members, just in case that is 'overlooked' as was the case at Saltney.

Yours faithfully

Hawarden
Flintshire

HT/IJ/SS/38/8/124
04 August 2008
Mr Ian Jones
01352 704632
01352 756444

Dear Sir,

A541 Hendre (Speed Limit) Order 200_, Formal Objection

Thank you for your letter dated 3rd July 2008 raising a formal objection to the speed limit proposals on the A541 at Hendre.

For the purpose of clarity I shall deal with each section of your objection in turn:

1. Proposed 30mph Speed Limit Length

I would prefer to continue to refer to "historical anomalies", simply because that is a convenient and accurate statement regarding the situation. Whether the extent of the existing signed 30mph speed limit is "lawful" is debatable, since a copy of the relevant order has not been located. That is not to say one never existed, simply that the proposals seek to redress that omission.

I am pleased to record your agreement to the proposed commencement of the 30mph limit for traffic approaching from the westerly direction which, as you rightly observe, coincides with the greater part of the developed area. I would however draw your attention to the number of properties clustered around the Royal Oak P.H., which I shall refer to under Point 2.

The chosen point for the proposed commencement of the 30mph limit is determined by a number of factors:

- (i) As you rightly assert it represents an improvement (shortening) of the potentially unlawful 30mph speed limit.
- (ii) It represents the closest practical point to the developed area with clear visibility, whilst also protecting traffic entering and leaving the side road.

- (iii) The quarry entrance plays no part, since it was closed many years ago and traffic now utilises the track bed of the former Mold to Denbigh branch line commencing at Dolfechlas Crossroads (adjacent to Ruby Houses).

The siting and subsequent closure of the former quarry entrance may have been significant in the decision to extend the current 30mph limit towards Rhydymwyn.

2. Proposed 40mph Speed Limit Length

I would draw your attention to the Traffic Composition element of Annex A, Circular Roads 1/93 (Welsh Office) which remains extant in the Principality. In particular "a noticeable presence of two wheeled vehicles and pedestrians". The afore mentioned public house generates significant custom from within the village, these pedestrians cross the A541 having used the link footway on the Northerly side. Additionally, and arguably of greater concern to the residents, the bus stop for school children is situated opposite the Royal Oak. Not only do these children cross the A541, from the blind side, in the morning they also await the arrival of the bus. This variety of pedestrian movements take place from dawn to dusk and during the hours of darkness in Winter. Traffic also emerging from Dolfechlas Road is regulated by a STOP line due to the poor visibility, which cannot be improved without demolishing the adjacent property.

You are absolutely correct in stating that the measured speeds are marginally outside the desirable range, but I intend to introduce supplementary measures to alert drivers to the proposed speed limit. In my view the Authority has considered all alternative solutions, including an improvement scheme and are of the opinion that a reduction in the signed speed limit is warranted.

I do not wish to get involved in an extended debate over the comparison between this stretch of road and the A541 at Rhydymwyn. Suffice it to say in Rhydymwyn there are only two entrances on the North side to the Bowling Club and Service Station. I am surprised that you consider a 40mph limit would be appropriate there, but not at Hendre.

3. General

We shall have to agree to differ about your opinions in respect of the Authority's speed limit policy and the knowledge, or otherwise, of Elected Members. If you have any substantial evidence to support your allegations you should of course bring them to the attention of the appropriate authorities.

I do not believe that the Authority is engaged in a process akin to "crying wolf". On the contrary the proposed measures will satisfy the majority of benefits outlined in para 6.7 of Circular Roads 1/93 (Welsh Office)

4. Summary

I shall make the Members aware of the content of your objection and your proposals in respect of the resolution. Unless of course you are now minded to withdraw your objection on the basis of the explanation given above.

Yours faithfully,

for Interim Chief Highways and Transportation Engineer (Policy)

FILE

Hawarden
Flintshire

HT/IJ/SS/38/8/124

27 August 2008

Mr Ian Jones

01352 704632

01352 756444

Dear Sir,

Re: A541 Hendre (Speed Limit) Order 200_

Thank you for your letter dated 15th July 2008 addressed to the Legal and Democratic Services Officer, a copy of which has been passed to this office to comment upon points 1 and 4 contained therein.

I am sorry that we have been unable to resolve your objection informally but, as you rightly state it is unlikely we would be able to find common ground. That is not to say that your input was in anyway unwelcome and your comments and suggestions have always been given thorough consideration. Unfortunately they do not represent an acceptable solution to the problems that the residents of Hendre, their elected representatives and the travelling public in general wish to see resolved.

I shall now prepare a report for the Executive of the Council to consider. You can rest assured that your recommendations will be included in that report for the member's consideration and that you will be informed of the date it will be presented to them in good time.

Yours faithfully,



for Interim Chief Highways and Transportation Engineer (Policy)

Copy: Mr I Jones
Mr D M Jones (FLADS) – for info
Davies

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Hawarden
Flintshire

The Director of Environment and Regeneration
Flintshire County Council
MOLD

29 September 2008

Your Ref. HT/IJ/SS/38/8/124

f.a.o. Mr Ian Jones

Dear Sir,

A541 Hendre (Speed Limit) Order 200_

Many thanks for your letters of the 4th and 24th August 2008.

What I did have in mind as an alternative were interactive signs such as have been provided on the B5373 at the Rhyddyn Hill junction. I believe that something like this would have much more impact at this particular location than a speed limit on what is an otherwise undeveloped length of road.

Although we could both go through 1/93 picking out the points that best suited our case, I am still of the opinion that what is proposed here falls a long way short of meeting the spirit of the criteria in almost all respects and will ultimately prove to be a disappointment to residents.

Recognising that full time enforcement is not possible, we have to rely on the willing co-operation of motorists to respect speed limits and my experience is that this will only happen when the speed limit is accurately matched to conditions throughout its length.

You are doubtless correct that the proposed speed limit presently has the support of the residents of Hendre and their elected representatives, indeed I am surprised that they are not asking for a lower limit. However, it does not always follow that those views are appropriate, which is precisely why your Council have a policy that enables speed limits to be assessed impartially on their merits.

I was particularly interested in your comment implying that the proposal had the support of the travelling public in general, by which I assume you mean drivers using the road. I suspect that the reality is that very few of them are even aware of this proposal, unless they have an interest in scouring the legal notices columns of a local newspaper or are adept at reading the text of an A4 notice whilst driving past. Combine this with apathy and it is small wonder that your Council rarely receive a balanced view on what is proposed. However, you cannot take this as an indication of universal support.

As far as the legality of the existing speed limit is concerned it is inconceivable that every copy of an Order held by the various agencies and archives has simply 'gone

13 OCT 2008

missing' and I believe that the suggestion in Legal Service's letter of the 29 June 2007 that it simply been extended without an Order is almost certainly the case. Furthermore this practice of extending speed limits without an Order is not simply historic and as you know has been taking place until comparatively recent times.

I am sorry that you feel unable to support my views on this matter despite the fact that I believe they are fully in accordance with your Council's policy. Without this support I fear that Members will give them little genuine consideration.

Nevertheless, I am most grateful to you for the obvious trouble you have taken in responding to my previous letters.

Yours faithfully

- 3.02 The MDA area is unique in the UK, in that it is a cohesive economic sub region with a population of nearly 1 million people, which is divided by a national boundary. This boundary is one that is not seen by local business or local communities.
- 3.03 The MDA has developed a business plan for the period to 2011 which will;
- build on the area's competitiveness;
 - develop effective partnership approaches to local needs, to make best use of local assets and resources;
 - create a clear identity for the sub region;
 - strengthen existing communities and centres both sides of the border;
 - enhance external competitiveness by maintaining and supporting local services and by widening our economic base;
 - develop labour market planning across the sub region;
 - enhance and improve our local environment, in particular the Dee Estuary and corridor the development of a linear park along the course of the River Dee;
 - promote and develop an integrated transport system for the sub region, particularly linking people with jobs better, with an important role for public transport.
- 3.04 Copies of the MDA Business Plan 2008 -11 have been circulated and a copy has been placed in the Members Library. It is also available on the MDA website.
- 3.05 The MDA Business Plan has been developed in agreement with all member organisations. It is intended to address key strategic matters which are largely of sub regional, rather than local importance. It is fully in line with existing Council policy and strategies.
- 3.06 The business plan was presented to a stakeholder event - held on 22 September 2008, in Chester and attended by 130 representatives of the member organisations and other interested parties.
- 3.07 All member Authorities of the MDA have undertaken to seek approval of the Business Plan by their Executive.

4.00 RECOMMENDATIONS

- 4.01 That Members agree the contents of the MDA Business Plan 2009 -11.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Membership of the MDA is £5000 p.a. and provision is made within base budget.

6.00 ANTI POVERTY IMPACT

6.01 The maintenance of prosperity and targetted approaches to the needs of deprived communities are both key MDA objectives.

7.00 ENVIRONMENTAL IMPACT

7.01 The protection and enhancement of the natural and built environment is a key principle which underlies all MDA strategy.

8.00 EQUALITIES IMPACT

8.01 None directly.

9.00 PERSONNEL IMPLICATIONS

9.01 These will emerge as the MDA programme develops, but are expected to be accommodated within existing establishment.

10.00 CONSULTATION REQUIRED

10.01 The MDA has agreed to take all of its proposals through a full and transparent consultation process, in order that local people are engaged with the process and local stakeholders and organisations have the opportunity to become involved in the range of projects being developed.

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation has been ongoing and wide. The MDA has carried out an environmental appraisal of its strategy, it has held open meetings to discuss its approach, has held stakeholder meetings and has established a web site to invite participation.

12.00 APPENDICES

1. MDA Business Plan 2008 -11
2. MDA Stakeholder Event - feedback from the 22 September 2008 meeting.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 **BACKGROUND DOCUMENTS**

MDA Business Plan 2008 - 11
MDA Stakeholder Even - feedback from 22 September 2008 meeting

Contact Officer: Dave Heggarty
Telephone: 01352 703203
E-Mail: dave_heggarty@flintshire.gov.uk

business plan

2008-2011

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East Float Development,
Wallasey, Wirral

Introduction

The Mersey Dee Alliance (MDA) was born out of the recognition of shared economic, social and environmental interests across the West Cheshire, Wirral and North East Wales area. A new partnership was formed in April 2007, between the local authorities of Cheshire, Chester, Denbighshire, Ellesmere Port & Neston, Flintshire, Wirral, Wrexham, and the Welsh Assembly Government and Merseytravel, built from a strong foundation of joint working since the 1990's.

The North East Wales / West Cheshire / Wirral area is unique in the UK as a major economic area divided by a national boundary. The area has a great diversity of businesses and a metro economy as well as a large rural hinterland and coastal commuter belt and is a major contributor to the UK economy.

The Partnership's key aim for the period 2008-11 is to build on the area's competitiveness to secure its long term future. In order to do this the MDA recognises the

need to take action, including working more effectively in partnership, to meet the needs of the real economy that operates beyond the confines of borders and administrations, and directly supports a population of close to one million people.

This plan builds on the recommendations of the North East Wales / West Cheshire Sub Regional Spatial Strategy, which provides a framework for greater cross-border cooperation and development from 2006-21, within the parameters of each nation/region's own frameworks and allegiances. The MDA aims for the coordination of the policies of local, national and European authorities to develop programmes of actions which meet the aspirations and the needs of the inhabitants and businesses of the cross border region whilst safeguarding the needs of the environment.

The MDA addresses the strategic, cross-boundary issues that affect the area as a whole so as not to duplicate local activity and to ensure it creates added value.

The Vision to 2021

An area able to compete successfully in the regional, national and global marketplace, where the area's special characteristics are pursued to the benefit of both the sub-region and the Liverpool city-region, where the strengths of individual centres are recognised and enhanced within environmental limits, where the desire to pursue economic growth is intertwined with the need to realise social inclusivity and facilitate environmental protection and enhancement in order to achieve the ultimate goal of sustainable development, where the distinctiveness of the local environment is appreciated and conserved, and where quality of life of the residents of the sub-region is paramount¹.

¹ North East Wales / West Cheshire Sub Regional Spatial Strategy, page 5



Bank of America at night,
Chester Business Park

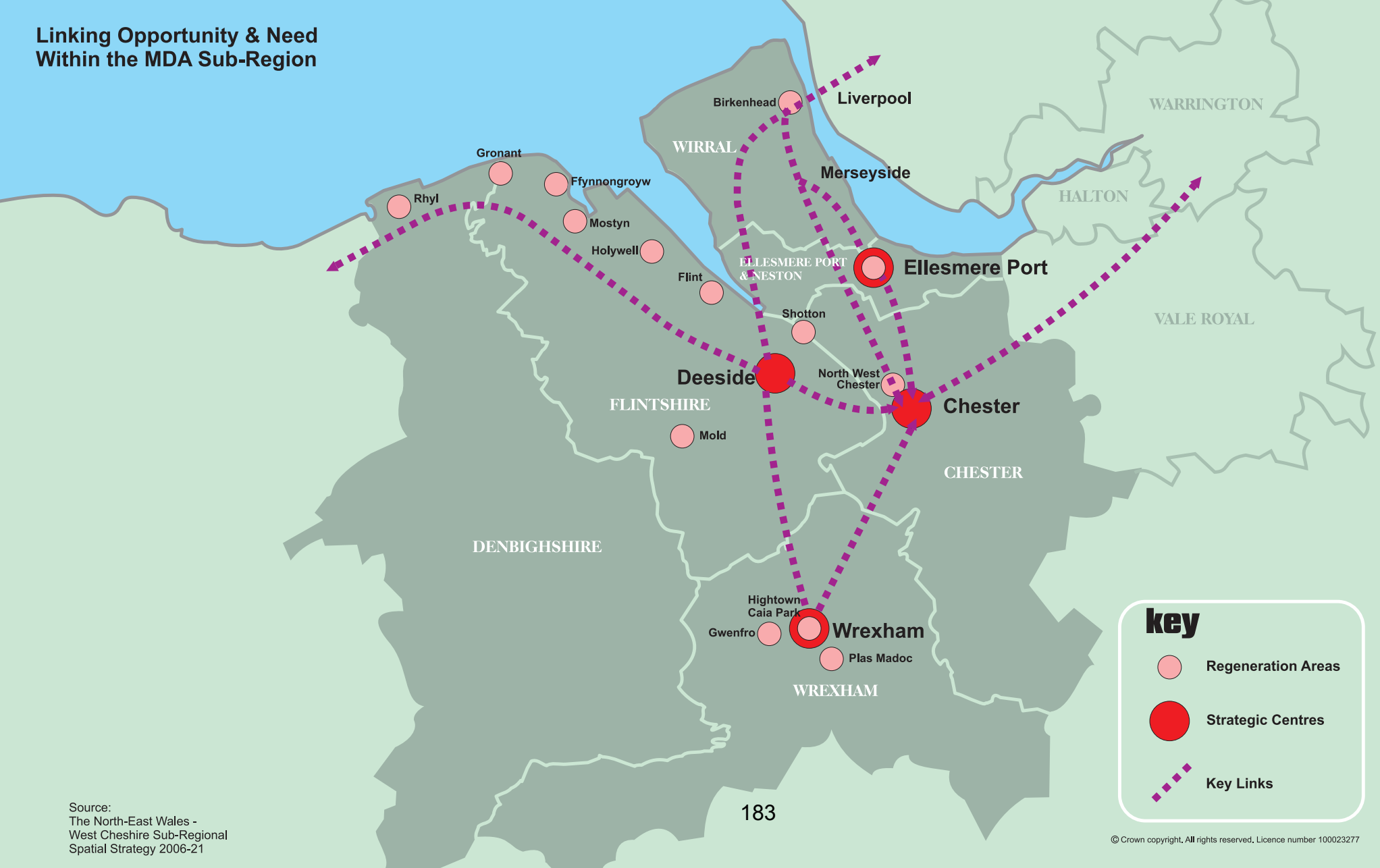
Key Principles

The following principles for development of the area were outlined in the Sub Regional Spatial Strategy:

- Create a clear identity for the sub-region whilst safeguarding the distinctive characteristics within it
- Strengthen existing settlements and communities and help combat social exclusion
- Ensure that new developments have the essential infrastructure and community facilities
- Reduce the need to travel within the sub region through the careful location of housing, employment and retail
- Enhance the external competitiveness of the sub region by building on existing successes and identifying future opportunities to widen the economic base
- Further develop the skills base of the labour force
- Take proactive steps to improve the environment through the redevelopment of brownfield sites and major environmental improvements along the Dee Estuary
- Protect and enhance the environmental assets of the sub-region, including the natural, built and coastal environments
- Promote and develop an integrated transport system for the sub region, and connecting into the wider area, with an important role for public transport
- Give attention to rural regeneration where needed

A key strand of the Spatial Strategy to 2021 is to enhance links and corridors between strategic centres that are already experiencing economic success and regeneration areas as shown on the map opposite, to improve social inclusion and ensure rural areas can also benefit. The MDA will seek to further this agenda wherever possible whilst recognising the central role of individual partner organisations to long-term success.

Linking Opportunity & Need Within the MDA Sub-Region



key

- Regeneration Areas
- Strategic Centres
- Key Links

Source: The North-East Wales - West Cheshire Sub-Regional Spatial Strategy 2006-21

Successes to date

Joint working on common strategic interests before the period of the current partnership yielded important successes, not least the Sub Regional Spatial Strategy, which won the region's Best Strategic Planning Document Award at the RTPI North West Regional Planning Achievement Awards 2007. The strategy was underpinned by a sub-regional study (GVA Grimley 2004), and before that commissioned studies on employment, skills, training and transport options have given a consistent message and firm evidence base for policy making.

The North West Development Agency (NWDA)-funded Business Enterprise Support Strategy (BESS) (2002-7) was a successful £1m programme of regeneration for deprived wards operating across county boundaries that levered in an additional £700k from other public and private sources. The programme led to initiatives such as Cheshire Oaks Retail Academy and 'Workwise' which provides transport solutions to enable people to access employment and training opportunities. Workwise has been recognised as national best practice, and played a role in Merseytravel winning Beacon Status for Accessibility in 2008.

Recent developments

In July 2008 both Wirral and Mersey Heartlands, and West Cheshire Growth Point submissions were approved by Government. The New Growth Points initiative is a partnership between local areas and Government to deliver sustainable growth particularly in the field of housing, still subject to normal statutory procedures.



Evidence

A report commissioned by the partnership and prepared by GVA Grimley (West Cheshire/ North East Wales Sub Regional Study 2004) recognised the key strengths of the area³:

- A successful, prosperous and largely self-contained sub-region, with low unemployment, increasing economic activity and rising average GDP and where 83% of all journeys begin and end within the sub-region
- A strong, stable 'critical mass' of population of 890,000, particularly those of working age (25-64)
- A diverse economy including aerospace, automotive, chemicals, financial services, food, engineering and tourism/retail
- A strong employment land supply, including Wrexham Industrial Estate, Chester Business Park and Deeside Industrial Park with further new developments proposed, including Wirral Waters and Northern Gateway on Deeside
- Well connected to national and global markets and part of a 'dynamic growth corridor' from Dublin to Sweden
- 203,992 dwellings in 2001, which represents an 8.8% rise in the housing stock on 1991. Housing growth exceeds the national level (7%)
- The City of Chester's 'gilt-edged profile' in terms of economic and tourism offer, and Wrexham's role as major regional retail centre and principal urban centre in North Wales
- High environmental quality of the sub-region including internationally significant nature conservation area at the Dee Estuary, with nationally important designations at the Mersey Estuary and Clwydian Range

³Based on a core study area of Chester, Ellesmere Port, Flintshire and Wrexham, with reference to a wider area of Denbighshire, Wirral, Halton, Warrington and the Helsby-Frodsham sub-area of Vale Royal.



Mid-Summer Watch Parade,
Chester

Key Objectives 2008-2011

The sub region's clear economic coherence and strength and the strategic context set in the sub-regional spatial strategy give the area a firm foundation upon which to build. This business plan sets out clear steps to improve the coherence and competitiveness of the area for business, communities and the environment. The main objectives for the period of this plan are:

- To take action to ensure the area's long term competitiveness and sustain its economic, social and environmental future
- To jointly agree and outline the sub-region's unique selling points to ensure its attractiveness as a place to invest, work, live and play
- To facilitate the development of high value added sectors/business in the economy
- To ensure sustainability underpins action

The MDA will focus on removing the barriers to economic growth and sustainability in the following key strategic areas:

- i.** MDA Key Sites
- ii.** Labour Market Productivity, Skills Availability and Creating a Competitive Location
- iii.** Transport and Accessibility
- iv.** Sustainability and Environment, and Coherence of Place Marketing Initiatives

Additionally the partnership will promote the existence and rationale of the Mersey Dee Alliance area and its wealth of opportunities to a wider audience through the website and other available channels, seeking to gain support and influence at the highest levels to accelerate delivery of the agreed objectives.

An outline of each theme is provided in the following section.



Erddig Country House
& Estate, Wrexham

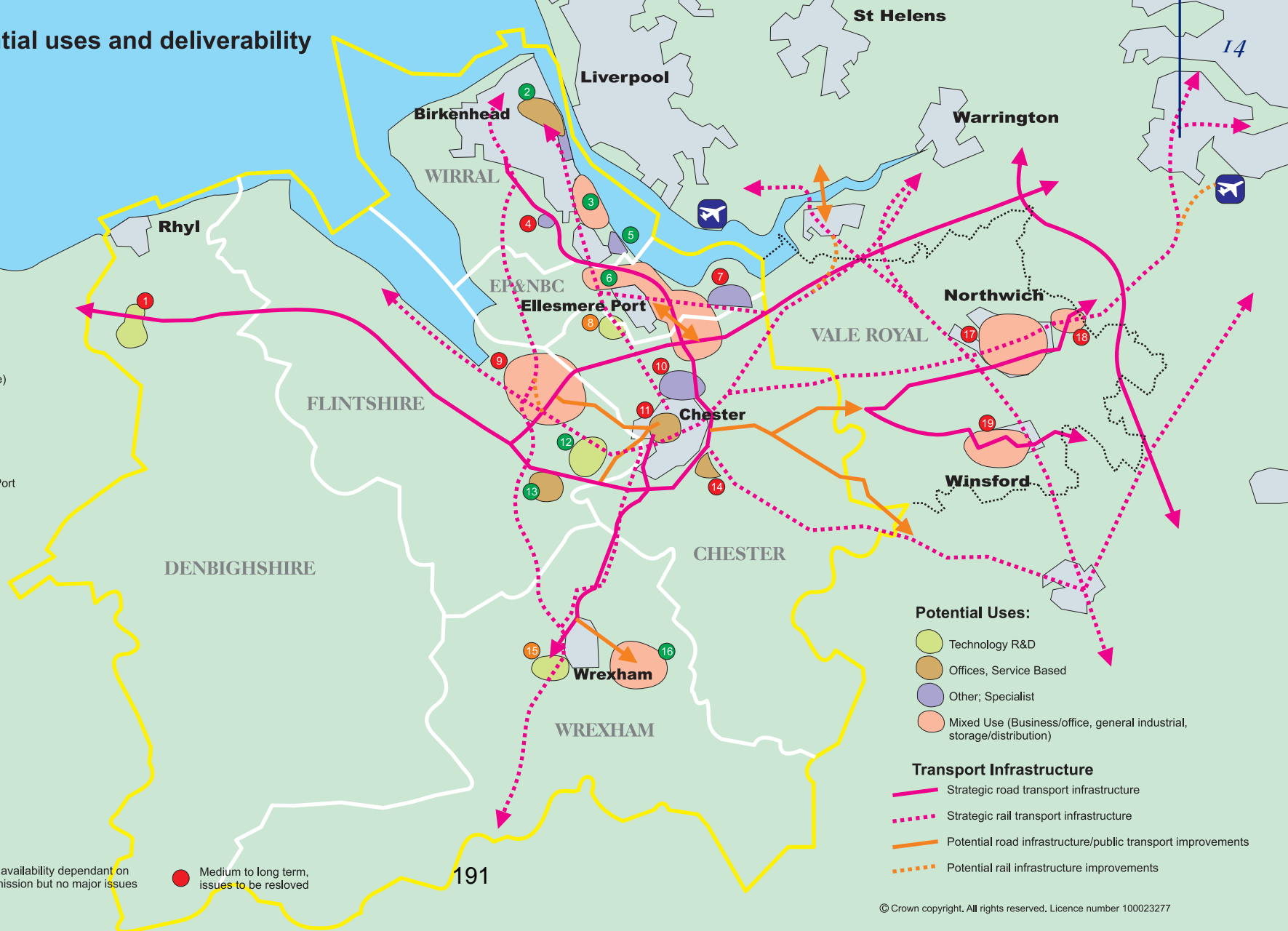
Key Objectives 2008-2011

i) MDA Key Sites

- This work area will ensure the long-term quality and supply of key sites to meet the needs and location requirements of high value added growth sectors and jointly work to attract and secure investment within the target sectors.
- The necessary labour market and growth sectors intelligence and forecasting for high value added activities will be facilitated through the Skills/Labour Market theme.
- Partners will coordinate the bringing forward of sites for appropriate uses guided by intelligence and jointly work to overcome barriers where these are cross-border in nature. All site development is subject to the normal statutory planning process and Local Development Plans (LDPs) / Local Development Frameworks (LDFs).
- Partners will consider joint standards for quality and sustainable development to ensure appropriate low impact, high specification quality developments, drawing on national and international best practice.
- Appropriate sites will be considered within the context of cross-border environmental and infrastructural capacities, in addition to transport and accessibility issues, to ensure that only the most appropriate and sustainable sites are brought forward for target sectors.
- The theme should be mindful of opportunities for development along key regeneration corridors where appropriate.
- The theme follows on from the issues identified in the North East Wales / West Cheshire Sub-regional Spatial Strategy: There is a substantial supply of employment land but there are significant problems of quality and site readiness, and; there are important gaps in the overall supply, especially in relation to quality sites for high value added activities. The work area also has regard to Wirral Strategies, the updated Wales Property Strategy, and ongoing NWDA work on sites for European Regional Development Fund Assistance and Strategic Regional Sites.

MDA Key Sites - Potential uses and deliverability

- 1 St Asaph West / Bodelwyddan
 - 2 Wirral Docklands & Enterprise Zone
Inc Wirral Waters and Birkenhead Town Centre)
 - 3 Wirral Strategic Investment Site
 - 4 Clatterbridge
 - 5 Eastham
 - 6 4M Economic Development Zone, Ellesmere Port
 - 7 Stanlow
 - 8 Capenhurst
 - 9 Northern Gateway Deeside
 - 10 Chester Super Zoo
 - 11 Chester Rail Gateway (city centre sites)
 - 12 Hawarden (Aerospace and related)
 - 13 Warren Hall Broughton
 - 14 Saughton Camp
 - 15 Wrexham Western Gateway (part of Wrexham
Technology Park)
 - 16 Wrexham Industrial Estate
 - 17 North Vision (town centre sites)
 - 18 Lostock Triangle
 - 19 Winning Winsford (town centre sites)
-
- Immediately Available
 - Medium term availability dependant on
planning permission but no major issues
 - Medium to long term,
issues to be resolved



- Potential Uses:**
- Technology R&D
 - Offices, Service Based
 - Other; Specialist
 - Mixed Use (Business/office, general industrial, storage/distribution)

- Transport Infrastructure**
- Strategic road transport infrastructure
 - - - Strategic rail transport infrastructure
 - Potential road infrastructure/public transport improvements
 - - - Potential rail infrastructure improvements

Key Objectives 2008-2011

ii) Labour Market Productivity, Skills Availability and Creating a Competitive Location

This work area is key to the MDA's core objectives of ensuring competitiveness and facilitation of high value sector initiatives.

The MDA will focus on higher value sectors of strategic importance to the sub-regional economy, particularly high value manufacturing.

The theme feeds into the MDA Key Sites portfolio by providing the labour market and high value sectors intelligence and evidence base.

In October 2007 a seminar called 'Sustaining Futures' was hosted by the Mersey Dee Alliance which focused on the need to maintain competitiveness in the light of rapid changes in the world economy. The event brought together businesses across the MDA area to establish a

high level dialogue with the private sector. Skills and recruitment were highlighted as areas needing attention.

A common objective shared by all partners is to increase skill levels and participation in the labour market and to address worklessness. Local partners have a responsibility to address social inclusion and economic inactivity, in particular benefit dependency, together with the consequences of an ageing population and a tight labour market. The nature of these issues requires a local approach. However, there are opportunities for working sub-regionally, for example in joining up local labour market intelligence and in improving connectivity, so that local people are better prepared to win those job opportunities that arise and be able to access them efficiently. The MDA will seek appropriate opportunities to further this agenda at the sub-regional level.

It is acknowledged that creating a competitive location requires a coherent and integrated approach to address economic, social and environmental issues. In this respect the work Transport, Sites and Sustainability themes in addition to the work of individual partners will be an important part of delivering the theme.



Technium Optic,
St. Asaph Business Park,
Denbighshire

The following areas have been singled out for attention at the strategic MDA level for this business plan:

Labour Market Intelligence

- To establish a home for high end labour market intelligence for the sub-region, which will take a long-term view of labour market trends and growth sectors, gathering, coordinating and providing intelligence to assist with strategic planning across the area.

Composites and Emerging Technologies

- The MDA supports the development of a centre of expertise for Composites in the Deeside Hub area and appropriate skills development, which is applicable to several key sectors in the sub-regional economy: aerospace, automotive, marine, construction, and healthcare. High growth is anticipated over the next few years not just in supply to the aerospace sector but in a wider context linked to other manufacturing and environmental services. A particularly large cluster of businesses in the area has been identified which will need training and development in order to be able to sustain growth and support additional recruitment.
- It is anticipated that further priority sector initiatives may be developed in conjunction with the Welsh Assembly Government and the North West Development Agency building on the emerging evidence base and capacity for joint initiatives, which will require dialogue and partnership with Further and Higher Education and other associated agencies.

Promotion of High Value Key Sector Opportunities to Schools and Further Education establishments

- Working in partnership in the development of initiatives to increase young people's awareness of key sub-regional employment sectors as a potential career option e.g. High Value Added manufacturing and financial services. The intention is to build and strengthen links between schools, colleges and employers. There is potential to subsequently expand this model for other key sectors within the economy.



Airbus,
Broughton, Flintshire

Key Objectives 2008-2011

iii) Transport & Accessibility

The Vision for this theme is to strengthen the existing partnership approach to drive the strategic transport agenda and develop and deliver appropriate transport and accessibility projects for the MDA sub region.

- To ensure an effective and sustainable transport system to support the economic success of the sub region.

Transport networks support the productivity and success of urban and rural areas and their catchments, by getting people to work, supporting productive labour markets and supporting businesses within the area.

- To ensure cross-border cooperation on transport and accessibility opportunities to enhance travel options.

The MDA has a role in influencing the cross border dimension of Local Development Frameworks/Plans and Transport Strategies and wider regional agendas. A key project in this regard is the electrification and improvement of the Wrexham-Bidston Railway Line. Additionally the opening of the Halton Curve Line is a key priority for improving access to Liverpool and its Airport.

- To assist in connecting people with jobs & skills and tackling worklessness.

Transport and Accessibility acts as an enabler to connecting people with jobs and skills and tackling worklessness, a prerequisite for sustainable economic development. The Accessibility Planning strand of the

theme will complement the MDA Key Sites theme to ensure accessibility and sustainability are built into new developments from the outset.

Improving public transport and accessibility by public transport has a role to play in reducing congestion and taking pressure of the road networks, connecting areas of employment opportunity to areas of employment need/regeneration areas reducing the 'carbon footprint' and increasing environmental sustainability.

Delivery of some of the projects identified will be subject to inclusion and prioritisation in the Wales National Transport Plan, the Regional Transport Plan for North Wales, the North West Regional Funding Allocation refresh (RFA), and the two Local Transport Plan (LTP) 2's for Chester/Cheshire West and Chester and Merseyside Local Transport Plans.



Key Objectives 2008-2011

iv) Environment and Sustainability, Coherence of Place Marketing

This theme will ensure that the area offers a high quality and sustainable natural and built environment to all its people including those who may wish to come to work, visit or live here. The activities of the Mersey Dee Alliance will focus on areas where there is a need for a sub regional approach to delivery. This will include:

- Ensuring the sustainable delivery of the Sub Regional Spatial Strategy, the MDA Business Plan and their key priorities.
- Identifying opportunities for joint action in relation to protection and enhancement of the area's key environmental and built assets.
- Identifying new opportunities for innovative joint working in relation to sustainable development, which could give the area a unique selling point and competitive advantage.
- Green Infrastructure: spatial plan to deliver economic, social and environmental benefits within the River Dee Corridor, to link with accessibility planning and wider initiatives such as the Mersey Waterfront.
- Review current and potential opportunities for joint marketing of the regional offer to a range of audiences including tourists and inward investors, seeking to improve links and synergies between bordering initiatives



Llangollen Canal,
Denbighshire

Strategic Vision in Context

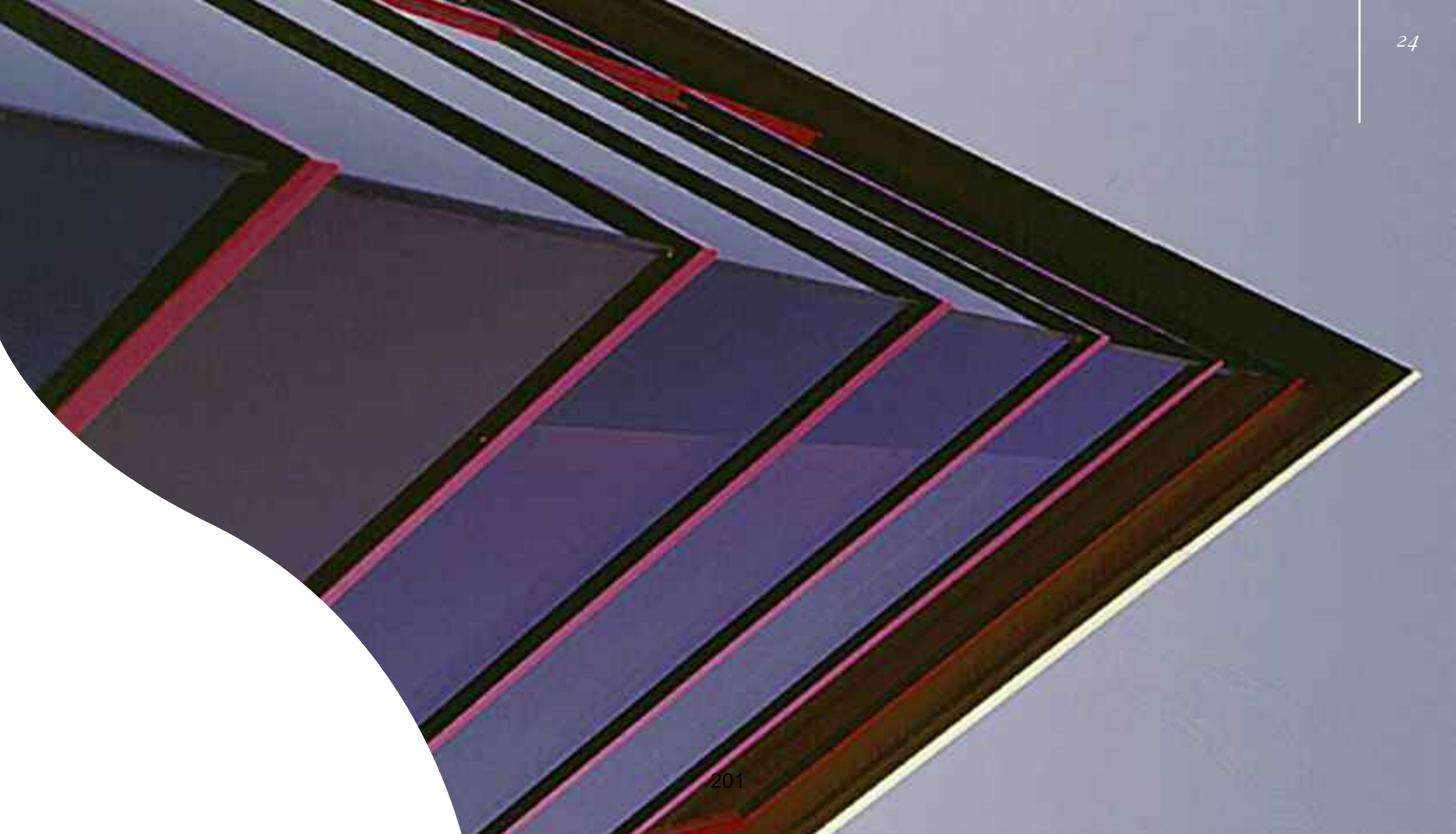
This programme of action has been guided by strategy set by both the Welsh and English/North West contexts. For example:

- In planning, the non-statutory North East Wales / West Cheshire Sub Regional Spatial Strategy sits within the framework of the Wales Spatial Plan and the Regional Spatial Strategy for the North West of England (both statutory).
- In the field of economic development, the North West Regional Economic Strategy / Integrated Regional Strategy and the Wales Economic Development Strategy, A Vibrant Economy. For skills, the Skills That Work for Wales Strategy 2008, and the English Skills Strategy and Education and Skills White Paper 2008, drawing on the Leitch and Webb Reviews.
- In transport, the Wales and North West National, Regional and Local Transport Plans.

Recent Policy

The recent city regions and sub national economic development agendas in England have great relevance to the MDA area. As a major economic area crossing a national boundary partners recognise that alignment of policy initiatives and joining up delivery across a functional economic area is key to meeting the needs of the area's economy and inhabitants, whilst still recognising the importance of maintaining the individuality of its constituent parts and building on its cultural and linguistic diversity.

To this end the partnership considers it important to respond to consultations on issues that may affect or have an impact on the sub region.



Governance and Management

The MDA Partnership in 2008 consists of nine strategic partners signed up to a partnership agreement:

- Chester City Council
- Cheshire County Council
- Denbighshire County Council
- Ellesmere Port and Neston Borough Council
- Flintshire County Council
- Merseytravel
- Welsh Assembly Government
- Wirral Metropolitan Borough Council
- Wrexham County Borough Council

A close working relationship exists with the North West Regional Development Agency, and other strategic authorities/agencies are co-opted onto relevant working groups. Local Government Review in Cheshire has created two new unitary authorities, therefore Cheshire West and Chester Council will replace Chester City, Cheshire County and Ellesmere Port and Neston Borough Councils on 1st April 2009.

Resources

The MDA has an annual operational budget made up of small partner contributions. By coordinating workstreams and working in partnership it is expected that further project funding will be available through existing budgets or levered in from external sources.

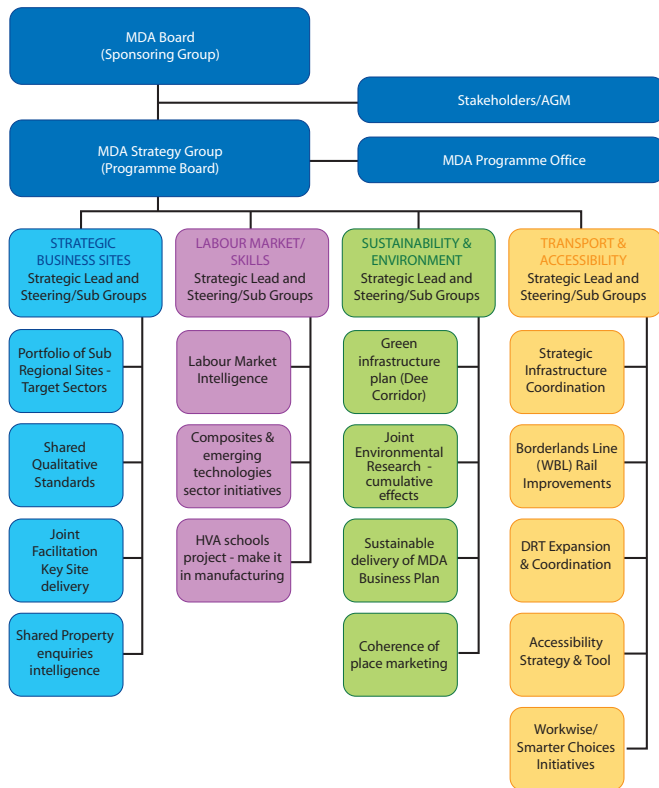
Structure

Partners are represented at Board level by three elected members from each authority. The Board meets a minimum of three times per year with an additional annual general meeting.

Core business is taken forward by a Strategy Group drawn from senior officers within each partner organisation, which meets a minimum of four times per year.

Chester City Council is the Accountable Body for the Partnership and currently employs one and a half full-time equivalent staff to service the partnership.

Where appropriate thematic working groups or steering groups are tasked with elements of delivery and report progress to the Board and/or Strategy Group.



Monitoring and Evaluation

This business plan represents an ongoing programme of work from 2008-11. The MDA Board will monitor and oversee the delivery of the business plan on a regular basis and evaluate at the end of the plan. The board will consider relevant and emerging strategies, policies and external organisation changes, including recommendations from the Sub Regional Spatial Strategy, in order to ensure the MDA plan is fit for purpose and to plan for the period beyond 2011.

As well as the delivery of key projects and outcomes for the sub region (listed in the delivery plan), the plan's overall success will be judged on its facilitation of joint working across borders and the alignment of policy agendas to facilitate this process.

Notes

To find out more about the Mersey Dee Alliance, please contact us on the details below:

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Mae'r ddogfen hon ar gael yn Gymraeg hefyd

**Cysylltwch efo ni os
hoffech dderbyn y
ddogfen hon yn Gymraeg**



The Mersey Dee Alliance (MDA) was born out of the recognition of shared social, economic and environmental interests across the West Cheshire, Wirral and North East Wales Area.

Mersey Dee Alliance Annual Stakeholder Event & AGM

22nd September 2008

Workshop Feedback

1.	<p>Feedback from the MDA Annual Stakeholder Event Workshops is included here as follows:</p> <ul style="list-style-type: none">2 Skills and Competitiveness3 MDA Key Sites4 Transport and Accessibility5 Sustainability and Environment <p>Feedback will be a key consideration in taking forward projects and the overall work of the Mersey Dee Alliance. This information will shortly be available on the MDA website at www.merseydealliance.org.uk.</p> <p>Contact details for workshop leads and/or those leading sub-groups to take the work forward are given at the bottom of each section.</p> <p>Alternatively please contact: Melissa Parsons Senior Regeneration Officer, Mersey Dee Alliance c/o Economic Development Chester City Council, The Forum, Chester, CH1 2HS Tel: 01244 402573 / Fax: 01244 324338 E-mail: m.parsons@chester.gov.uk</p>
2.	<u>Skills and Competitiveness</u>
	<ol style="list-style-type: none">1. General feeling that maintenance of competitiveness was essential for the medium and long term prospects of the sub region.2. Labour Market Planning - agreed that a more joined up approach across the Sub Region to determining skill sector needs and providing for these needs was necessary. Will require FE sector and government co-operation.3. Need to raise esteem of the vocational route relative to the academic route for the 14 - 19 age group.4. May mean more investment in the co-optional/FE system. Too many skilled young people leaving the area and this needs to be reversed.5. Need to engage with local people in order to raise skill levels, both basic skills for those not currently economically active and the skill levels of those currently in work.6. Identify those sectors offering opportunities for the future, e.g. Healthcare

	<p>seen as both a major expanding sector and one which will offer large numbers of job opportunities.</p> <p>7. Need for greater ambition across the sub region, in particular there is a need to raise the profile of our key business sectors. The development of a regional centre for industry considered to be critical.</p> <p>8. The MDA partners need to use their collective lobbying power to bring together local resources in training and education with outside support where available to tackle problems of underachievement/skills shortages.</p> <p>9. Tackling skills issues seen as a fundamental part of a wider regeneration strategy which will also bring environmental benefits through reduced travelling.</p> <p>10. Following projects seen as offering potential:</p> <ul style="list-style-type: none"> i) Development of apprentice/programme for clusters of small employers. ii) “Train to Gain” supporting low skilled employees. iii) Local employment partnerships with the public sector taking a lead with local Council targeting recruitment on deprived sectors of the community. iv) Better economic intelligence so that changes in the local labour market can be better anticipated and responded to.
	<p>Contact: Dave Heggarty Chief Regeneration Officer Flintshire County Council Dave_Heggarty@flintshire.gov.uk 01352 703203</p>
<p>3.</p>	<p><u>MDA Key Sites</u></p>
	<p>Project Aims</p> <ul style="list-style-type: none"> (i) to ensure the long-term quality and supply of key sites to meet the needs and location requirements of high value added growth sectors; (ii) jointly work to attract and secure investment within the target sectors to get the right regional niche in a competitive market; (iii) bring forward a portfolio of appropriate, accessible sites within the context of cross-border environmental and infrastructure capacity; and (iv) link physical development to skills, business support and the wider regeneration agenda.
	<p>Progress to date:</p> <ul style="list-style-type: none"> (i) brought partners “around the table” to agree the scope of joint working; (ii) mapped key sites across the area for potential use and deliverability;

	<ul style="list-style-type: none"> (iii) cross referenced the proposals with transport and green infrastructure schemes; (iv) brought together information on key sites and premises; and (v) begun to think about targeted marketing to key sectors as a mature partnership.
	<p>Workshop held on 22 September 2008 aimed to test the project aims and challenge progress to date. The key points raised were as follows:</p> <ul style="list-style-type: none"> (i) We need to redefine the term “strategic sites” (in fact, the MDA Strategy refers to key Sites not Strategic Sites). There was some confusion as to which sites should be included and which should not. (ii) The consensus was that the MDA should add some value to the individual efforts of the partners to bring forward sites for employment. Concern was expressed about including “everything” and achieving “nothing”. Each of the local authorities in the MDA has a portfolio of sites that it is bringing forward at various stages and rather than put everything forward, it was felt that an exercise to identify those sites which added value to the MDA’s strategic objectives or conversely required the combined support of the MDA partners in order to be brought forward, should be included – all other sites excluded (because they could be taken forward independently by the relevant local authority) (iii) There is a need to be clear about the “key sectors” that will deliver the MDA’s strategic objectives – and to link with the Labour Market Productivity, Skills Availability and creating a competitive location group. (iv) There was a health warning about the world economic outlook and the possible impact on any current economic development/regeneration strategy. (v) There is a need to ensure that marketing and promotion are targeted to avoid the “shopping list syndrome”. (vi) The offer in the MDA area for inward investment is not just about sites. It is also about quality of life (leisure, conurbation/city living, rural hinterland). (vii) Infrastructure needs must be identified and built in at an early stage. Some concern about the sites proposed and the relative planning status or “readiness to go”. Need to keep utility companies in the loop. (viii) Overall – there is a need to promote <u>quality not quantity</u>.
	<p>Contact: Steve Bayley Chief Economic Development Officer Wrexham County Borough Council</p>

	steve.bayley@wrexham.gov.uk 01978 292440
4.	<u>Transport & Accessibility</u>
	<u>Discussion areas to be taken forward by Sub-Group</u> <ul style="list-style-type: none"> • Capacity of local road network • Use of Strategic Routes • Freight Strategy: Road, Rail, Sea: need for integration, including Mostyn dock • Engages with industry: what's in it for industry • Community engagement • Cycling: hire in Cities • Biodiesel • Need clear timescales direction for Wrexham Bidston line • Car Sharing • Chester Western Relief Road • Chester Business Park rail station • Visitors: transport information. Choices, linked routes, integrated transport hubs, capitalise on the increased frequency of London trains... • Education/ training: transport needs • Link to Key Strategic sites, accessibility planned from outset. • Support to local schemes • Sustainable/ Joint Funding needed
	Contact: Peter Bulmer Policy Adviser Cheshire County Council Peter.bulmer@cheshire.gov.uk 01244 973032
5.	<u>Sustainability & Environment / Place Marketing</u>
	At each workshop attendees were split into groups and asked to identify 3 good things, 3 bad things and 3 suggestions for improvement.

Good things

- There is a plan and links with other strategies
- Optimism for the future
- Good starting point / platform for strategic working
- Dee corridor to be commended
- Partnership is welcome / collaborative working (cross boundary on environmental issues)
- Financial capacity between authorities to fund research etc
- Develop and deliver joint marketing plan
- Development of a plan for a River Dee corridor / nature reserves
- Develop champions with role to play
- Start of a better understanding of the area (housing, travel to work, economy)
- Adapting to impact of climate change
- Data gathering / sharing

Bad things

- Jargonistic (carrying capacity)
- No climate change reference
- Number 4 in draft delivery plan seems tenuous
- Outputs not smart
- Community buy-in low and needs more private sector participation
- Vague, aspiration is not action / lack of clarity
- Nothing about shoreline management
- Where is the local economy?
- Too stand alone / no integration with other themes
- Lack of measures to prevent negative impact
- No specifics about benefits to man in the street

Challenges

- National Policy – MDA as an influencing organisation; funding regimes & private/public/voluntary sector involvement

Suggestions for change / improvement

- Develop community buy-in / more engagement of local communities
- Smart objectives
- Promote major private sector buy-in
- Impact of climate change
- Develop a “trust” approach to the delivery/management of environmental work on the Dee Estuary
- How are comments / opinions from this session going to be of value or have an impact on the delivery plan?
- Mechanisms for delivery – what are milestones/key actions?
- Communication – performance

	<ul style="list-style-type: none"> Sustainability should run through delivery plan not separate / better integration with other themes 			
	<u>Table of suggested actions:</u>			
	Change / improvement	How should the framework change?	Who should lead the change?	When should it happen?
	<i>Dee Estuary Trust</i>	Adapt & consider by Sub-group	CCW, Natural England, EA	5 year initial plan
	<i>Include private sector buy-in</i>	Ask for indications of interest	CBI Mersey partnership CWEA(?) WAG	Now
	<i>Shoreline management</i>	MDA needs to be aware of shoreline management and similar bodies	MDA	Now
	<i>Contact with LSPs</i>	Make contact with Chairman to explain workings	MDA	Soon
	<i>Seems to be no coherence with MDA no offices / officers</i>	Become more established	MDA	Now
	<i>Champion</i>	To be a lead and have a role	MDA Environmental Sub-Group	
	<i>Closer working relationship with Farming community</i>	Communication with farming association invited to board meetings	MDA North Wales tourism	Prep work 08/09 Introduced and rolled out 09/10
	<i>Ecology / conservation to be separated from environmental (impact), carbon footprint responsibility</i>		MDA	Now
	<i>NWDA environmental assessment toolkit to be used by MDA partner orgs?</i>	MDA to consider and agree on issue	MDA, NWDA, WAG	Now
	<i>More investment in flexible "DRT" rather than in infrastructure</i>	To be more responsive to transport requirements –	MDA, Taith	ASAP

		modelled on Traws Cambria		
		Communication key actions / milestones	Strategy group	
	<i>Sustainability</i>	It should integrate more with other objectives/actions e.g. champions should link in with work – transport / skills / sites		
		Link between sustainable transport and planning	MDA Strategy group	Now
	<i>Strengthen framework</i>	Detail delivery mechanism	Project group	Now
	<i>More engagement of local communities</i>	Take into account their views – community should be a stakeholder	MDA	By end of 08
	<i>More integration with other themes – sense of priority</i>	Identify implications of other 3 for each thematic area	MDA	By mid 09
	<p>Contact: Kathy Beard Senior Environment Manager Welsh Assembly Government kathryn.beard@wales.gsi.gov.uk 01745 586122</p>			

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 13

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **DIRECTOR OF LIFELONG LEARNING**
SUBJECT : **SCHOOL MODERNISATION STRATEGY: FIT FOR PURPOSE GUIDANCE**

1.00 PURPOSE OF REPORT

- 1.01 To provide Executive with a summary of the work undertaken in the Autumn Term 2008 to produce guidance for identifying the minimum standards for school accommodation and facilities to support and contribute to the process of modernisation of Primary and Secondary Schools in Flintshire.
- 1.02 To present draft Fit for Purpose Guidance documents for approval by Executive.
- 1.03 To clarify the future use of the Fit for Purpose Guidance as part of the criteria for prioritising future capital programme work for schools against short, mid and longer term timelines.

2.00 BACKGROUND

- 2.01 A report was presented to Executive on 16th September which provided a proposed schedule of action to achieve completion of the statutory Education Asset Management Plan (EAMP) by Spring 2009. This schedule included reference to the need to produce Fit for Purpose Guidance during the autumn term 2008 for both Primary and Secondary schools.
- 2.02 The function of the Fit for Purpose Guidance was summarised as follows: -
 - a. To describe minimum standards for school sites, accommodation and facilities into the 21st Century
 - b. To establish criteria for determining capital programme priorities.
 - c. To ensure capital works meet minimum technical specifications including DDA, ICT and sustainability criteria
 - d. To act as a vehicle for bringing together views of schools and their users, diocese, local authority officers, national advice and guidance and stakeholders on determining agreed indicators of Primary, Secondary Fit for Purpose schools, and support units such as PRUs.
- 2.03 Taken together, the EAMP and Fit for Purpose Guidance would provide the

Date: 24/12/2008

basis for identifying, analysing and prioritising the findings of the three main audits of the current Education Asset Management Plan process: -

- a. Condition of Schools
- b. Suitability of site, accommodation and facilities
- c. Sufficiency of site, accommodation and facilities

- 2.04 In turn, a transparent, data-led process of analysis of needs based on the above audits, will then be used to prioritise and determine the allocation and timing of the use of capital programme funding within affordable limits, in the short, mid and long term for the modernisation of Flintshire education assets e.g. schools, pre-school, Foundation Phase, youth provision, PRUs etc.

3.00 CONSIDERATIONS

- 3.01 A key function of Flintshire County Council is to ensure continuous improvement in its schools and educational establishments through the effective allocation of resources and support. Capital funding and capital programme support are two main dimensions of this function.

The quality and appropriateness of the environment in which learning takes place is critical to the performance of pupils and schools. The production of a Flintshire County Council statement of standards of site, accommodation and facilities, in the form of Primary and Secondary Fit For Purpose Guidance, will greatly enhance and support the already established and agreed priorities of primary and secondary school improvement strategies, school security improvement and the key processes of school place planning, pupil forecasting and coordinated admissions policies and practice.

- 3.02 The Council is committed through its work programme to modernising schools and related assets for the direct benefit of pupils and users. However, this now requires a closely coordinated approach to strategic planning, and to the efficient and effective use of strategic resources, including increased and carefully programmed capital funding expenditure which links closely with the use of school improvement funding, together with delegated and devolved education budgets.
- 3.03 The process of the development and introduction of new management information through an Education Asset Management Plan must be supported by the Authority's partners in the school improvement process including schools, governing bodies, Diocese and other education partners in order to be effective.
- 3.04 The Asset Management Plan and the Fit for Purpose Guidance will provide a basis for achieving value for money and investment in essential capital programme works to maximise available capital funding over the next mid term financial periods for Flintshire County Council from 2008-2012 and 2012-2016.

3.05 The Asset Management Plan and the Fit for Purpose Guidance are underpinned by important principles: -

- a. At all times capital expenditure should be maximised and should wherever possible directly contribute to the Authority focus on teaching, learning and educational standards.
- b. The procurement and commissioning of capital programme projects and works must secure value for money.
- c. Investment must be made in the right places, at the right time and against agreed priorities.
- d. Rationalisation, maintenance, upgrading and expansion are all possible solutions for asset management and achieving fitness for purpose.
- e. Partnership working is essential to the modernisation process.
- f. Consultation, transparency and clarity of roles and responsibilities including accountability are critical to the successful management.
- g. Recent and relevant ICT, environmental and sustainable standards are integral to the modernisation process.
- h. The Education Asset Management Plan and Fit for Purpose Guidance will have due regard to the Flintshire County Council obligations to equality, disability access, social inclusion and development of community focus.

3.06 The Education Asset Management Plan and the Fit for Purpose Guidance will be supported by a Local Policy Statement setting out a full account of the principles, priorities, summary and scope of assets to which they apply.

At this stage it is possible to indicate emerging or suggested principles and priorities for modernisation and school organisation programmes discussed with Primary Headteachers at the Autumn term 2008 Flintshire Primary Headteacher Conference.

Suggested Principles: -

- investment leading to improved experience for children and young people;
- transparency and shared understanding of criteria;
- emphasis on investment to meet essential needs;
- continued maximum class rule of 30;
- clear criteria used to prioritise the use of available capital resources via agreed EAMP priorities;
- collaborative use of capital funding, as appropriate;
- seek to minimise disruption and implement sustainable solutions;

- to seek to achieve flexible use of resources wherever possible e.g. ICT facilities;
- work towards modernisation of Flintshire Schools to provide access suitable, sufficient and good condition accommodation and facilities;

Suggested Priorities

- suitable, sufficient and flexible learning spaces;
- integrated and flexible ICT provision and facilities;
- library and/or learning resource spaces/rooms;
- suitable and sufficient external learning and play areas;
- school hall on site
- break-out and support spaces/rooms;
- suitable and sufficient staff and administration areas;
- modern, safe and sufficient toilet and personal areas;
- suitable and sufficient site access and security;
- Health and Safety and DDA integrated into suitability and sufficiency requirements;
- Fit for Purpose schools will facilitate and accommodate community use of the school;
- suitability and sufficiency will pay regard to energy, sustainability and eco agendas;
- removal of temporary and mobile teaching accommodation; and
- suitable, sufficient and safe food preparation and dining facilities.

3.07 The production of a Local Statement will also provide a summary framework for the analysis and recording of types of conditions, suitability and sufficiency of the premises and property of all educational establishments in Flintshire (the needs or demand) and the range and type of capital programmes and works available (the resources response). The summary framework will also indicate how school improvement and school modernisation interrelate and coordinate the use of capital resources.

3.08 Existing criteria (see below) for prioritising schemes for capital funding have also been taken into consideration in the development of Fit for Purpose Guidance, including: -

Condition

- Assessment of level of need in condition surveys
- Priority response to Health and Safety and emergency condition issues
- Priority to urgent work to prevent temporary school closure
- Technical advice and scope of problem

- Schemes to prevent serious deterioration (invest to save)

Suitability

- Replacement of temporary buildings, including mobile classrooms
- Elimination of serious Health and Safety problems
- Work to enable schools to meet teaching and learning requirements
- DDA works for pupils transferring between schools and work that increases the accessibility of schools
- Schemes that facilitate shared or collaborative use of provision

Educational standards

- Schools with performance issues, where accommodation and facilities have been identified as critical to agreed improvement plans or ESTYN action plans
- Schools that have included essential, critical or developmental capital works within the school improvement plan

- 3.09 The strategic role of the corporate asset management group (CAMG) in Flintshire County Council is important for the school modernisation strategy since it has and will continue to provide a critical point of strategic communication and coordination between Lifelong Learning and wider Council capital programmes.

Additionally, CAMG provides a Council context for the development of school-related asset management planning, for capital programme priority setting and for strategic links between Council and Lifelong Learning asset management to seek and secure efficient and effective use of strategic resources.

- 3.10 Involvement of Headteachers, Governing Bodies and Diocesan Boards in developing the school modernisation strategy is crucial to the effective assessment of the capital needs for schools, to helping identify the vision for the future of site, accommodation and facilities development in schools, and to supporting the mid and longer term process of modernising schools and to do this through a planned capital programme based on audit and evidence collected as part of the Education Asset Management Plan and Fit for Purpose Guidance.
- 3.11 Flintshire County Council in developing this work is also seeking to respond to national advice and guidance, as set out in the most recent DCELLS publication, School Organisation Proposals (October 2008).

4.00 RECOMMENDATIONS

4.01

- a. For Executive to approve the use of the draft Fit for Purpose Guidance for Primary and Secondary Schools for consultation.

- b. For Executive to refer the draft Fit for Purpose Guidance for Primary and Secondary Schools to Lifelong Learning Overview and Scrutiny for consideration.
- c. For consultation to be undertaken on the draft Fit for Purpose Guidance with schools and partners.
- d. For a further report to be presented to Executive on the Local Statement (see 3.06 and 3.07) as required for the strategic planning of education assets.
- e. To report on consultation findings to Executive in March 2009.

5.00 FINANCIAL IMPLICATIONS

5.01 No immediate implications. However, significant mid and longer term implications for capital funding will be identified in Spring 2009. These financial implications will be aligned with the Council's current (2008-2012) and 2012-2016 mid term financial cycles.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 It is a Welsh Assembly requirement that any proposed change to schools and to the organisation of schools must provide an assessment of the impact of inclusion and equality for any respective service users.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation to be undertaken on the draft Fit for Purpose Guidance with Primary and Secondary schools and partners.

12.00 APPENDICES

12.01 Draft Fit for Purpose Guidance documents are to follow.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

School Organisation Proposals, published by DCELLS (Welsh Assembly Government), October 2008

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 14

REPORT TO: **EXECUTIVE**
DATE : **06 JANUARY 2009**
REPORT BY: **HEAD OF OVERVIEW & SCRUTINY**
SUBJECT : **WELSH BORDER COMMUNITY TRANSPORT FUNDING**

1.00 PURPOSE OF REPORT

- 1.01 To highlight to the Executive the invaluable service provided by Welsh Border Community Transport, and the high risk of vulnerable Flintshire residents losing this service when funding ceases in March 2009.

2.00 BACKGROUND

- 2.01 The Overview & Scrutiny function is currently engaged in examining a number of issues relating to the provision of public transport within the County.
- 2.02 The Environment & Regeneration, Social & Health and Lifelong Learning Overview & Scrutiny Committees are each involved in specific topics and in addition to this, the Co-ordinating Committee recently agreed to commend the work of Welsh Border Community Transport to the functional Committees as a worthy topic.
- 2.03 The Environment & Regeneration Overview & Scrutiny Committee, also recently received an update report on the Rural Development Plan. At the meeting members were advised by officers that of the 15 projects submitted in Flintshire's Business Plan to WAG only 12 were approved for RDP funding. One of the 3 projects which were not approved by WAG for funding, was to look at transport for rural areas. The Co-ordinating Committee felt this was a double blow for rural communities.

3.00 CONSIDERATIONS

- 3.01 **Welsh Border Community Transport** - WBCT provide approximately 42% of what would normally be ambulance service and provides transport for rural areas not on a bus route. During the year ending September 2008, there were 1900 minibus trips carrying 10,000 passengers of which 895 trips were carried out by a paid driver. There were 3140 car trips with almost 3700 passengers, of which approximately 800 trips were carried out by the paid car driver. Welsh Border Community Transport contributes to sustaining communities in rural Flintshire by provided transport for people with poor access to services, such as doctors, hospitals, shopping and socialising. It serves the elderly, disabled, vulnerable as well as people from rural areas.

Date: 24/12/2008

Should the service end people from vulnerable groups could become socially excluded.

The Welsh Assembly Government's budget for community transport concessionary fares which was a pilot scheme across Wales comes to an end in March 2009. This currently funds the two drivers and one office manager. In addition there are two paid staff which until the end of July 2008 were funded with a Big Lottery Grant, but are now funded by Flintshire County Council. These paid posts have become crucial to the efficient operation of the organisation. Without these employees the service would be unable to continue at its current capacity.

During a meeting of a working group from the Environment & Regeneration Overview & Scrutiny Committee, members of the group were advised by the Head of Transportation that the Welsh Border Community Transport face the loss of £120,000 as a result of the cessation of WAG funding. It was agreed that given the pressures faced by the Welsh Border Community Transport, any interim finding by the team which support them should be made available. In addition to this, the County's Assembly Members should be enlisted for their support.

- 3.02 **Rural Development Plan funding** - The RDP provides an opportunity for rural individuals, businesses, organisations and communities to access funding support and participate in activities that will contribute to the development and strengthening of Flintshire's rural communities.

There are four major objectives, called axis, with the County Council's participation focusing on the implementation of projects outlined under Axis 3 and Axis 4. In November 2007 Flintshire submitted a required Business Plan to the WAG which provided details of these projects, the resources required, outputs to be achieved and management arrangements.

In June 2008 WAG announced details of those projects that were approved for RDP funding. Of the 15 projects submitted, 12 were approved for funding, and 3 were not approved. One of the 3 refused was an Axis 4 project which was to be implemented by Cadwyn Clwyd. It's purpose was to pilot new initiatives which would enhance the provision of basic services in rural Flintshire. It would only have supported innovative initiatives which are new to the local area or supported existing initiatives which are seeking to pilot a new element to their venture. The project was to comprise the following three elements:

Demand Responsive Transport Scheme

This service would link the rural areas of the County to major centres using the principles of the DRT. The Deeside Shuttle only operates a limited service in the evenings, thus the vehicles would have been available to use in this rural project. The service would have assisted with trips to leisure centres, Clwyd Theatre Cymru, adult learning classes etc.

Pub is the Hub

This is an established initiative in England which encourages pub owners, licensees and local communities to work together to support, retain and improve access to basic rural services. This element of the project sought to support professional advice and guidance, capacity building, feasibility studies and business planning and provide a grant scheme to pilot new initiatives.

Development Work

This was to include other basis services such as leisure and cultural activities, childcare facilities, telecommunications services and retail services.

The total budget for the project was £565,000.

- 3.03 As yet, the Council have not been informed why WAG were unable to approve the project. There may be grounds on which an appeal can be lodged.

4.00 RECOMMENDATIONS

- 4.01 That the Executive recognise the prospective shortfall in Welsh Border Community Transport funding and enlist the support of Assembly Members in seeking alternative sources of funding.
- 4.02 That the Executive write to WAG requesting a rejection letter outlining the reasons for refusal of funding for the Axis 4 project, which will allow the Authority to then appeal against the decision.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The Welsh Border Community Transport face the loss of £120,000 as a result of the cessation of WAG funding, but this does not impact on the finances of Flintshire County Council.

6.00 ANTI POVERTY IMPACT

- 6.01 The provision of the Welsh Border Community Transport contributes to sustaining communities in rural Flintshire by provided transport for people with poor access to services, such as doctors, hospitals, shopping and socialising.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

- 8.01 The service provides transport for the elderly, disabled, vulnerable and people from rural areas. Should the service end people from vulnerable groups could become socially excluded.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 Further consultation is required with WAG.

11.00 CONSULTATION UNDERTAKEN

- 11.01 The Director of Environment, Head of Transportation, Rural Development Officer have been consulted in preparing this report.

12.00 APPENDICES

- 12.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

minutes of the Environment & Regeneration Overview & Scrutiny Committee 2 December 2008, and minutes of the Co-ordinating Committee meeting 3 December 2008

Contact Officer: Samantha Owen
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E-Mail: samantha_owen@flintshire.gov.uk

FOR INFORMATION

FLINTSHIRE COUNTY COUNCIL

REPORT TO: EXECUTIVE
DATE: 6 JANUARY, 2009
REPORT BY: CHIEF EXECUTIVE
SUBJECT: EXERCISE OF DELEGATED POWERS

1.00 PURPOSE OF REPORT

1.01 To inform Members of action taken under delegated powers.

2.00 BACKGROUND

2.01 At the Executive Meeting held on 31st October, 2000 it was agreed that one of the standard agenda items at each Executive should be a report on the "Exercise of Delegated Powers".

3.00 RECOMMENDATION

3.01 Members note the details of actions taken under the "Exercise of Delegated Powers".

4.00 FINANCIAL IMPLICATIONS

4.01 As detailed in each report.

5.00 ANTI-POVERTY IMPACT

5.01 As detailed in each report.

6.00 ENVIRONMENTAL IMPACT

6.01 As detailed in each report.

7.00 EQUALITIES IMPACT

7.01 As detailed in each report.

8.00 PERSONNEL IMPLICATIONS

8.01 As detailed in each report

9.00 CONSULTATION REQUIRED

9.01 Not applicable

10.00 CONSULTATION UNDERTAKEN

10.01 Not applicable

11.00 APPENDICES

11.01 Summary of Decisions taken under Delegated Powers.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background documents: See individual report.
Contact Officer: See individual report.

APPENDIX 1

EXERCISE OF DELEGATED POWERS – DECISIONS TAKEN

Directorate

Subject

Environment

Extension of Traffic Signal Maintenance
Contract 2009 to 2011

Proposed Footpath at Bryn Road, Bryn y
Baal

All Wales Coastal Path and Dee Coastal
Path – Improvements at Greenfield Dock

Release of Restrictive Covenant Former
Surgery School Lane, Greenfield

Copies of the Delegated Powers reports are on deposit in the Members' Library

EXECUTIVE FORWARD WORK PROGRAMME **MONTHS 12/08 to 04/09**

The following reports are included in the Forward Work Programme for submission to this meeting of the Executive. However, the reports are not included on the agenda for the reasons stated:-

Chief Executive

- Phase II of Organisational Change and Re-design: Priority Service Reviews
(To be considered at LSG first)
- Organisational Change and Re-design: Efficiencies Statement
(To be considered at LSG first)

Finance Update

- Procurement Strategy Update
(Deferred – submission date to be re-arranged)

Community Services Update

- PARIS Social Services Business System
(To be considered at LSG first)

Environment Update

- Traffic Management Act – Update and Policies
(The Network Strategy associated with the Traffic Management Act 2004 is still being developed as not all the necessary consultation has been completed)

Lifelong Learning Update

- Welsh Education Scheme
(To be submitted to Executive on 27 January – Scheme not yet ratified by WAG)
- School Place Planning – Pupil Forecasts
(To be submitted to Executive on 27 January)

**FLINTSHIRE COUNTY COUNCIL
FORWARD WORK PROGRAMME
EXECUTIVE
December 2008 to April 2009**

MEETING DATE	DIRECTORATE/DIVISION	TOPIC	REPORT TYPE	PORTFOLIO
9 December 2008	Chief Executive	<ul style="list-style-type: none"> ➤ Housing Strategy Review Board Progress Report ➤ Improvement Agreement ➤ Q2 Performance Reporting 	Strategic Strategic Operational	Housing Strategy & Planning Corporate Governance & Strategy “ “
9 December 2008	Finance	<ul style="list-style-type: none"> ➤ Medium Term Financial Strategy / Budget 2009/10 ➤ General Fund / Housing Revenue Account Revenue Budget Monitoring 2008/09 (Month 6) ➤ Capital Programme 2008/09 (Month 6) 	Strategic Operational Operational	Finance & Asset Management “ “ “ “
9 December 2009	Community Services	<ul style="list-style-type: none"> ➤ Housing Update – Tenant Participation, Allocations and Homelessness ➤ National Services Framework – Older People ➤ Supporting People Operational Plan 	Strategic Operational Operational	Housing Strategy/Social Services Social Services Estate Management Social Services/Housing Strategy

		➤ Appointment of new postholder to undertake responsibilities in relation to the Supporting People Revenue Grant	Operational	Social Services
9 December 2008	Environment	➤ Flint Conservation Area Appraisal and Conservation Area Management Plan ➤ Completion of Stage 1 of the Holywell THI	Strategic Operational	Housing Strategy & Planning Housing Strategy & Planning
9 December 2008	Lifelong Learning	➤ Leisure Strategy – Progress Report ➤ Deeside Leisure Centre – Outline Project Plan	Strategic Operational	Leisure and Public Protection Leisure and Public Protection
6 January 2009	Chief Executive	➤ Phase II of Organisational Change and Re-design: Priority Service Reviews ➤ Organisational Change and Re-design: Efficiencies Statement ➤ Strategic Assessment of Risks and Challenges ➤ Relationship Manager's Letter ➤ PwC Contractor Functions ➤ Disability Equality Scheme – Annual Report ➤ Equality Progress Report	Strategic Strategic Strategic Strategic Strategic Operational Operational	Corporate Governance & Strategy “ “ “ “ “ “ “ “ “ “
6 January 2009	Finance	➤ Medium Term Financial Strategy / Budget 2009/10 ➤ Procurement Strategy Update ➤ General Fund / Housing Revenue Account Revenue Budget Monitoring 2008/09 (Month 7)	Strategic Strategic Operational	Finance & Asset Management “ “ “ “

6 January 2009	Community Services	➤ PARIS Social Services Business System – Joint Report with Corporate IT	Operational	Social Services
6 January 2009	Environment	➤ Traffic Management Act – Update and Policies	Strategic	Environment
		➤ Mold to Saltney Greenway	Operational	Environment
6 January 2009	Lifelong Learning	➤ Education Asset Management Plan: Proposed Fit-for-Purpose Criteria	Operational	Education & Youth
		➤ Welsh Education Scheme	Operational	Education & Youth
		➤ School Place Planning - Pupil Forecasts	Operational	Education & Youth
27 January 2009	Chief Executive	➤ Depot Rationalisation Strategy	Strategic	Finance & Asset Management
		➤ Voluntary Sector Grant Management Review	Strategic	Corporate Governance & Strategy
27 January 2009	Finance	➤ Initial Budget Proposals 2009/10	Strategic	Finance & Asset Management
27 January 2009	HR & Organisational Development	➤ Workforce Information Report	Operational	Corporate Governance & Strategy
		➤ HRMIS Progress Report	Operational	“ “
27 January 2009	ICT/Customer Services	➤ Improving Access to Services for the Customer (County Hall)	Strategic	Corporate Governance & Strategy
27 January 2009	Community Services	➤ Sheltered Housing Review	Strategic	Estate Management
		➤ Housing Division Structure	Operational	“ “
		➤ Progress on Shotton Extra Care Scheme	Operational	Social Services
27 January 2009	Environment	➤ Progress on Flintshire Waste Management Strategy	Strategic	Waste Strategy & Management
		➤ Report on CADW Delegation Scheme	Operational	Housing Strategy & Planning
		➤ Review of Consents	Operational	“ “
		➤ Asset Management Planning - Progress	Operational	Estate Management

27 January 2009	Lifelong Learning	➤ Outline Mid and Long Term School Capital Programme	Operational	Education & Youth
17 February 2009	Chief Executive	➤ Draft Community Strategy ➤ Local Service Board – Progress Report ➤ Changing Climate, Changing Places	Strategic Strategic Strategic	Corporate Governance & Strategy “ “ “ “
17 February 2009	Finance	➤ Final Budget Proposals 2009/10 ➤ Treasury Management Policy & Strategy Statement Report 2009/10 ➤ Prudential Indicators 2009/10 ➤ General Fund / Housing Revenue Account Revenue Budget Monitoring 2008/09 (Month 8) ➤ Minimum Revenue Provision 2009/10	Strategic Strategic Strategic Operational Operational	Finance & Asset Management “ “ “ “ “ “
17 February 2009	HR & Organisational Development	➤ People Strategy Progress	Strategic	Corporate Governance & Strategy
17 February 2009	Community Services	➤ Voids Review ➤ Mental Health / Learning Disabilities and Substance Misuse Service Integration ➤ NRA Progress ➤ Progress on the NHS	Operational Operational Operational Operational	Estate Management Social Services Estate Management Social Services
17 February 2009	Environment	➤ TAIH Regional Transport Plan ➤ Review of Flintshire County Council's Contaminated Land Strategy ➤ Recycling Performance & Initiative ➤ Energy Conservation – Progress	Strategic Strategic Operational Operational	Environment Leisure & Public Protection Waste Management & Strategy Estate Management

		➤ Agricultural Estates – an Overview of Performance	Operational	Estate Management
17 February 2009	Lifelong Learning	➤ 2009-10 School Capital Programme	Operational	Education & Youth
10 March 2009	Chief Executive	➤ Draft Council Plan	Strategic	Corporate Governance & Strategy
		➤ Target Setting 2009/10	Strategic	“ “
		➤ Improvement Agreement	Strategic	“ “
		➤ Q3 Performance Reporting	Operational	“ “
		➤ Voluntary Sector Mid Year Review	Operational	“ “
10 March 2009	Finance	➤ General Fund / Housing Revenue Account Revenue Budget Monitoring 2008/09 (Month 9)	Operational	Finance & Asset Management
		➤ Capital Programme 2008/09 (Month 9)	Operational	“ “
10 March 2009	HR & Organisational Development	➤ Workforce Information Report	Operational	Corporate Governance & Strategy
10 March 2009	ICT/Customer Services	➤ IT Strategy Progress	Strategic	Corporate Governance & Strategy
		➤ Outcome of Review of Registration Service	Operational	“ “
		➤ Outcome of Review of Mobile Office Provision	Operational	“ “
10 March 2009	Community Services	➤ Looked After Children Work Placements	Operational	Social Services
		➤ Progress on Mold Extra Care Scheme	Operational	“ “
		➤ Social Services Performance Evaluation	Operational	“ “
10 March 2009	Environment	➤ Flintshire County Council and the National Air Quality Strategy – Progress Report and Forward Planning	Strategic	Leisure & Public Protection

		➤ North Wales Waste Treatment Partnership	Operational	Waste Strategy & Management
10 March 2009	Lifelong Learning	➤ Modernisation of Flintshire Schools: Consultation Proposals	Operational	Education & Youth
1 April 2009	Chief Executive	➤ Organisational Change/Redesign - Progress Report ➤ Theatr Clwyd Forward Strategy ➤ Regulatory Plan Mid Year Review	Strategic Strategic Operational	Corporate Governance & Strategy “ “ “ “
1 April 2009	Finance	➤ Procurement Strategy Progress Report ➤ General Fund / Housing Revenue Account Revenue Budget Monitoring 2008/09 (Month 10)	Strategic Operational	Finance & Asset Management “ “
1 April 2009	Community Services	➤ Housing Strategy Inc Private Sector	Strategic	Housing Strategy & Planning
21 April 2009	Chief Executive	➤ Community Strategy ➤ Council Plan Review	Strategic Strategic	Corporate Governance & Strategy “ “
21 April 2009	HR & Organisational Development	➤ HRMIS Progress Report	Operational	Corporate Governance & Strategy
21 April 2009	Community Services	➤ National Service Framework Children's Service ➤ Inspection of the Independent Reviewing Officer Function	Operational Operational	Social Services “ “
21 April 2009	Environment	➤ Consideration of UDP Inspectors Report	Operational	Housing Strategy & Planning