

Anwen Jones Solicitor/Cyfreithiwr
Interim Head of Legal and Democratic
Services
Pennaeth Dros Dro Gwasanaethau
Cyfreithiol a Democrataidd



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

Councillors: Helen Brown, Carol Ellis, Dennis Hutchinson,
Nancy Matthews, Neville Phillips OBE, Tony Sharps,
Nigel Steele-Mortimer, Matt Wright

Your Ref /
Eich Cyf

ur Ref / Ein Cyf ST0

Date / Dyddiad 15/02/2012

Ask for / Gofynner am Nicola Gittins

Direct Dial / Rhif Union 01352 702345

Fax / Ffacs

Dear Sir / Madam,

A meeting of the **EXECUTIVE** will be held in the **CLWYD COMMITTEE ROOM, COUNTY HALL, MOLD** on **TUESDAY, 21 FEBRUARY 2012** at **09:30** to consider the following items.

Yours faithfully

Democracy and Governance Manager

AGENDA

1. APOLOGIES
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2. MINUTES
To confirm as a correct record the minutes of the meeting held on 24/01/2012 (copy enclosed).
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3. DECLARATIONS OF INTEREST
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County Hall, Mold. CH7 6NA
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www.flintshire.gov.uk
Neuadd y Sir, Yr Wyddgrug. CH7 6NR
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TO CONSIDER THE FOLLOWING REPORTS

STRATEGIC REPORTS

4. ANNUAL IMPROVEMENT REPORT 2011 BY THE AUDITOR GENERAL FOR WALES
Report of the Chief Executive - Portfolio of the Executive Member for Corporate Management
5. REGIONAL SCHOOL EFFECTIVENESS & IMPROVEMENT SERVICE - FULL BUSINESS CASE
Report of the Chief Executive and Director of Lifelong Learning - Portfolio of the Executive Member for Education
6. A COMPACT FOR CHANGE BETWEEN THE WELSH GOVERNMENT AND WELSH LOCAL GOVERNMENT
Report of the Chief Executive - Portfolio of the Leader of the Council
7. SAFER COMMUNITIES BOARD - COPY OF THE TEMPLATE REPORT AND FORMAT ATTACHED
8. IMPROVEMENT PRIORITIES MID YEAR REVIEW
Report of the Chief Executive - Portfolio of the Executive Member for Corporate Management
9. COUNCIL FUND REVENUE BUDGET 2012/13
Report of the Head of Finance and Chief Executive - Portfolio of the Leader and Executive Member for Finance and Asset Management
10. COUNCIL FUND CAPITAL PROGRAMME 2012/13 TO 2021/22
Report of the Head of Finance and Chief Executive and Director of Environment - Portfolio of the Leader and Executive Member for Finance and Asset Management
11. HOUSING REVENUE ACCOUNT 2012/13 AND CAPITAL PROGRAMME 2012/13
Report of the Head of Finance and Chief Executive and Director of Community Services and Head of Housing - Portfolio of the Executive Member for Housing
12. MINIMUM REVENUE PROVISION 2012/13
Report of the Head of Finance - Portfolio of the Leader and Executive Member for Finance and Asset Management
13. PRUDENTIAL INDICATORS 2012/13 TO 2014/15
Report of the Head of Finance - Portfolio of the Leader and Executive Member for Finance and Asset Management

14. TREASURY MANAGEMENT POLICY & STRATEGY STATEMENT
2012/13
Report of the Head of Finance - Portfolio of the Leader and Executive Member for Finance and Asset Management
15. SOCIAL SERVICES REGIONAL COMMISSIONING HUB
Report of the Director of Community Services - Portfolio of the Executive Member for Social Services
16. THE COUNCILS HIGHWAY ASSET MANAGEMENT PLAN
Report of the Director of Environment - Portfolio of the Deputy Leader and Executive Member for Environment
17. SINGLE STATUS PROJECT - UPDATE
Report of the Head of Human Resources and Organisational Development - Portfolio of the Executive Member for Corporate Management

OPERATIONAL REPORTS

18. REVENUE BUDGET MONITORING 2011/12 (MONTH 8)
Report of the Head of Finance - Portfolio of the Leader and Executive Member for Finance and Asset Management
19. MATRIX CONTRACT UPDATE (MANAGED AGENCY STAFF SOLUTION)
Report of the Head of Human Resources and Organisational Development - Portfolio of the Executive Member for Corporate Management
20. ESTYN INSPECTION OF LOCAL AUTHORITY EDUCATION SERVICES FOR CHILDREN AND YOUNG PEOPLE
Report of the Director of Lifelong Learning - Portfolio of the Executive Member for Education
21. CHILDREN'S FIXED PLAY AREAS – MATCH FUNDING SCHEME 2012/13
Report of the Director of Lifelong Learning - Portfolio of the Executive Member for Leisure Services and Public Protection
22. SCHOOL ADMISSION ARRANGEMENTS 2013/14
Report of the Director of Lifelong Learning - Portfolio of the Executive Member for Education
23. PANEL FOR THE APPOINTMENT OF LEA GOVERNORS
Report of the Director of Lifelong Learning - Portfolio of the Executive Member for Education
24. REVIEW OF THE MANAGED WEEKLY COLLECTION SERVICE
Report of the Director of Environment - Portfolio of the Executive Member for Waste Management

25. COMPLIMENTS, CONCERNS AND COMPLAINTS POLICY
Report of the Head of ICT and Customer Services - Portfolio of the Executive Member for Corporate Management
26. EXERCISE OF DELEGATED POWERS
Report of the Chief Executive enclosed
27. FORWARD WORK PROGRAMME
A copy of the Executive Forward Work Programme (February 2012 to April 2012) is enclosed

EXECUTIVE
24 JANUARY 2012

Minutes of the meeting of the Executive of Flintshire County Council held at County Hall, Mold on Tuesday, 24 January 2012

PRESENT: Councillor A. Woolley (Chairman)

Councillors: H. Brown, C. A. Ellis, H. D. Hutchinson, N. Phillips, L. A. Sharps, N. Steele-Mortimer and M. G. Wright

ALSO PRESENT: Councillors: J. B. Attridge, R. Baker, F. Gillmore, R. G. Hampson, D. I. Mackie, C. A. Thomas and D. E. Wisinger

IN ATTENDANCE: Chief Executive, Director of Environment, Director of Lifelong Learning, Head of Finance, Interim Head of Legal and Democratic Services, Head of ICT and Customer Services, Head of Housing and Team Manager – Committee Services

APOLOGY: Councillor N. M. Matthews

191. MINUTES

The minutes of the meetings held on 13 December and 20 December 2011 were confirmed as a correct record.

192. DECLARATIONS OF INTEREST

None were declared.

ALTERATION TO THE ORDER OF BUSINESS

The Leader and Executive Member for Finance and Asset Management advised that there would be a change to the order of business and agenda item numbers 6, 7 and 9 would be considered first.

193. WELFARE REFORMS – MANAGING THE IMPACT

The Executive Member for Housing introduced the report which detailed the potential impact and work in progress to assist residents affected by proposed changes to the welfare benefits system. The report also sought approval for a range of measures to manage and mitigate, as far as practical, the impact of the reforms.

The Head of Housing provided a background to the Government's White Paper 'Universal Credit – welfare that works' and explained that not all of the reforms in that White Paper required primary legislation in order to be implemented. However, several of the wider reaching reforms did require primary legislation and in February 2011 the Government published the Welfare Reform Bill. The Bill was currently in the latter stages of the Parliamentary process and if agreed would introduce the legislation necessary

for significant changes to the social security benefit and tax credit systems to be implemented.

The impacts of the welfare reforms on some members of Flintshire's communities and on the services that supported those residents were significant and the Head of Housing provided examples. She added that regular reports were being submitted to the Housing Overview and Scrutiny Committee. In addition, the Executive Member for Housing provided details of the number of residents in Flintshire who had received advice and assistance during the period 1 October to 31 December 2011.

The Executive Member for Social Services supported the concerns of the Executive Member for Housing on the impact of the welfare reforms, particularly commenting on young people leaving the care system.

The Leader and Executive Member for Finance and Asset Management concurred and said the full impact of the welfare reforms would not be known until 2017 but added that Flintshire was being pro-active in reporting to Members and having a clear recognition of the risks.

In response to a query from Councillor L. A. Sharps on whether the welfare reforms would take place in England only, the Chief Executive explained that it was not a devolved function and therefore it would affect England and Wales equally. He said the Authority was preparing carefully, with Housing taking the lead as that would be the area which would be most directly affected. He emphasised the need to work with partner agencies in preparation for directing referrals correctly.

RESOLVED:

- (a) That the positive work that is being progressed by internal services to help residents who are already being affected by welfare reforms be acknowledged;
- (b) That the inclusion of Welfare Reform as a Community Leadership risk in the Council's Strategic Assessment of Risks and Challenges (SARC) be approved;
- (c) That the proposal to develop a Welfare Reform Strategy be approved;
- (d) That the establishment of a Project Board to ensure that this important area of work is effectively managed across the departments that will be affected by this major change in Welfare Benefit delivery and the identification of a Project Manager be approved;
- (e) That regular update reports on Welfare Reforms, on development of the Welfare Reform Strategy and the management of the associated risks and issues be received; and

- (f) That the proposal to utilise up to eight units of more difficult to let Council accommodation as temporary homelessness accommodation to help to mitigate potential increases in bed and breakfast costs be approved.

194. HOUSING REVENUE ACCOUNT 2012/13 AND CAPITAL PROGRAMME 2012/13

The Head of Housing introduced the report which detailed the Housing Revenue Budget Account (HRA) budget. The report also highlighted the revenue budget proposals for the 2012/13 financial year, including proposed rent and service charge changes, key areas of income and expenditure and the level of closing balance at the year end. The budget proposals for the HRA capital programme 2012/13, which was year one of a six year improvement programme, were also detailed.

The Head of Housing provided information on the Welsh Government (WG) consultation letter on the Draft Housing Revenue Account subsidy. It proposed to increase the all-Wales weekly guideline rent by 5.1%.

The proposed guideline weekly rent increase for Flintshire for 2012/13 as per the consultation was £3.09 per week. This was a percentage increase of 4.75%. In 2011/12 the average rent increase was 5%. The Management and Maintenance allowance element of the Housing Revenue Account Subsidy was proposed to increase to £2,448 per dwelling for each local authority, reflecting an increase of £181 per dwelling (8%) on 2011/12.

WG had responded to the views of Local Authorities, who via the Welsh Local Government Association (WLGA), had expressed concern about continuing with the rent convergency policy whilst the inflation rate was running higher than expected and income levels were not increasing or were reducing. Therefore, the proposed average increase for Flintshire of 4.75% seemed reasonable to propose to respond to WG.

The Head of Finance added this was a pleasing report and she supported the recommendations.

The Chief Executive explained that the report had been submitted to Overview and Scrutiny and Members were united in their support for this report which reflected a positive position with good prospects for future improvement.

RESOLVED:

- (a) That the proposed HRA budget for 2012/13 as set out in Appendix 1, incorporating the proposals in Appendix 2 and the Pressures and Efficiencies in Appendix 3 be approved and recommended to Council;
- (b) That the level of rent and service charges for 2012/13 as set out in paragraphs 3.01 and 3.02 be approved and recommended to Council;

- (c) That the level of projected balances at 31 March 2013 of 3.25% of total expenditure be approved and recommended to Council; and
- (d) That the proposed HRA capital programme as set out in Appendix 3 be approved and recommended to Council.

195. CAPITAL PROGRAMME – SUPPORTING ACCESS TO HOME OWNERSHIP

The Executive Member for Housing introduced the report which outlined the new Local Authority Mortgage Scheme LAMS (the Scheme). Support was requested, in principle, to be given to the LAMS and its inclusion in the list of potential capital schemes from 2013/14 onwards. This would allow detailed consideration to be given to options to support first time buyers to access home ownership and the implications for the Council of those options.

The report also sought support for a loan of £100k to Cymdeithas Tai Clwyd, for them to progress for a First Time Buyer Deposit Loan. This would be funded from the 2011/12 Council Fund (Community Services) Capital Programme.

The Head of Housing explained that the turmoil in the financial and banking sectors had had a negative effect on the economy and on the local housing market. There had been a particular impact on first time buyers because of the general reduction in loan to value mortgages from 95% down to 75% necessitating a deposit of 25% of the house value. In order to respond to this, the Council was exploring options where it could provide support or assistance. A report to Housing Overview and Scrutiny Committee on 4 January 2012 which set out details of the new LAMS and a proposal from the Registered Social Landlord, Cymdeithas Tai Clwyd, including a request for funding to set up a scheme to assist First Time Buyers which had been supported by the Committee.

The Head of Finance explained that, following discussion of the item at Corporate Resources Overview and Scrutiny the previous day, a number of options would need to be submitted to the Executive on how the LAMS could be progressed.

RESOLVED:

- (a) That support in principle be given to the Local Authority Mortgage Scheme and that it is flagged for inclusion in the list of potential new capital schemes from 2013/14 onwards. This will allow detailed consideration to be given to options to support first time buyers to access home ownership, and the implementation for the Council of those options; and

- (b) That support be given for a loan of £100k which can be met from within the 2011/12 Council Fund (Community Services) Capital Programme to Cymdeithas Tai Clwyd for 10 years, for the purpose of operating the First Time Buyer Scheme, on the terms outlined in the report.

196. IMPROVEMENT PRIORITIES MID YEAR REVIEW

The Executive Member for Corporate Management introduced the report which provided details on the mid year position against the ten year corporate Improvement Priorities.

The Chief Executive explained that it was a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and to publish an Improvement Plan.

The Improvement Plan built upon the Council Priorities and the underlying Directorate priorities and presented them into a single document. There were 10 primary priorities and 66 secondary priorities and progress was categorised as red, amber or green (RAG status). Appendix 1 to the report provided an overall RAG status for each of the ten priorities and identified within the 66 secondary priorities the status and number for both progress and outcome. Full details of the assessment were detailed in the report.

The Chief Executive commented on the examples of Single Status and School Modernisation which had reduced their risks following work that had been undertaken and such updates were reflected in the Improvement Plan.

By March 2012 the assessment would contain full information on progress made, progress required, outcomes and evidence to support those outcomes. The full report would be submitted to County Council prior to the May Elections.

RESOLVED:

That the mid year assessment of the Improvement Priorities be endorsed noting areas for continued attention.

197. STRATEGIC PARTNERSHIP PERFORMANCE – MID YEAR REVIEW

The Executive Member for Corporate Management introduced the report which provided a mid year overview of the progress and priorities for each of the Strategic Partnerships and the key milestones for the year ahead.

The Chief Executive explained that this was a progressive report and added that on a regional level, the formation of the North Wales Safer Communities Board to come into force from June 2012 would provide strategic direction and act as a commissioner for some of the Welsh Government (WG) grant funding streams for community safety and youth justice.

In addition, he explained that WG had recently published a document for consultation on the rationalisation of plans and partnerships. The closing date for responses to the consultation was March 2012 following which a report would be submitted to Members, possibly at a special meeting of County Council.

RESOLVED:

- (a) That the mid year review of the Strategic Partnerships be noted and the key priorities and the work programmes to achieve them be supported; and
- (b) That the imminent consultation period on the Welsh Government policy proposals for partnership and plan rationalisation be noted. This will be the subject of a separate report in early 2012 to Executive.

198. OUTCOME AGREEMENT – 2010/11 PERFORMANCE

The Executive Member for Corporate Management introduced the report which provided an update on the Welsh Government (WG) evaluation of Flintshire's progress against the Outcome Agreement for 2010/11.

The Chief Executive explained that the Outcome Agreement was a three year agreement based on ten strategic themes. The final draft of the Outcome Agreement had been submitted to WG at the end of December 2010 for consideration by the Minister for Social Justice and Local Government. In January 2011, the Leader of the Council received a letter from the Minister confirming that the process was complete and that he was content with the Agreement.

Detailed in the report was an analysis of the Outcome Agreement which showed the self assessment for each of the outcomes and the WG's evaluation. Out of 10 themes, eight were fully successful and two were partly successful.

RESOLVED:

That the Welsh Government evaluation of Flintshire's progress against the Outcome Agreement for 2010/11 be noted.

199. REVIEW OF IMPROVEMENT TARGETS

The Executive Member for Corporate Management introduced the report which sought endorsement to review Improvement Targets by

- reclassifying targets to reset the Council's Improvement Targets
- endorsing the targets set for 2012/13
- endorsing the aspirational targets

Approval was also sought to incorporate the new set of Improvement Targets within service plans for 2012/13.

The Chief Executive said the targets were reviewed annually and a scheduled of the proposed Improvement Targets for 2012/13 was attached as appendix 1 to the report. He thanked all Members who had taken part in the workshops which had been arranged to consider the Improvement Targets.

RESOLVED:

That the review of targets be endorsed by:

- reclassifying targets to reset the Council's Improvement Targets
- endorsing the targets set for 2012/13
- endorsing the aspirational targets

200. REVENUE BUDGET MONITORING 2011/12 (MONTH 7)

The Leader and Executive Member for Finance and Asset Management introduced the report which provided revenue budget monitoring information at Month 7 for the Council Fund and the Housing Revenue Account in 2011/12. The report had the most up to date information as at 6 January 2012 to enable the report to fully agree with the 2012/13 latest budget position.

The Head of Finance explained that the projected year end position as estimated at Month 7 was:

- Council Fund – net underspend of £0.614M
- Housing Revenue Account (HRA) – net underspend of £0.120M

The significant in-year projected variances to date were detailed in the appendices to the report. The net underspend of £0.614M was made up of £0.234M overspend on services offset by a contribution of £0.848M from Central and Corporate Finance.

Appendix 7 to the report detailed the movements to date on unearmarked reserves and the level of contingency sum available. As a result of those movements, the estimated amount currently projected in the Contingency Reserve was £1.100M.

Much of the improvement in the 2011/12 in-year position reflected the positive work which had been undertaken to examine budgets closely as part of the 2012/13 budget process. It was therefore recommended that the increased level in the Contingency Reserve be earmarked to meet one-off/time limited costs in 2012/13, estimated at £0.714M, which would leave an estimated £0.386M in the contingency to meet any unexpected adverse variations in the remaining months of the current financial year

The overall projected underspend of £0.120M on the HRA represented a reduction of £0.088M on the position at Month 6. The HRA showed a projected closing balance at Period 7 of £1.241M which at 4.9% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

RESOLVED:

- (a) That the overall report be noted;
- (b) That the increased level of contingency reserve be earmarked to meet one-off/time limited costs in 2012/13 (currently estimated at £0.714M) be approved;
- (c) That the Council Fund Contingency Sum available as at 31 March 2012 be noted; and
- (d) That the projected final level of balances on the Housing Revenue Account be noted.

201. PROCUREMENT UPDATE

The Executive Member for Corporate Management introduced the report which provided an update on work being undertaken nationally, regionally and locally to improve Procurement practices, develop professional capacity and deliver efficiency savings.

The Head of ICT and Customer Services provided full details and expanded on national, regional and local procurement activities and priorities.

RESOLVED:

That the work being undertaken at a local, regional and national level to radically improve procurement and deliver efficiency savings be noted and supported.

202. FLINTSHIRE BUSINESS WEEK 2011 EVALUATION REPORT

The Executive Member for Regeneration and Tourism introduced the report which advised Members on the outcome of the fifth Flintshire Business Week, which had been held between 11 and 19 October 2011.

He paid tribute to the excellent work undertaken throughout the year by the employees who were involved with this successful event which continued to grow year on year.

Full information was provided on the number of delegates who had attended over the two day event and of the success of the Awards dinner which concluded Flintshire Business Week.

RESOLVED:

- (a) That the hard work and commitment that went into making Flintshire Business Week 2011 such a huge success be acknowledged; and
- (b) That Flintshire Business Week 2012 and beyond, as an ongoing event, be committed to.

203. FLINTSHIRE COUNTY COUNCIL FLEET STRATEGY

The Executive Member for Environment introduced the report which sought approval to adopt a County Fleet Strategy to cost effectively manage and maintain the vehicle fleet operated by the Council. The report also informed Members of the Regional Fleet Review which was being undertaken.

He sought reassurance that, on the monitoring of vehicle usage through the introduction of Vehicle Tracking Systems, reliable and accurate systems would be used to ensure there would be no misleading information provided. The Director of Environment confirmed this to be the case.

The Director of Environment explained the background to the report and said that the absence of a formal Strategy was identified in a recent Audit report.

Recruitment was underway to appoint a Logistics Manager and regular update reports would be made to Members on the Fleet.

RESOLVED:

- (a) That the adoption of the proposed Council's Fleet Strategy be approved; and
- (b) That the work of the Regional Fleet Review which has been completed by Wier consultancy be noted and further development of both the County and Regional work, as detailed in section 3.01 of the report, be supported.

204. DOG FOULING ON SCHOOL PREMISES – UPDATE REPORT

The Executive Member for Leisure Services and Public Protection provided a progress update on preventing dog fouling on school premises following consultation with Flintshire Head Teachers.

He thanked Councillor Quentin Dodd for instigating this work following his Notice of Motion to County Council in September 2011.

RESOLVED:

- (a) That the amended Fouling of Land by Dogs Order be noted and approved;
- (b) That the implementation of Option 3 be approved;
- (c) That the draft implementation plan outlined in the report be approved;
- (d) That delegated authority be given to the Director of Environment, following consultation with the Executive Member for Leisure and Public Protection, to develop, review and amend as appropriate the dog fouling on School Premises Policy; and
- (e) That the following personnel be authorised to exercise the power of enforcement for Section 547 of the Education Act 1996 (Nuisance and Trespass)
 - 1. Local Authority Enforcement Officers
 - 2. Local Authority Head Teachers, Deputy Head Teachers and Caretakers
 - 3. North Wales Police Community Support Officers

205. CHILDREN'S FIXED PLAY AREAS – RESPONSE TO EXECUTIVE TO THE REPORT OF THE LIFELONG LEARNING OVERVIEW AND SCRUTINY COMMITTEE'S PLAY AREA TASK AND FINISH GROUP

The Executive Member for Leisure Services and Public Protection advised Members of the response to the findings of the Lifelong Learning Overview and Scrutiny Committee's Play Area Task and Finish Group.

The findings and recommendations of the Play Area Task and Finish Group had been presented to the Lifelong Learning Overview and Scrutiny Committee in June 2011 and Members unanimously accepted the five recommendations which were:

- 1. There should be consultation with local ward Members and residents regarding the future of Primrose Street play area in Connah's Quay
- 2. That the Planning Protocol Working Group give further consideration to provision for play areas within planning

mechanisms in order to ensure sustainable play provision for the future

3. That criteria are agreed for future match funding schemes for play areas
4. That Town and Community councils are made aware of the results and implications of the Play Area Survey
5. That an advice booklet is developed for community groups and consideration is given to identifying mentors to work with local communities to improve play areas

The Executive Member added that he was pleased this work had been completed in time for Town and Community Councils to set their precepts.

RESOLVED:

- (a) That the findings of the Play Safe and Space Consultancy Report be noted and be used to prioritise any future upgrading works programme;
- (b) That the recommendations of the Overview and Scrutiny Committee in 3.02 and 3.06 of the report be approved, with the exception of the recommendation in 3.06 (number 5 above) where Executive takes the view that this advice should be made available via the Council's website; and
- (c) That the success of the Match Funding Scheme, detailed in 3.07, in reducing the number of play areas falling into the 'Red' category of play provision be noted.

206. BUCKLEY COMMON BYLAWS

The Leader introduced the report which recommended that County Council approve the making of new byelaws in respect of Buckley Common.

RESOLVED:

That County Council be recommended to approve the amended byelaws.

207. EXERCISE OF DELEGATED POWERS

An information report on the actions taken under delegated powers was submitted.

The actions taken were as set out below:-

| | |
|-------------------|---|
| Finance | Business Rates – Applications for Hardship Rate Relief |
| Lifelong Learning | Greenfield Valley Heritage Park – Charges for 2012 Season |

208. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the remainder of the meeting for the following item by virtue of exempt information under paragraphs 12 and 15 of Schedule 12A of the Local Government Act 1972 (as amended).

209. FINANCE FUNCTION REVIEW UPDATE

The Leader and Executive Member for Finance and Asset Management provided an update on progress of the Finance Function Review (FFR). The report sought approval for a further restructure in the Revenues and Benefits Team following further consideration in light of the findings of the Wales Audit Office in relation to Housing and Council Tax Benefit.

RESOLVED:

- (a) That the progress on implementation of the Finance Function Review be noted; and
- (b) That the revised service models and staffing structures for the Revenues and Benefits Services be approved.

210. DURATION OF MEETING

The meeting commenced at 9.30 a.m. and ended at 11.15a.m.

211. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were 2 members of the press in attendance.

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Chairman

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

| | |
|------------------|------------------------------|
| EXECUTIVE | DATE: 24 JANUARY 2012 |
|------------------|------------------------------|

| MEMBER | ITEM | MIN. NO. REFERS |
|----------------|-------------|----------------------------|
| NONE WERE MADE | | |

EXECUTIVE
24 JANUARY 2012

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Councillors: H. Brown, C. A. Ellis, H. D. Hutchinson, N. Phillips, L. A. Sharps, N. Steele-Mortimer and M. G. Wright

ALSO PRESENT: Councillors: J. B. Attridge, R. Baker, F. Gillmore, R. G. Hampson, D. I. Mackie, C. A. Thomas and D. E. Wisinger

IN ATTENDANCE: Chief Executive, Director of Environment, Director of Lifelong Learning, Head of Finance, Interim Head of Legal and Democratic Services, Head of ICT and Customer Services, Head of Housing and Team Manager – Committee Services

APOLOGY: Councillor N. M. Matthews

191. MINUTES

The minutes of the meetings held on 13 December and 20 December 2011 were confirmed as a correct record.

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for significant changes to the social security benefit and tax credit systems to be implemented.

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In response to a query from Councillor L. A. Sharps on whether the welfare reforms would take place in England only, the Chief Executive explained that it was not a devolved function and therefore it would affect England and Wales equally. He said the Authority was preparing carefully, with Housing taking the lead as that would be the area which would be most directly affected. He emphasised the need to work with partner agencies in preparation for directing referrals correctly.

RESOLVED:

- (a) That the positive work that is being progressed by internal services to help residents who are already being affected by welfare reforms be acknowledged;
- (b) That the inclusion of Welfare Reform as a Community Leadership risk in the Council's Strategic Assessment of Risks and Challenges (SARC) be approved;
- (c) That the proposal to develop a Welfare Reform Strategy be approved;
- (d) That the establishment of a Project Board to ensure that this important area of work is effectively managed across the departments that will be affected by this major change in Welfare Benefit delivery and the identification of a Project Manager be approved;
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WG had responded to the views of Local Authorities, who via the Welsh Local Government Association (WLGA), had expressed concern about continuing with the rent convergency policy whilst the inflation rate was running higher than expected and income levels were not increasing or were reducing. Therefore, the proposed average increase for Flintshire of 4.75% seemed reasonable to propose to respond to WG.

The Head of Finance added this was a pleasing report and she supported the recommendations.

The Chief Executive explained that the report had been submitted to Overview and Scrutiny and Members were united in their support for this report which reflected a positive position with good prospects for future improvement.

RESOLVED:

- (a) That the proposed HRA budget for 2012/13 as set out in Appendix 1, incorporating the proposals in Appendix 2 and the Pressures and Efficiencies in Appendix 3 be approved and recommended to Council;
- (b) That the level of rent and service charges for 2012/13 as set out in paragraphs 3.01 and 3.02 be approved and recommended to Council;

- (c) That the level of projected balances at 31 March 2013 of 3.25% of total expenditure be approved and recommended to Council; and
- (d) That the proposed HRA capital programme as set out in Appendix 3 be approved and recommended to Council.

195. CAPITAL PROGRAMME – SUPPORTING ACCESS TO HOME OWNERSHIP

The Executive Member for Housing introduced the report which outlined the new Local Authority Mortgage Scheme LAMS (the Scheme). Support was requested, in principle, to be given to the LAMS and its inclusion in the list of potential capital schemes from 2013/14 onwards. This would allow detailed consideration to be given to options to support first time buyers to access home ownership and the implications for the Council of those options.

The report also sought support for a loan of £100k to Cymdeithas Tai Clwyd, for them to progress for a First Time Buyer Deposit Loan. This would be funded from the 2011/12 Council Fund (Community Services) Capital Programme.

The Head of Housing explained that the turmoil in the financial and banking sectors had had a negative effect on the economy and on the local housing market. There had been a particular impact on first time buyers because of the general reduction in loan to value mortgages from 95% down to 75% necessitating a deposit of 25% of the house value. In order to respond to this, the Council was exploring options where it could provide support or assistance. A report to Housing Overview and Scrutiny Committee on 4 January 2012 which set out details of the new LAMS and a proposal from the Registered Social Landlord, Cymdeithas Tai Clwyd, including a request for funding to set up a scheme to assist First Time Buyers which had been supported by the Committee.

The Head of Finance explained that, following discussion of the item at Corporate Resources Overview and Scrutiny the previous day, a number of options would need to be submitted to the Executive on how the LAMS could be progressed.

RESOLVED:

- (a) That support in principle be given to the Local Authority Mortgage Scheme and that it is flagged for inclusion in the list of potential new capital schemes from 2013/14 onwards. This will allow detailed consideration to be given to options to support first time buyers to access home ownership, and the implementation for the Council of those options; and

- (b) That support be given for a loan of £100k which can be met from within the 2011/12 Council Fund (Community Services) Capital Programme to Cymdeithas Tai Clwyd for 10 years, for the purpose of operating the First Time Buyer Scheme, on the terms outlined in the report.

196. IMPROVEMENT PRIORITIES MID YEAR REVIEW

The Executive Member for Corporate Management introduced the report which provided details on the mid year position against the ten year corporate Improvement Priorities.

The Chief Executive explained that it was a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and to publish an Improvement Plan.

The Improvement Plan built upon the Council Priorities and the underlying Directorate priorities and presented them into a single document. There were 10 primary priorities and 66 secondary priorities and progress was categorised as red, amber or green (RAG status). Appendix 1 to the report provided an overall RAG status for each of the ten priorities and identified within the 66 secondary priorities the status and number for both progress and outcome. Full details of the assessment were detailed in the report.

The Chief Executive commented on the examples of Single Status and School Modernisation which had reduced their risks following work that had been undertaken and such updates were reflected in the Improvement Plan.

By March 2012 the assessment would contain full information on progress made, progress required, outcomes and evidence to support those outcomes. The full report would be submitted to County Council prior to the May Elections.

RESOLVED:

That the mid year assessment of the Improvement Priorities be endorsed noting areas for continued attention.

197. STRATEGIC PARTNERSHIP PERFORMANCE – MID YEAR REVIEW

The Executive Member for Corporate Management introduced the report which provided a mid year overview of the progress and priorities for each of the Strategic Partnerships and the key milestones for the year ahead.

The Chief Executive explained that this was a progressive report and added that on a regional level, the formation of the North Wales Safer Communities Board to come into force from June 2012 would provide strategic direction and act as a commissioner for some of the Welsh Government (WG) grant funding streams for community safety and youth justice.

In addition, he explained that WG had recently published a document for consultation on the rationalisation of plans and partnerships. The closing date for responses to the consultation was March 2012 following which a report would be submitted to Members, possibly at a special meeting of County Council.

RESOLVED:

- (a) That the mid year review of the Strategic Partnerships be noted and the key priorities and the work programmes to achieve them be supported; and
- (b) That the imminent consultation period on the Welsh Government policy proposals for partnership and plan rationalisation be noted. This will be the subject of a separate report in early 2012 to Executive.

198. OUTCOME AGREEMENT – 2010/11 PERFORMANCE

The Executive Member for Corporate Management introduced the report which provided an update on the Welsh Government (WG) evaluation of Flintshire's progress against the Outcome Agreement for 2010/11.

The Chief Executive explained that the Outcome Agreement was a three year agreement based on ten strategic themes. The final draft of the Outcome Agreement had been submitted to WG at the end of December 2010 for consideration by the Minister for Social Justice and Local Government. In January 2011, the Leader of the Council received a letter from the Minister confirming that the process was complete and that he was content with the Agreement.

Detailed in the report was an analysis of the Outcome Agreement which showed the self assessment for each of the outcomes and the WG's evaluation. Out of 10 themes, eight were fully successful and two were partly successful.

RESOLVED:

That the Welsh Government evaluation of Flintshire's progress against the Outcome Agreement for 2010/11 be noted.

199. REVIEW OF IMPROVEMENT TARGETS

The Executive Member for Corporate Management introduced the report which sought endorsement to review Improvement Targets by

- reclassifying targets to reset the Council's Improvement Targets
- endorsing the targets set for 2012/13
- endorsing the aspirational targets

Approval was also sought to incorporate the new set of Improvement Targets within service plans for 2012/13.

The Chief Executive said the targets were reviewed annually and a scheduled of the proposed Improvement Targets for 2012/13 was attached as appendix 1 to the report. He thanked all Members who had taken part in the workshops which had been arranged to consider the Improvement Targets.

RESOLVED:

That the review of targets be endorsed by:

- reclassifying targets to reset the Council's Improvement Targets
- endorsing the targets set for 2012/13
- endorsing the aspirational targets

200. REVENUE BUDGET MONITORING 2011/12 (MONTH 7)

The Leader and Executive Member for Finance and Asset Management introduced the report which provided revenue budget monitoring information at Month 7 for the Council Fund and the Housing Revenue Account in 2011/12. The report had the most up to date information as at 6 January 2012 to enable the report to fully agree with the 2012/13 latest budget position.

The Head of Finance explained that the projected year end position as estimated at Month 7 was:

- Council Fund – net underspend of £0.614M
- Housing Revenue Account (HRA) – net underspend of £0.120M

The significant in-year projected variances to date were detailed in the appendices to the report. The net underspend of £0.614M was made up of £0.234M overspend on services offset by a contribution of £0.848M from Central and Corporate Finance.

Appendix 7 to the report detailed the movements to date on unearmarked reserves and the level of contingency sum available. As a result of those movements, the estimated amount currently projected in the Contingency Reserve was £1.100M.

Much of the improvement in the 2011/12 in-year position reflected the positive work which had been undertaken to examine budgets closely as part of the 2012/13 budget process. It was therefore recommended that the increased level in the Contingency Reserve be earmarked to meet one-off/time limited costs in 2012/13, estimated at £0.714M, which would leave an estimated £0.386M in the contingency to meet any unexpected adverse variations in the remaining months of the current financial year

The overall projected underspend of £0.120M on the HRA represented a reduction of £0.088M on the position at Month 6. The HRA showed a projected closing balance at Period 7 of £1.241M which at 4.9% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

RESOLVED:

- (a) That the overall report be noted;
- (b) That the increased level of contingency reserve be earmarked to meet one-off/time limited costs in 2012/13 (currently estimated at £0.714M) be approved;
- (c) That the Council Fund Contingency Sum available as at 31 March 2012 be noted; and
- (d) That the projected final level of balances on the Housing Revenue Account be noted.

201. PROCUREMENT UPDATE

The Executive Member for Corporate Management introduced the report which provided an update on work being undertaken nationally, regionally and locally to improve Procurement practices, develop professional capacity and deliver efficiency savings.

The Head of ICT and Customer Services provided full details and expanded on national, regional and local procurement activities and priorities.

RESOLVED:

That the work being undertaken at a local, regional and national level to radically improve procurement and deliver efficiency savings be noted and supported.

202. FLINTSHIRE BUSINESS WEEK 2011 EVALUATION REPORT

The Executive Member for Regeneration and Tourism introduced the report which advised Members on the outcome of the fifth Flintshire Business Week, which had been held between 11 and 19 October 2011.

He paid tribute to the excellent work undertaken throughout the year by the employees who were involved with this successful event which continued to grow year on year.

Full information was provided on the number of delegates who had attended over the two day event and of the success of the Awards dinner which concluded Flintshire Business Week.

RESOLVED:

- (a) That the hard work and commitment that went into making Flintshire Business Week 2011 such a huge success be acknowledged; and
- (b) That Flintshire Business Week 2012 and beyond, as an ongoing event, be committed to.

203. FLINTSHIRE COUNTY COUNCIL FLEET STRATEGY

The Executive Member for Environment introduced the report which sought approval to adopt a County Fleet Strategy to cost effectively manage and maintain the vehicle fleet operated by the Council. The report also informed Members of the Regional Fleet Review which was being undertaken.

He sought reassurance that, on the monitoring of vehicle usage through the introduction of Vehicle Tracking Systems, reliable and accurate systems would be used to ensure there would be no misleading information provided. The Director of Environment confirmed this to be the case.

The Director of Environment explained the background to the report and said that the absence of a formal Strategy was identified in a recent Audit report.

Recruitment was underway to appoint a Logistics Manager and regular update reports would be made to Members on the Fleet.

RESOLVED:

- (a) That the adoption of the proposed Council's Fleet Strategy be approved; and
- (b) That the work of the Regional Fleet Review which has been completed by Wier consultancy be noted and further development of both the County and Regional work, as detailed in section 3.01 of the report, be supported.

204. DOG FOULING ON SCHOOL PREMISES – UPDATE REPORT

The Executive Member for Leisure Services and Public Protection provided a progress update on preventing dog fouling on school premises following consultation with Flintshire Head Teachers.

He thanked Councillor Quentin Dodd for instigating this work following his Notice of Motion to County Council in September 2011.

RESOLVED:

- (a) That the amended Fouling of Land by Dogs Order be noted and approved;
- (b) That the implementation of Option 3 be approved;
- (c) That the draft implementation plan outlined in the report be approved;
- (d) That delegated authority be given to the Director of Environment, following consultation with the Executive Member for Leisure and Public Protection, to develop, review and amend as appropriate the dog fouling on School Premises Policy; and
- (e) That the following personnel be authorised to exercise the power of enforcement for Section 547 of the Education Act 1996 (Nuisance and Trespass)
 - 1. Local Authority Enforcement Officers
 - 2. Local Authority Head Teachers, Deputy Head Teachers and Caretakers
 - 3. North Wales Police Community Support Officers

205. CHILDREN'S FIXED PLAY AREAS – RESPONSE TO EXECUTIVE TO THE REPORT OF THE LIFELONG LEARNING OVERVIEW AND SCRUTINY COMMITTEE'S PLAY AREA TASK AND FINISH GROUP

The Executive Member for Leisure Services and Public Protection advised Members of the response to the findings of the Lifelong Learning Overview and Scrutiny Committee's Play Area Task and Finish Group.

The findings and recommendations of the Play Area Task and Finish Group had been presented to the Lifelong Learning Overview and Scrutiny Committee in June 2011 and Members unanimously accepted the five recommendations which were:

- 1. There should be consultation with local ward Members and residents regarding the future of Primrose Street play area in Connah's Quay
- 2. That the Planning Protocol Working Group give further consideration to provision for play areas within planning

mechanisms in order to ensure sustainable play provision for the future

3. That criteria are agreed for future match funding schemes for play areas
4. That Town and Community councils are made aware of the results and implications of the Play Area Survey
5. That an advice booklet is developed for community groups and consideration is given to identifying mentors to work with local communities to improve play areas

The Executive Member added that he was pleased this work had been completed in time for Town and Community Councils to set their precepts.

RESOLVED:

- (a) That the findings of the Play Safe and Space Consultancy Report be noted and be used to prioritise any future upgrading works programme;
- (b) That the recommendations of the Overview and Scrutiny Committee in 3.02 and 3.06 of the report be approved, with the exception of the recommendation in 3.06 (number 5 above) where Executive takes the view that this advice should be made available via the Council's website; and
- (c) That the success of the Match Funding Scheme, detailed in 3.07, in reducing the number of play areas falling into the 'Red' category of play provision be noted.

206. BUCKLEY COMMON BYLAWS

The Leader introduced the report which recommended that County Council approve the making of new byelaws in respect of Buckley Common.

RESOLVED:

That County Council be recommended to approve the amended byelaws.

207. EXERCISE OF DELEGATED POWERS

An information report on the actions taken under delegated powers was submitted.

The actions taken were as set out below:-

| | |
|-------------------|---|
| Finance | Business Rates – Applications for Hardship Rate Relief |
| Lifelong Learning | Greenfield Valley Heritage Park – Charges for 2012 Season |

208. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the remainder of the meeting for the following item by virtue of exempt information under paragraphs 12 and 15 of Schedule 12A of the Local Government Act 1972 (as amended).

209. FINANCE FUNCTION REVIEW UPDATE

The Leader and Executive Member for Finance and Asset Management provided an update on progress of the Finance Function Review (FFR). The report sought approval for a further restructure in the Revenues and Benefits Team following further consideration in light of the findings of the Wales Audit Office in relation to Housing and Council Tax Benefit.

RESOLVED:

- (a) That the progress on implementation of the Finance Function Review be noted; and
- (b) That the revised service models and staffing structures for the Revenues and Benefits Services be approved.

210. DURATION OF MEETING

The meeting commenced at 9.30 a.m. and ended at 11.15a.m.

211. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were 2 members of the press in attendance.

.....
Chairman

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

| | |
|------------------|------------------------------|
| EXECUTIVE | DATE: 24 JANUARY 2012 |
|------------------|------------------------------|

| MEMBER | ITEM | MIN. NO. REFERS |
|----------------|-------------|----------------------------|
| NONE WERE MADE | | |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 4

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **ANNUAL IMPROVEMENT REPORT 2011 BY THE AUDITOR**
 GENERAL FOR WALES

1.00 PURPOSE OF REPORT

1.01 To advise Members of the Council's Annual Improvement Report 2011 published by the Auditor General for Wales.

1.02 Members to note the report and receive and agree the Council's response.

2.00 BACKGROUND

2.01 The Auditor General is required by the Local Government (Wales) Measure to undertake an Annual Improvement Assessment and to publish an Annual Improvement Report for each authority in Wales. This covers local councils, national parks and fire and rescue authorities.

2.02 This is the second Annual Improvement Report for Flintshire and it also contains the Appointed Auditor's Annual Audit Letter as previously reported to Audit Committee in December 2011 .

3.00 CONSIDERATIONS

3.01 The Annual Improvement Report is publicised by the Wales Audit Office (WAO) on behalf of the Auditor General for Wales. It brings together, with the co-ordination of other inspectorates such as Estyn and the Care and Social Services Inspectorate for Wales (CSSIW) a picture of what the Council is trying to achieve and how it is going about it.

3.02 The full report is attached at Appendix 1.

3.03 The report builds on the findings of the Improvement Assessment undertaken by the WAO, plus a retrospective assessment of whether the Council has achieved its planned improvements and a summary on the Council's self assessment of performance as reported in the Council's Annual Performance Report 2010/11. The overall finding is "Despite progress in many service areas, certain corporate weaknesses continue to hinder current performance and future prospects."

Other key statements within the report are:

- The Council has a strong commitment to partnership working to support improvement; however progress in achieving the Council's objectives is being held back by weaknesses in priority setting, governance, financial planning and people management.
- There is good progress in some priority areas but elsewhere progress is mixed and some services are not yet delivering provision at the expected levels.
- The Council is continuing to develop its performance monitoring arrangements but weaknesses remain in outcome measures, reliability of information and in some aspects of reporting and evaluation.

3.04 The Auditor General has made two formal recommendations which are:

- R1 - The Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources (HR) Strategy and *Single Status Agreement* and ensure capacity and capability are available to achieve intended outcomes and timetables.
- R2 - The Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012/13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.

3.05 The Council is required to make a formal public response to these recommendations within 30 days of receipt of the report. This response, including a response to an additional four proposals for improvement is included at Appendix 2.

3.06 This Annual Improvement Report has been developed and improved with significant input from senior officers at the Council to ensure accuracy, fairness and validity. Broad agreement has been reached on the contents and it should be noted that the formal recommendations and proposals for improvement have been identified by senior officers and are already being responded to.

4.00 RECOMMENDATIONS

4.01 To advise Members of the Council's Annual Improvement Report 2011 published by the Auditor General for Wales.

4.02 Members to note the report and receive and agree the Council's response.

5.00 FINANCIAL IMPLICATIONS

5.01 This report refers to the financial resourcing of the council's priorities.

6.00 ANTI POVERTY IMPACT

6.01 This report refers to how the council is helping to reduce poverty.

7.00 ENVIRONMENTAL IMPACT

7.01 This report refers to how the council is improving the environment.

8.00 EQUALITIES IMPACT

8.01 Safe and supportive communities are referred to within the report.

9.00 PERSONNEL IMPLICATIONS

9.01 The People Strategy is referred to in the report.

10.00 CONSULTATION REQUIRED

10.01 None required at this stage.

11.00 CONSULTATION UNDERTAKEN

11.01 Senior officers have had input into this report. The Annual Audit Letter was presented to the council's Audit Committee in December 2011.

12.00 APPENDICES

12.01 Appendix 1: The Auditor General's Annual Improvement Report 2011
Appendix 2: WAO Annual Improvement Report response to recommendations.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None

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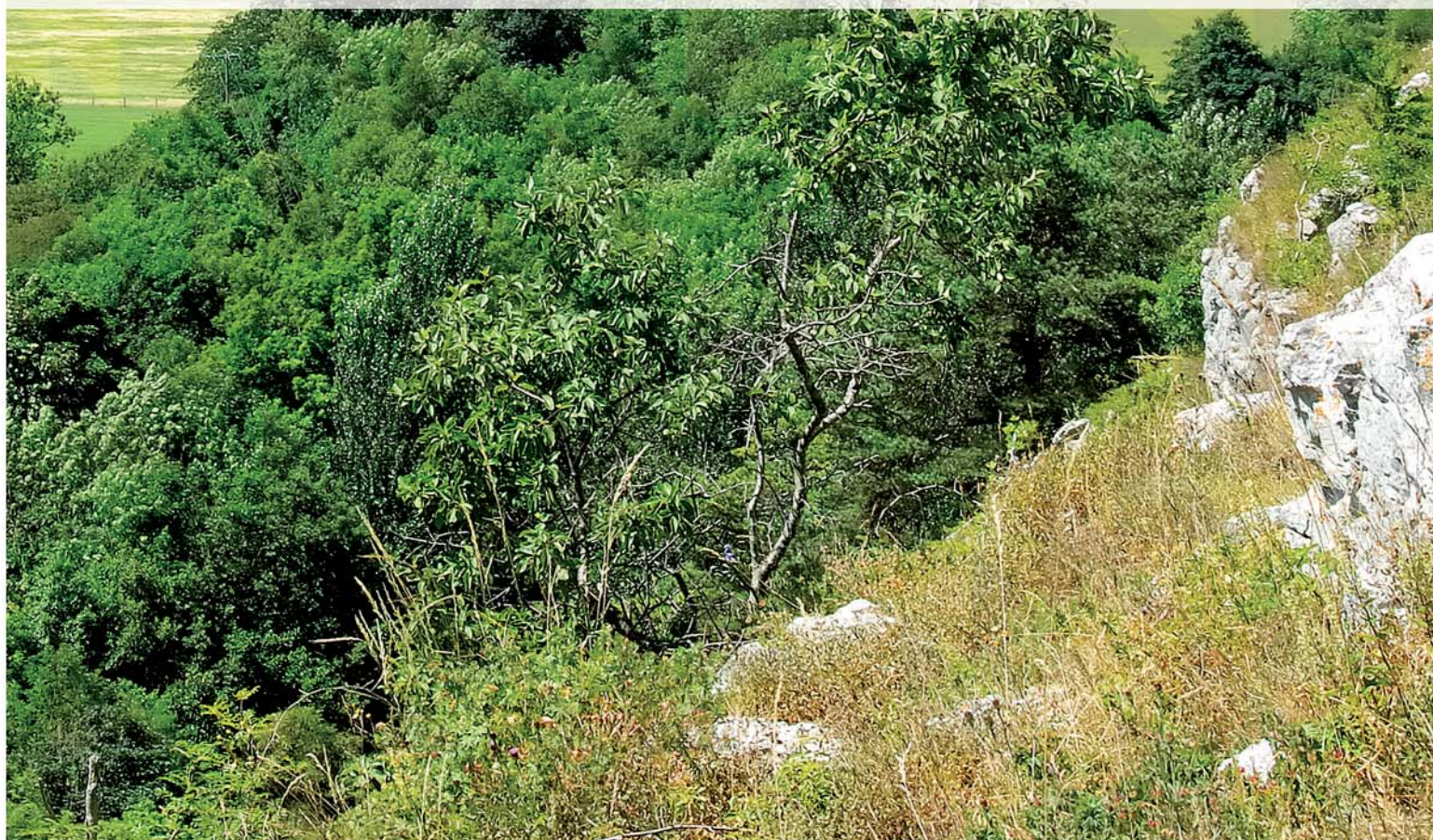


WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Annual Improvement Report

Flintshire County Council

Issued: January 2012
Document reference: 112A2012



About the Auditor General for Wales

The Auditor General is independent of government and is appointed by Her Majesty the Queen. He leads the Wales Audit Office and is held accountable by the Public Accounts Committee of the National Assembly for the Wales Audit Office's work.

The Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. The Auditor General's appointed auditors are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted to Wales annually by the Westminster Parliament. Nearly £5.5 billion of this funding is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

Huw Vaughan Thomas, Auditor General for Wales, was supported by Stephen Martin, Karen Lees and colleagues under the direction of Alan Morris in conducting the Improvement Assessment and producing this report.

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| There is mixed progress in achieving improved support for people in need but significant developments are underway in adult social care and housing services | 25 |
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Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the Wales Audit Office and that of the relevant Welsh inspectorates, this report presents a picture of improvement over the last year. The report is in three main sections, which cover the planning, delivery and evaluation of improvement by Flintshire County Council (the Council).
- 2 In addition to its statutory duties, the Council set itself improvement objectives which include making communities safe, protecting the local economy and providing high-quality social care, housing and learning opportunities as well as improving collaboration, efficiency and arrangements for management of staff.
- 3 Overall the Auditor General has concluded that, despite progress in many service areas, certain corporate weaknesses continue to hinder current performance and future prospects.
- 4 We found that the Council has a strong commitment to partnership working to support improvement; however progress in achieving the Council's objectives is being held back by weaknesses in priority setting, governance, financial planning and people management.
- 5 We also found that there is good progress in some priority areas but elsewhere progress is mixed and some services are not yet delivering provision at the expected levels. We based this conclusion on the following:
 - There is mixed progress in achieving improved support for people in need but significant developments are underway in adult social care and housing services.
 - The performance of pupils is below the expected levels in some aspects of education whilst standards and prospects for 14 to 19 year olds are good. Significant developments are taking place in leisure and play services but risks remain.
 - The Council is addressing challenges and delivering improvements to help create and maintain a safe, prosperous and pleasant county.
- 6 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that the Council is continuing to develop its performance monitoring arrangements but weaknesses remain in outcome measures, reliability of information and in some aspects of reporting and evaluation.

Recommendations and proposals for improvement

- 7 The Auditor General has determined that he will not recommend any intervention by Welsh Ministers nor undertake a special inspection. However, two formal recommendations and other proposals for improvement are made. The Auditor General also proposes to undertake a full corporate assessment during 2012-13. Estyn, Her Majesty's Inspectorate for Education and Training in Wales, also made recommendations following its inspections of local authority education services and its area inspection of provision for 14 to 19 year olds (see [paragraphs 133](#) and [137](#)).

Recommendations

- R1** The Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources (HR) strategy and *Single Status Agreement* and ensure capacity and capability are available to achieve intended outcomes and timetables.*
- R2** The Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.*

*These recommendations follow from proposals for improvement made in August 2010 and August 2011.

Proposals for improvement

To support further improvement, the Council should:

- P1** Complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting.*
- P2** Develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money.
- P3** Ensure its Annual Performance Report is published by 31 October in line with statutory requirements and more fully reflects Welsh Government guidance.
- P4** Improve quality assurance arrangements to ensure that data used to support performance management and monitoring is accurate and robust.

*This proposal for improvement was first made to the Council in January 2011.

Detailed report



Introduction

- 8 This report was prepared by the Wales Audit Office on behalf of the Auditor General for Wales. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 9 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education) and the Care and Social Services Inspectorate for Wales (CSSIW), we have brought together a picture of what each council or authority in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last *Annual Improvement Report*, drawing on the Council's own self-assessment.
- 10 Throughout the report, we set out what the Council needs to do to improve its services. Given the wide range of services provided and the challenges facing the Council it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- recommend to Ministers of the Welsh Government that they intervene in some way;
 - conduct a special inspection and publish the report with detailed recommendations;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
 - make proposals for improvement – if we make proposals to the Council we would expect it to do something about them and we will follow up what happens.
- 11 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.

Despite progress in many service areas, certain corporate weaknesses continue to hinder current performance and future prospects

- 12 The Council's Executive Board adopted 40 priorities in May 2010. These priorities support the five themes of the County Vision, previously endorsed by the Flintshire Local Service Board (the Local Service Board). The set of priorities comprised 10 corporate governance and performance priorities and 30 service priorities. The 40 priorities were subsequently grouped under 10 improvement objectives and included in the Council's *Improvement Plan 2011-12*. The full set of priorities and improvement objectives is in [Appendix 4](#).
- 13 This report sets out an assessment of the performance of the Council in discharging its statutory duty to make arrangements to secure continuous improvement. We do not undertake a comprehensive annual review of all council arrangements or services. Our work has been focused on the main objectives the Council has set itself and some other key issues. The Council has now grouped the initial 40 priorities under 10 improvement objectives and we report mainly at the level of the improvement objectives. The report builds upon earlier feedback and reports issued to the Council, and the conclusions are based on our cumulative and shared knowledge and findings from work undertaken this year.
- 14 It is important for councils to have a good self-understanding of how effective they are, and the extent of progress and improvement they are making. The Auditor General, other inspectorates, the Welsh Government and councils are developing a common understanding of effective self-evaluation and this will assist future assessment. We have made some initial comments on self-evaluation at the Council later in this report. We found that the Council is making progress in developing its arrangements for self-assessment and reporting on its improvement objectives, and we commend it for this, but weaknesses remain. Throughout this report we refer to the Council's own information and assessments where available. To contribute to its self-understanding, the Council invited the Welsh Local Government Association (WLGA) to undertake a *Financial Peer Review* and this was carried out in January 2011. We refer to the review findings in the relevant sections.

The Council has a strong commitment to partnership working to support improvement; however progress in achieving the Council's objectives is being held back by weaknesses in priority setting, governance, financial planning and people management

15 This section comments on the Council's planning and arrangements for delivering improvement. It includes the Council's corporate governance and objectives. This section covers:

- previous findings by the Auditor General on the arrangements for improvement and progress on proposals for improvement;
- governance including decision making and scrutiny arrangements;
- the framework of improvement objectives and priorities;
- HR and workforce planning;
- arrangements for collaboration and partnership working with other councils and bodies;
- the use of resources and arrangements to address the financial challenges faced by all councils;
- the Council's arrangements to meet the requirements of the *Equality Act 2010* and to support the Welsh language; and
- how the Council engages with the public and local communities.

16 The Council's corporate governance and performance improvement objectives are:

- 'to be a modern, efficient and cost-effective public organisation through our four resource strategies – the *Medium Term Financial Strategy*, the *People Strategy*, the asset management strategy and the *ICT Strategy* – whilst ensuring our local taxes and fees and charges are fair and affordable;

- to achieve the greatest possible cost efficiencies through regional collaboration to reinvest in local public services;
- to be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a *Single Status Agreement*; and
- to achieve the highest standards of customer service and care through our customer services strategy.'

In August 2011, the Auditor General reported that Flintshire County Council is continuing to actively promote improvement but some arrangements are not fully developed and are likely to hinder the Council in achieving its objectives

17 The Auditor General issued a *Corporate Assessment Update* letter to the Council in August 2011. He said he was satisfied that the Council is discharging its duties under the Measure, and that the Council is likely to comply with its minimum requirements during this financial year. Nonetheless, the Council faces significant challenges to deliver the very extensive programme of change and improvement that it has set itself. The letter said that the Council is continuing to actively promote improvement but some arrangements are not fully developed and are likely to hinder the Council in achieving its objectives. This assessment was based on our findings that:

- Some progress has been made on most of the areas for improvement identified in the previous *Preliminary Corporate Assessment* and *Annual Improvement Report*.

- Managing the financial challenge through savings programmes and transformation projects whilst being able to deliver its improvement objectives represents a testing agenda for the Council. It will need to continue to strengthen its arrangements and plans if it is to deliver this agenda.
- Whilst there are some positive examples of consultation, the Council's approach to engaging with the public does not follow a coherent methodology. The Council is not consistently using evaluation from consultation to improve the effectiveness of service delivery.
- The Council is actively developing opportunities to extend collaboration with partners as a means of further improving services.

There has been significant progress in developing the improvement planning framework, but not all objectives have clear outcome-based success measures

- 18 The Council has adopted a clear set of improvement objectives. As noted above, the 40 priorities of the administration were adopted in May 2010, and in June 2011, the Council approved its *Improvement Plan 2011-12*. This plan includes 10 improvement objectives and priorities for directorates and corporate services. The objectives and the improvement plan meet the proposal that the Council should 'review and formally adopt the priorities of the Council' made by the Auditor General in the previous *Annual Improvement Report*. The objectives and plan fulfil the Council's duties for these under the Measure.
- 19 The Council has strengthened and improved its framework for improvement:
- the improvement plan sets out the overall council objectives and actions designed to meet the objectives;
 - the Council also has a set of performance improvement targets for indicators which are important to the Council and where there is a need for better performance; and
 - there has also been some work to allocate accountability for the improvement objectives.
- 20 The Council still has further work to complete the response to the Auditor General's proposal that the Council should 'establish that there are clear leadership and accountability arrangements, success measures, and reporting processes for progress against all of its priorities'. This further work includes:
- Defining clear outcome measures, rather than actions and process measures, for some of the objectives.
 - Embedding reporting arrangements on progress with the Improvement Plan as, without this, councillors and officers are not fully aware of progress with delivering the plan. The first progress report has been provided to councillors in January 2012.
 - Completing the accountability arrangements at director and councillor levels.

21 It is for the Council to determine its priorities. However, as the Council's chosen priorities cover most of its activities, they may not help to guide decisions about the use of resources. In developing its improvement objectives for 2012 onwards, the Council should consider whether it needs to identify a smaller group of the key priorities. It should also engage more widely in discussions with councillors, partners and communities during the development of the future objectives, as noted in the Auditor General's *Corporate Assessment Update* letter.

While much Council business is conducted appropriately, political fragility, mistrust, and some inappropriate behaviour continue to affect the governance and leadership arrangements

22 Much day-to-day council business is conducted in a cordial and appropriate manner with positive relationships between councillors and with officers. We found some good scrutiny work and evidence of positive leadership by the Executive and senior officers.

23 Whilst much business is conducted satisfactorily we also found that the effective governance of the Council is affected by the political fragility of the multi-party administration. We found a degree of mistrust between officers and councillors, and between Executive and Scrutiny. This mistrust has contributed to slower progress than intended on some key council priorities.

24 The tensions are related to the political fragility of the Council, and the continuing delay in resolving a case referred to the Adjudication Panel for Wales by the Local Government Ombudsman. We found continuing concern by some councillors and some officers about inappropriate behaviour by a small number of councillors.

25 We found that workshops were being used effectively to inform councillors about sometimes contentious issues, ranging from options for school reorganisation to budget planning. However, the use of such meetings is extensive, and in some cases can seem as being used to replace the policy development role of overview and scrutiny committees. Holding workshops that are not in the official council diary adds to the already high number of meetings, and councillors who are working or have other responsibilities may be less likely to be able to attend than for scheduled meetings. We would expect the use of workshops to reduce in the future.

26 The relatively weak position of the leadership of the multi-party administration sometimes requires the Chief Executive and senior officers to carry out additional leadership activities particularly to support the delivery of important council priorities. Senior officers may then be seen as having too much influence in decisions that should be the responsibility of councillors. Officers may then be held to account by overview and scrutiny committees for matters that result from political decisions and for which the political leadership should take responsibility.

- 27 The political fragility of the Council, combined with the challenging agenda for change, leads to the need for a high level of strategic and corporate leadership. The need to increase leadership capacity and capability was recognised in the Council's response to the *WLGA Financial Peer Review*. This is an ongoing risk for the Council, and therefore progress in this area will be considered in the Auditor General's next Corporate Assessment.
- 28 The political fragility places a responsibility on all councillors who are entitled and expected to engage in appropriate political debate. But, they also have a duty, set out in their code of conduct, to treat fellow councillors and officers with respect and to not unduly bring the Council into disrespect. There is also a particular responsibility on political group leaders to assist by helping ensure their group members follow the code of conduct. Officers can also contribute by ensuring that information is available for committees on time and contains necessary information for councillors to carry out their roles.

Whilst there has been some progress in aspects of the people strategy, the expected completion of a Single Status Agreement has been delayed, there is no expected date for completion of a corporate workforce plan and there are some other important human resources weaknesses

- 29 The Council assessed its performance in 2010-11 against the priority 'to be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a *Single Status Agreement*' as adequate. The Council's Annual Performance Review notes that the individual activities that contribute to this objective and to the people strategy element of its objective to be a modern, efficient and cost-effective organisation, are mainly 'amber'. The amber status denotes that work is currently in progress but is expected to be completed behind schedule, and this status has continued in quarterly reports during 2011-12.
- 30 The Council is making progress in many areas of its programme of people management. It is seeking to implement major changes in its HR arrangements and has a very challenging agenda. Examples of progress include:
- continuing work to remove inaccuracies from HR information systems and to achieve a more accurate assessment of the number of posts and staff working for the Council;
 - improving arrangements for managing the taking on and the cost of agency workers and consultants;

- establishment of an occupational health partnership with Wrexham County Borough Council;
 - updating several key council HR policies;
 - the completion of the roll-out of Employee Self-Service to staff with computer access, so that staff can update their personal information directly onto the HR system;
 - work is well underway to introduce a similar Managers' Self-Service system during November 2011 to February 2012, so that they can enter information quickly; and
 - continued development and provision of extensive corporate development programmes.
- 31 Whilst progress is being made in these areas, the overall progress with delivery of the people management strategy has been slower than expected in many of the most important areas including:
- Establishing accurate information about the numbers of posts and staff working for the Council. This information is essential for much of the Council's ongoing and future plans, yet this is still compromised by inaccurate data, despite improvement over the last year.
 - Little progress is being made on developing corporate workforce planning and there is no clear timetable for achieving a council-wide workforce plan and development strategy.
 - The completion of work on job evaluation, Single Status and terms and conditions.
- The Council has been reviewing the structure of the HR service since 2009. The scope of the work has been changed on several occasions, and the completion date extended. The Council now plans to implement the service changes in May 2012. It is intended that the new structure will include a dedicated resource for organisational development, to support effective change management and workforce planning.
- 32 In his *Corporate Assessment Update* letter in August 2011, the Auditor General noted the progress in many areas but that the overall pace of delivery is behind schedule, with regard to people management. To support improvement in this area, he proposed that by the end of October 2011, the Council should complete a review of overall progress with the *People Strategy 2009-12*, prioritise outstanding actions and the resources necessary to achieve them, and report on this to councillors.
- 33 The review was carried out and reported to the Executive Board in November 2011. The report and revised plan to support the strategy identified four top priorities, although the timetable for these was reviewed and in some cases completion was put back. The top priorities the Council identified are:
- Single Status and Equal Pay;
 - negotiations of revised terms and conditions;
 - the organisation design change project; and
 - phase II of HR management information system (Employee and Manager Self-Service).

- 34 Other areas of work have been delayed or deferred. These include:
- the development of a graduate recruitment programme;
 - regional workforce planning; and
 - rolling out the Council's competency framework.
- 35 The review report noted that in some cases, a 'more proportionate/measured approach has been taken to deliver actions, for example, a low-key approach to introducing internal workforce planning'.
- 36 The revised plan identified that additional resources would be required for eight areas of work, and these had been secured. However, councillors were given no information about what the resources were and from where they had been secured.
- 37 In common with about half of councils in Wales, the Council has not completed a legal, acceptable and affordable *Single Status Agreement*. This process is dependent on the completion of job evaluation arrangements and is also linked to plans to negotiate reduced costs of employment through changes to employee terms and conditions. Initial work on job evaluation began in 2003. A proposed *Single Status Agreement* was withdrawn in late 2009 and a revised process started. A consultant was appointed as Project Manager and a Single Status Project Board of councillors, senior officers and trades union representatives was established in 2010 to help develop the revised agreement.
- 38 The board was initially active but the frequency of meetings has reduced, and it didn't meet between July and December 2011. The timetable for the project has slipped on a number of occasions and further delays were reported to the Executive Board and the Corporate Resources Overview and Scrutiny Committee in November and December 2011. The Council now plans to complete the work on the agreement by November 2012. The report to the Executive Board in November 2011 noted that meeting this timetable is 'wholly dependent on the full commitment and ownership of the Corporate Management Team and Senior Management, councillors across all political parties and the Joint Trade Unions as well as the appropriate resources being secured for delivery of the project'.
- 39 The Council tells us that senior officers and councillors and the trade unions now have more confidence that the Single Status project will be delivered this year. This follows the acceptance in December 2011, by the Project Board, of a new high-level plan and the later completion date. This work has led to the Council amending the level of risk it has assigned to this work, from red to amber. The amber rating means the Council recognises that the project has 'some delay in scheduled activity, but is broadly 'on-track' with 'an uncertain level of confidence in the achievement of the outcomes'.
- 40 The Auditor General will undertake additional work in early 2012 to assess the effectiveness of the Single Status project management arrangements and whether the necessary commitment, capacity and capability is in place to achieve the revised timetable.

Progress is being made but the Council has not completed work to establish a clear medium-term financial plan that fully incorporates the financial implications of its efficiencies and savings programmes in order to determine the projected shortfalls (or surplus) for future annual budgets and to put plans in place to meet them and to allocate resources to priorities

- 41 The medium-term financial plan and the asset management strategy are two of the resource strategies that contribute to the Council achieving its objective ‘to be a modern, efficient and cost-effective public organisation...whilst ensuring local taxes, fees, and charges are fair and affordable’. The Council assessed its performance on this objective as ‘adequate’, whilst progress on the elements of developing its *Medium Term Financial Strategy*, financial management, and buildings management were assessed as ‘amber’ (meaning expected to be completed but behind schedule). Progress on elements of the objective related to delivering efficiencies and managing within budget, and for collection of council tax and non-domestic rates, was rated as ‘green’ (meaning completed or expected to be completed ahead of schedule).
- 42 In September 2011, the auditor appointed by the Auditor General issued an unqualified audit opinion on the 2010-11 accounting statements, confirming that they present a true and fair view of the Council’s and Clwyd Pension Fund’s (the Pension Fund) financial position and transactions. Whilst the opinion was unqualified, an emphasis of matter was included to draw attention to the nature and value of private equity investments held by the Pension Fund. A number of matters arising from the audit of financial statements were reported to members and are summarised in the *Appointed Auditor’s Annual Audit Letter*, included as [Appendix 3](#).
- 43 In January 2012, based on month 7 figures, the Council forecast that it is likely to end the financial year with an underspend of £0.6 million. This is made up of a net overspend on services of £0.2 million, which is offset by a contribution of £0.8 million from central and corporate budgets. The 2011-12 budget contains £8.9 million of specific efficiencies and projections indicate that £7.7 million will be achieved.
- 44 The Council adopted its *Medium Term Financial Strategy* and initial medium-term financial plan in June 2011. This followed recognition within the Council of the need to strengthen its strategic financial planning which was reinforced by recommendations from auditors, both internal and external, and the *WGLA Financial Peer Review*. In August 2011, the Auditor General’s *Corporate Assessment Update* letter said that ‘by the end of 2011, the Council should complete the development of its medium-term financial plan so as to allow informed decisions on how funding pressures will be addressed and resources allocated to achieve improvement objectives’.
- 45 Since June 2011, the Council has focused its efforts on building its medium-term financial plan to provide robust estimates of the Council’s financial position over a three-year window (2012-13 to 2014-15). This has included identifying both unavoidable pressures and efficiencies. In particular, it is worth noting, that following a *Flintshire*

Futures project, which reviewed and challenged budgets across the whole organisation, the Council has identified just over £2 million of further efficiencies.

- 46 The latest medium-term financial plan predicts funding shortfalls of £1.718 million in 2012-13 rising to £4.132 million in 2013-14 and £7.388 million in 2014-15. It is in this context that the 2012-13 budget is being set.
- 47 Work has also been ongoing to develop a capital strategy and 10-year capital programme and to ensure that both revenue and capital expenditure plans are fully integrated and that the revenue implications of capital expenditure proposals are understood and built into the financial plan.
- 48 In comparing the Council's current position, in understanding its financial outlook and having a clear framework to manage its resources, with this time last year, the Council has made considerable progress, albeit from a relatively low base. However, critically, there is further work outstanding to ensure the Council is well-placed to meet the financial challenges ahead.
- 49 The current focus is on setting a balanced budget for 2012-13, and in the immediate future, this is rightly the priority. However, the Council needs to, shortly thereafter, identify the specific ways in which it will meet the funding shortfalls in 2013-14 and 2014-15 to allow sufficient lead in time for more difficult decisions and plans to be actioned to yield the savings at the appropriate time.
- 50 In addition, the Council should consider whether it wants to identify a greater level of savings, than just to meet the funding shortfall, in order to allow it to redirect resources to areas of highest priority to further the achievement of its objectives.
- 51 Essentially, the Council needs to fully establish the financial implications of the *Flintshire Futures* and any other efficiency projects to assess whether they are sufficient to meet the funding shortfall and create capacity or whether other initiatives are required in addition. The Council is currently working on this.
- 52 The *Flintshire Futures Programme* is the Council's programme to modernise and reshape service delivery and respond to the challenging financial future facing local government. The programme was initially co-ordinated by a consultant appointed jointly with Wrexham County Council. At Flintshire they developed a programme which focused on two sub-programmes: a 'Change' programme to increase efficiency; and a 'Choice' programme focused on collaboration and alternative methods of delivery. An initial group of short, medium and longer-term projects was identified and an approach to structured project planning adopted.
- 53 Since then the programme has continued to develop. The contract with the consultant has ended, and the work is now managed through the part-time leadership of two heads of service, who have been appointed as assistant chief executives. The Council is also amending the approach to project planning to ensure it reduces complexities and is time-efficient. A new approach is being developed.

A total of 57 projects structured around four themes have been identified. The themes are:

- Corporate change
- Service change
- Regional collaboration
- Local county collaboration

- 54 The programme includes many projects that are being developed within services and across services. The initial aim was to identify 5 to 10 per cent savings for the Council but it is unclear what savings will be realised from individual projects. The *Flintshire Futures Programme* Team consists of officers who are seconded, mainly on a part-time basis, to support delivery of the projects.
- 55 There is limited councillor engagement with the programme although high-level reports have been provided for the Executive. The reports to the Executive have not reported the changes to the programme management and lacked specific information about the levels of savings and efficiency to be achieved by the projects or the programme. Whilst the programme is regularly referred to in budget monitoring reports, there has not been any specific report on the programme to the Corporate Resources Overview and Scrutiny Committee and no scrutiny of the programme is included in the work programme for the committee for 2011-12. Some information was included in a Workforce Bulletin in December 2011, but the programme does not have a fully developed communications strategy to ensure that effective and timely internal and external information is provided about the programme and its many projects.
- 56 The Council's *Annual Performance Report* says that all the projects are underway and have project sponsors and management arrangements in place. Following the appointment of the heads of service, there is currently a 'stock-take' taking place which is likely to lead to some projects being downgraded and a greater focus on projects with the potential to make the most difference.
- 57 In the Auditor General's *Corporate Assessment Update* letter, he said, 'it is yet not clear whether the programme has sufficient political support or the capacity for effective delivery'. Whilst the additional leadership and the stock-taking are appropriate steps forward, these concerns remain.
- 58 The Council faces significant challenges in the management of its non-domestic building stock and its housing stock. The Council accepts it has too many non-domestic buildings that are costly to maintain, have inflexible working spaces and buildings that are no longer in the right place. It has established a project within the *Flintshire Futures Programme*, to improve asset management through rationalisation of offices, agile working and the creation with partners of 'community hubs' where services can be accessed by the public. The Council's assessment is that progress on its asset management work is 'amber'.
- 59 The Council has also prepared a draft *Housing Asset Management Strategy 2012-2018* that sets out the Council's plan for maintaining its housing stock, taking into account the investment needs of homes across the county and the money available for improvements from the Housing Revenue

Account. The strategy says that a survey of the Council's homes showed that an investment of around £166 million is required to bring the properties up to the Welsh Quality Housing Standard in five years. The Council can expect to have £49 million available for capital expenditure in the same period. This funding shortfall is one factor in decision of the Council to undertake a housing stock transfer ballot, which is considered further later in this report.

The Council has improved local strategic partnership working and is continuing to develop collaborative working with neighbouring councils and through regional projects although the cost efficiencies to be achieved are, as yet, uncertain

60 The Council has an objective 'to achieve the greatest possible cost efficiencies through regional and sub-regional collaboration to reinvest in local public service'. For 2010-11, it assessed its progress against this objective as 'adequate'.

The Council is playing a key role in the development and rationalisation of strategic partnerships

61 The Council plays a key role in the local statutory partnerships: the Local Service Board; the Children and Young People's Partnership; the Community Safety Executive; and the Health, Social Care and Well-being Partnership. It has also helped lead the development of the Regeneration Partnership, the Flintshire Housing

Partnership, and the Voluntary Sector Compact. It has led the development of a governance framework for the partnerships which is being followed.

62 The partnerships are increasingly seeking to use outcomes-based accountability to consider how they will measure their achievements. It will be important to develop an outcomes-based approach so that the achievements through partnership can be assessed. At present, it is too early to evaluate the contribution that partnership rationalisation will have on delivering clearer outcomes.

63 The Council has played a significant role in developing and leading arrangements for regional rationalisation and sub-regional consolidation of the statutory partnerships. These developments are progressing well with the merger of some local partnerships and the establishment of a regional Safer Communities Board. The Council has also played an important role in the development of the first joint Flintshire and Wrexham *Community Safety Partnership Plan 2011-2014*. A project group was established in June 2011 to explore options for collaboration and merged arrangements for Flintshire and Wrexham Youth Justice Services and this work is progressing.

64 Regular reports on partnership arrangements are provided for the Executive Board. The Community Profile and Partnerships Overview and Scrutiny Committee was created in 2010-11 to 'consider the Council's relationships with other public service providers and our partners'. During 2010-11, the committee held meetings with the North

Wales Police, Glyndwr University and the North Wales Fire and Rescue Service. It has also considered update reports on partnership work and specific reports on projects and developments.

Local Service Board projects are developing

- 65 The Local Service Board has had a Carbon Reduction and Adaptation Planning project since 2009. The Council was also one of four councils chosen to be part of a Climate Change Adaptation Planning pilot project, supported by the WLGA, Welsh Government, Environment Agency, Countryside Council for Wales, and the UK Climate Impact Programme. Through this pilot project, the Council has worked with the Local Service Board to identify the shared climate change risks for the Council and its partners in Flintshire.
- 66 The Council is also working with partners on the Local Service Board project on preventing and reducing poverty and disadvantage, which is focusing on benefit and debt advice. It is seeking to provide improved access for citizens to advice and other support.

Collaboration with neighbouring councils in delivery of services is increasing

- 67 The Council has increased local collaboration with neighbouring councils. Developments include:
- the Council providing a joint occupational health service for itself and Wrexham County Borough Council;
 - the Food Waste project with Denbighshire and Conwy councils which has identified a preferred bidder to deliver the project;

- a joint Wrexham and Flintshire Local Safeguarding Children Board, established in April 2011;
- a North East Wales Emergency Duty (social work) Team for Wrexham, Denbighshire and Flintshire councils;
- a 'purchase to pay' (P2P) e-procurement system is being jointly procured with Wrexham Council; and
- the Council has entered into a joint management arrangement with Denbighshire County Council for the management of a procurement service.

- 68 The Council is the host body for the North East Wales Play Community Project (NEW Play) which is a multi-agency partnership developing an infrastructure for children's play space and delivering play activities across Wrexham, Denbighshire and Flintshire. The NEW Play project will employ eleven staff funded for three years from July 2011 through the Big Lottery Fund *Child's Play Programme*.

Regional collaboration projects are being developed

- 69 With other councils in North Wales, Flintshire is part of the North Wales Regional Leadership Team and is involved in four programme boards, each of which has a number of projects for regional collaboration (see [Exhibit 1](#)).

Exhibit 1: Regional collaboration projects

The four regional programme boards are developing a range of projects

| Programme board | Progress |
|--|--|
| Education and Related Services | <ul style="list-style-type: none">• School Improvement Service (A second phase is expected to extend the scope of the service)• Collaboration in Library Services |
| Social Care and Health | <ul style="list-style-type: none">• Commissioning Hub• Supporting People Services• Telecare• Workforce Development• ICT support for client records (PARIS and RAISE) |
| Environment and Regulatory Services Board | <ul style="list-style-type: none">• Fleet Management• Transforming Transport• Waste• Taith Extension• Economic Development |
| Support Services | <ul style="list-style-type: none">• Legal Services• ICT• Procurement• Single Person Discounts• Emergency Planning |

- 70 The Council is continuing to play a leading role in the North Wales Residual Waste Treatment Project. The project is progressing well and is currently in the process of identifying a preferred bidder to deliver a residual waste treatment provision for five North Wales councils.
- 71 Flintshire is the lead council for the Shared North Wales Minerals and Waste Planning Service which became operational from April 2011. A report on progress and lessons for future collaborative services was presented to the Executive in November 2011. The financial benefits of the service are to be reviewed after the first year.
- 72 The North Wales Adoption Service for all six North Wales councils was established from April 2011.

The Council is working towards meeting the requirements of the Equality Act 2010 and to address weaknesses in implementing its Welsh Language Scheme

- 73 Under the public sector duties of the *Equality Act 2010* all public bodies are required to set equality objectives by April 2012 and publish a strategic equality plan. We found mixed awareness of the *Equality Act 2010* amongst senior officers. However, work is being undertaken by the Council to engage stakeholders to identify and prioritise local equality objectives.

- 74 The *Annual Performance Report* and the Council's *Annual Equality Report 2010-11* identify a wide range of equalities actions that show the Council's commitment to achieving its equalities objectives.
- 75 Equalities impact assessments have been introduced and some full assessments have been undertaken, although these are not yet consistently completed and the quality of the assessments is varied.
- 76 The Welsh Language Board and the Council have identified eight priority areas that require action to enable the Council to address fundamental weaknesses and risks in implementing its *Welsh Language Scheme*. The Welsh Language Board says 'the Council has made progress in all eight areas, but a significant amount of work remains to be done to achieve the requirements of the Scheme, particularly in relation to business planning, performance management and the implementation of a *Welsh Language Skills Strategy*. The board praised the Council for assessing the language requirements of all public-facing posts. Although the number of Welsh speakers that currently occupy those posts designated 'Welsh essential' is low, the Council is committed to filling the posts with Welsh speakers when they become vacant.' The Council is undertaking an assessment to inform actions to be taken in 2012-13 to address issues in business planning, performance management and other areas identified.

Work is planned to develop an improved corporate approach to public engagement

- 77 The Wales Audit Office undertook a review of arrangements for public engagement in Flintshire as part of an all-Wales study. The findings were reported in the Auditor General's *Corporate Assessment Update* letter in August 2011. The conclusion was that 'whilst there are positive examples of consultation by some services, the Council's corporate approach to engaging with the public is underdeveloped and does not follow a coherent methodology. The Council is not consistently using evaluation to improve the effectiveness of its consultation or of service delivery.'
- 78 As a result, the Council has endorsed the new *National Principles of Public Engagement in Wales* developed by the Welsh Government and Participation Cymru (a partnership of public and third sector organisations) and is planning to develop an improved corporate framework for public engagement. It is awaiting the publication, in early 2012, of the Wales Audit Office national study on public engagement and associated good practice.

The Council is progressing with changes aimed at improving customer access although it is at an early stage, and the extent of benefit and the value for money is not yet clear

- 79 The Council's objective 'to achieve the highest standards of customer services and care through our customer services strategy' is to be met through:
- the introduction of 'Flintshire Connects' (customer access points);
 - a 'Channel Shift' project to enable customers to switch to using self-service forms of business, such as transaction via the Council's website; and
 - improving customer services through the development of customer contact centres such as the Streetscene customer contact centre.
- 80 The Council assessed its overall progress on this objective in 2010-11 as 'good' although some aspects of the priority were 'amber' meaning they were progressing but behind schedule. By mid 2011-12, all three main elements were assessed by the Council as making good progress with full confidence in the likelihood of achieving the intended outcomes.
- 81 Workshops for councillors have been held on these developments and the Executive Board has agreed to the location of the first Flintshire Connects facility in Holywell. However, the Council has not yet set out the clear business cases for the Flintshire Connects project showing the full costs and

benefits of the project, the specific outcomes that can be expected, and the success measures that will be used to assess the effectiveness of the developments.

- 82 The improvement plan 'outcomes' for this objective are actions (for example, 'introduce the first phase of the Flintshire Connects programme'), not outcomes, and lack suitable success measures against which improvements for citizens can be assessed. The Council is continuing to work on the development of outcome-based success measures. A benefits realisation exercise for the Flintshire Connects project is being carried out for completion by the end of February 2012.
- 83 Flintshire Connects and the 'Channel Shift' development have become two projects within the *Flintshire Futures Programme*. The Council intends to produce six Flintshire Connects facilities and Holywell has been identified as the possible location for the first facility with an anticipated opening in June 2012. The Holywell facility is being planned with involvement from North Wales Police, Communities First and Deeside College.
- 84 The Council has undertaken visits and exercises to help develop the vision and learn from other contact centres in Wales and in England. However, the information provided to councillors does not indicate the benefits achieved for customers or the costs of the different centres visited.
- 85 A report for the Executive Board on the proposed development indicated that the first facility would require £275,000 capital and additional initial revenue expenditure. At present, it is estimated that there may be additional revenue costs of £75,000 in the first year of the project but that over a five-year period total staffing savings of £300,000 might be achieved. The limited financial information appears very provisional and an insufficient basis for the business case for such a major development. The Council believes that the benefits realisation exercise, and the experience of developing the first centre at Holywell, will inform the financial planning of other centres.
- 86 The Channel Shift project is at a very early stage of gathering data and information. The intention is to encourage residents contacting the Council to shift from face-to-face contact to telephone or the website.
- 87 The Council is progressing with the development of a contact centre for handling all telephone calls about the Streetscene service. It is expected that the contact centre will begin early in 2012.
- 88 The *Customer Services Strategy 2010-13* was agreed in May 2010 and presents high-level objectives as well as outline proposals. The strategy highlights the need for the Council to 'understand the needs of our customers better and ensure that our plans are in tune with their needs'. It says that 'as well as how customers want to access the Council we also have to understand:
- When they prefer to contact us
 - Why they are contacting us
 - What they are contacting us about'

- 89 The Council has been undertaking some work to develop its understanding of its 'customers' and their changing needs but what it has learned and how this will influence the pattern of developments to improve access to services has not yet been reported.
- 90 The strategy highlights the average costs of face-to-face, telephone and online transaction costs in England and Wales and has used these as the basis for its proposals. However, the costs that apply for Flintshire have not been calculated and the Council considers that it would be very difficult and counterproductive to do so. The Council believes that implementation of the proposals in the customer services strategy will allow for improvements in measuring the cost of contact. The ability to understand the costs of services will be an important aspect of decisions on the future arrangements for customer contact. This will apply to the Flintshire Connects facilities and the Channel Shift projects.

There is good progress in some priority areas but elsewhere progress is mixed and some services are not yet delivering provision at the expected levels

91 The conclusion from our reviews of how the Council is delivering improvement in priority areas is that there is good progress in some priority areas, but elsewhere progress is mixed, and some services are not yet delivering provision at the expected levels of service.

There is mixed progress in achieving improved support for people in need but significant developments are underway in adult social care and housing services

92 This section covers how well the council is delivering improvement in its support for people in need. The Council's main objectives to support people in need are:

- to promote independent, healthy and fulfilled living in the community with the highest-quality personalised and supportive social and health care services;
- to meet housing need in the county and to work with partners to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector housing markets; and
- to protect and grow the local and regional economy, to be a prosperous county and to provide help and support for those vulnerable to poverty.

93 The Council appointed a new Director of Community Services, who started in July 2011, after an 18-month period in which the vacant post was covered by the Chief Executive and the three heads of service. The director's responsibilities include the statutory role of Director of Social Services and overall leadership of social services and housing services.

The Council is seeking to address weaknesses in and to develop both adult and children's social services, and has adopted a plan for transformation of adult social care

94 The Council assessed its performance in 2010-11 in promoting independent, healthy and fulfilled living with the highest quality social and health care services as 'adequate'.

95 The CSSIW provides an annual review and evaluation for each council in Wales following the submission of a report by the Director of Social Services. The overall summary from the CSSIW review for 2010-11 said:

- 'There is strong commitment to collaborative working and in exploring new ways of delivering services. Children's services has continued to develop improved ways of engaging with children and young people, whilst adult services have embarked on a programme of transformation in continuing to shift the focus to prevention, promoting independence and reablement.
- However, this is a testing time for the Council with significant challenges in the year ahead.
- For adult services in particular, changes in the health board structures in North Wales and the creation of the Betsi Cadwaladr University Health Board has affected local momentum, but there are signs that this is improving. Greater clarity of longer-term commissioning intentions for learning disability services is required and this remains a priority.
- A number of key performance indicators in children's services reveal that some of the care management processes require sustained attention in order to deliver the

best outcomes for children and young people. Despite some progress, too many have not reached the standards previously set, with a number falling significantly. It is recognised that the incorporation of the PARIS information system into practice affected the accuracy of recording earlier in the year, and that this has impacted upon overall performance indicator reporting. The educational achievement of looked after children has improved, but this needs further attention and should remain a key priority for the Council.'

Adult social services are facing a testing time but a plan for transformation has been agreed

96 Since the appointment of the new director, the Council has increased its actions to address weaknesses in adult social care service in the short and long term.

97 The Council's *Annual Performance Report* notes that:

- *Good Health, Good Care in Flintshire 2011-14*, the next health social care and well-being strategy has been approved; and
- the number of users of the reablement service has increased as did the percentage of carers assessed and provided with a service.

98 The report acknowledges that, in 2010-11, slower progress was made in supporting people through direct payments and in achieving improved delivery of adaptations.

99 The CSSIW review and the Council's quarterly performance reports for 2011-12 identify a number of service areas for adults where performance is below expectations. To increase the pace of change towards a focus on prevention, promoting independence and reablement the Council has agreed a 'Transforming Social Services for Adults' (TSSA) plan.

100 During the first half of 2011-12, the adult care service has made savings of approximately £250,000 through vacancy management. Managers are taking on additional work to mitigate the impact. It has been reported that these vacancies will remain and contribute to the flexibility required for TSSA, both through service redesign and efficiency savings.

101 A number of other actions are also expected to contribute to improvement:

- A review of the service user journey through adult social care services is being undertaken using 'Lean' methodology and is due to be completed by February 2012.
- The Council is following an 'improvement target action plan' to focus attention on key areas of performance.
- The Council is also involved in the plans to develop a regional commissioning, procurement and monitoring hub for high-cost, low-volume residential care in the following service areas:
 - Children's Services
 - Learning Disabilities
 - Physical Disability and Sensory Impairment
 - Mental Health

- In mid 2010-11, the Council has reported that work is progressing ahead of schedule with modernisation and expansion of the warden service. The recommendations to pilot an expanded service have been approved by councillors with a six-month pilot starting in November 2011.

Some progress has been made in Children's Social Services, but the Council acknowledges that further improvement is needed

- 102 The Council's *Annual Performance Report* shows mixed progress in children's services. Its performance report for mid 2011-12 shows many actions and indicators are assessed as 'amber' meaning activity is in progress but behind schedule.
- 103 The CSSIW review noted positive work with young carers and that regular internal reviews were carried out to test compliance with assessment and care management policies and procedures. But, the CSSIW also said:
- 'care management, particularly of looked after children needs to improve;
 - assessment, planning and timely reviewing of cases of children in need is an essential means of safeguarding and preventing potential escalation of difficulties and consequently requires immediate and ongoing improvement; and
 - there is further work required to improve the quality of data, which is still not completely accurate and reliable.'
- 104 The CSSIW review also noted 'that the Speaking Out for Children in Care Group and the Care Leavers' Support Network are established and used effectively to review and improve services. The *Pride of Flintshire*

Awards event is highly regarded and celebrates the achievements of looked after children.'

- 105 The merger of the Flintshire and Wrexham Local Safeguarding Children Boards became effective from April 2011. Progress is being reported to the Council's Social Care and Health Care Overview and Scrutiny Committee, and will also be will be subject to ongoing monitoring and review by the CSSIW.
- 106 The CSSIW will be inspecting children's assessment and care management arrangements in March this year.
- 107 In mid 2011-12 the Council has reported good progress with improving arrangements for out-of-county placements for children. This has led to a forecast that there will be an underspend in the budget for placements.

The Council is making reasonable progress in meeting housing need but it acknowledges that further improvement is needed

- 108 The Council has assessed its performance in 2010-11 as 'adequate' for its objective 'to meet housing need in the County and to work with partners to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector housing markets'. Most of the specific actions assessed were rated as 'amber' meaning that progress was being made but behind schedule.
- 109 The priorities for this objective have been:
- to deliver an affordable housing supply through the affordable housing strategy;
 - to make a marked and rapid improvement in the quality, flexibility and performance of

- housing management and repairs and maintenance services and to improve the financial performance of the Housing Revenue Account; and
- to determine the future of the Council's housing stock through a tenant ballot and a strategy to achieve the Welsh Housing Quality Standard.
- 110 The Council is making progress in all these priorities but continues to face significant challenges.
- 111 The Council's performance in providing affordable housing in 2010-11 was close to the average for Wales, although below the targets the Council had set for itself. In addition to its own continuing work to provide affordable properties in the county, the Council is also working closely with other councils and partners. These include:
- A joint review of the local housing strategy in conjunction with Wrexham County Borough Council – and a joint consultation event was held in November 2011.
 - A 'Common Access Routes to Housing' Project involving Conwy, Denbighshire and Wrexham Councils, in addition to the registered social landlords active in the area.
 - Glyndwr University has commenced a joint Local Housing Market Assessment update. This was commissioned jointly with Wrexham Council.
 - A regional housing register and common allocations policy is being developed and currently involves Flintshire, Wrexham, Denbighshire and Conwy Councils in addition to several registered social landlords.
- Procurement of loans administrator – this is a collaborative project involving Flintshire, Denbighshire and Gwynedd Councils.
- 112 There has been progress with improving many aspects of landlord services including dealing with urgent repairs. However, performance in addressing voids (empty properties), rent arrears and non-urgent repairs is still below expected levels.
- 113 The Council has made continued progress towards a housing stock transfer ballot. Whilst the timetable has slipped, at the end of November 2011 the Council agreed to proceed with the 'stage 1' consultation beginning in January 2012. Subject to the consultation, it is intended the ballot should go ahead in February and March 2012. This will be an important step in improving the quality of the housing stock.
- 114 There has been good consultation with tenants about their priorities for improvement. The Council has agreed and published plans for £49 million of expenditure on the housing stock in the five years from 2013 if tenants decide to not transfer to Dee Housing, a new not-for-profit registered social landlord. If tenants decide to transfer to Dee Housing, £166 million would be spent on the stock in the same period.
- 115 Despite this work, the Council forecasts that only 26 of its houses will fully comply with the Welsh Quality Housing Standard by 2020. Flintshire is one of only three councils in Wales which is forecasting that its stock will not be fully compliant with the standard by the end of the decade.

The Council has made some progress in the support it is able to offer people who are vulnerable to poverty. But the Council still faces significant challenges in delivering these services, and more could be done to co-ordinate activities

- 116 Part of the Council's improvement objective 'to protect and grow the local and regional economy, to be a prosperous county and to provide help and support for those vulnerable to poverty' is related to the 2010-11 priority to reduce extreme poverty and make the best use of local resources to provide advice and extend benefits take-up.
- 117 The Council's *Annual Performance Report* indicates the status of this work is 'amber' meaning that progress is being made but behind schedule. It refers to the Council and its partner organisations developing work through the Local Service Board on the theme of 'maximising income' for people.
- 118 The Local Service Board work aims to improve the provision of welfare advice from different agencies and to achieve a more co-ordinated service. A pilot service started in October 2011 and an 'outcomes based accountability' approach is being used. However, the success measures have not yet been set for this work.
- 119 The Council's own Welfare Advice Casework Service has supported an increased number of people. In the first half of 2011-12, the service helped Flintshire residents with benefits claims and tribunals to obtain £1.3 million. The Money Advice Caseworker Service also provided help to more people who faced possible homelessness as a result of debts.
- 120 The performance of the Council in administering council tax and housing benefits plays an important part in the Council's work to support people in need and reduce poverty. Significant concerns were raised by the Wales Audit Office in 2010 about the administration of benefits and the grant claims made for recovery of benefits. The Council has worked with the Department of Work and Pensions Performance Team to review and streamline processes. Good progress has been made and audit work on the 2010-11 housing and council tax benefit subsidy claim identified significantly fewer issues. There has been substantial improvement in the performance of the benefits service.
- 121 The Council has identified that the planned national welfare reforms will present a further significant challenge to efforts to reduce poverty. The Council's *Improvement Plan 2011-12* has altered the focus of the 'poverty' aspect of the improvement objective to include managing welfare reform. The main sub-objectives are now to:
- implement the Families First initiative;
 - work on a North Wales approach to develop a shared methodology to determine care fees in the future; and
 - develop a strategy to manage the impacts of welfare reform (in conjunction with the Local Service Board project).
- 122 These actions are wrongly described as 'outcomes', as these are actions or tasks. Appropriate outcome measures have not yet been agreed.

123 The Families First initiative has been implemented across Flintshire, Wrexham and Denbighshire, bringing additional resource to family support services and new models of intervention and is progressing. Its principal focus is on supporting families through interventions at the preventative and protective stages. The programme aims to drive improvements to family support design and delivery and, in so doing, reduce the numbers of families developing more complex needs and thus requiring more intensive and costly interventions.

124 The Auditor General's *Annual Improvement Report* covering 2009-10, which was published in January 2011, noted that 'not enough has been done to bring together the many ways in which the Council can contribute' to tackling poverty. This remains an issue. However, the proposed Welfare Reform Strategy will link together all the various anti-poverty initiatives that the Council and its partners are currently managing. The strategy will aim to 'implement a long-term strategic approach to promote the positives and mitigate the negatives of the welfare reforms upon Flintshire's residents, local communities, service providers and the local authority'.

The performance of pupils is below the expected levels in some aspects of education whilst standards and prospects for 14 to 19 year olds are good. Significant developments taking place in leisure and play services but risks remain

125 This part of the report sets out how well the Council is improving the way in which it helps people to develop. Overall, we found the performance of pupils is below the expected levels in some aspects of education whilst standards and prospects for 14 to 19 year olds are good. There are significant developments taking place in leisure and play services but risks remain.

126 The Council's improvement objective is 'to secure a modern and high performing range of learning, cultural, play and leisure opportunities for all ages with our schools, colleges and other partners'. The Council assessed its performance for this objective in 2010-11 as good. Most of the sub-objectives were assessed as 'green', meaning that targets had been met or actions completed. The exceptions were for primary school modernisation (amber), secondary school modernisation (red), the Leisure Strategy (amber), and risks to the future viability of the Clwyd Theatr Cymru (amber).

127 In October 2011, Estyn carried out an inspection of local authority services for children and young people, and the summary of their findings is below.

128 Estyn reported that 'elected members have not worked satisfactorily to reorganise secondary schools, reduce surplus places and make better use of resources'. In

December 2011, the Council approved the options for the area reviews of secondary school provision in the Holywell, Queensferry/Connah's Quay and Buckley/Mynydd Isa and Mold areas. The public consultation process, which had been halted in August 2011, is to be reopened in February 2012.

- 129 The performance of pupils in Flintshire was ranked first in Wales for the proportion achieving five GCSE passes at grades A*-C including English/Welsh and mathematics in 2010 and 2011. However, when contextual information, such as the proportion of pupils entitled to free school meals, is taken into account too many schools perform below expected levels.

Estyn has assessed the performance of pupils as below expectation in some aspects of education

- 130 Estyn has made the following assessment of the education performance of pupils:

- 'When contextual information is taken into account the performance of pupils in Flintshire, in 2011, is slightly below average in key stage 1 (age 7) and average in key stage 2 (age 11). In key stage 3 (age 14), performance is well below average. At key stage 3, three-quarters of Flintshire secondary schools are below average and one-third are in the bottom quarter for their performance. There have been too many schools in the bottom 25 per cent over the last two years and too few schools in the top 25 per cent. Performance at key stage 4 (age 16) is above average on three of the five measures and below average on the other two.

- The Welsh Government sets expectations for performance based on free-school-meal entitlement. Flintshire has met only one out of nine of these expected benchmarks for the three years to 2010. Benchmark information for 2011 is not yet available.
- Attendance in secondary schools is good. Rates have remained high over the last three years and are the highest in Wales. Attendance in primary schools is above the Wales average although the trend over the last three years shows a decline. There are few permanent exclusions from most schools in Flintshire. However the rate of fixed-term exclusions is too high and these learners miss too many days of school.'

Estyn judged the education services for children and young people and their prospects for improvement as adequate

- 131 Flintshire was inspected by Estyn, the education and training inspectorate for Wales, in October 2011. Inspectors judged that 'the local authority's education services for children and young people are adequate because:

- Since 2007, performance in Flintshire schools has improved at a similar rate to that of Wales in key stages 1, 2, and 3. In 2011, the percentage of pupils gaining the core subject indicator (CSI – the expected performance in English, or Welsh, mathematics and science in combination) was above the average for Wales. In 2010, performance at key stage 4 improved at a faster rate than that of Wales as a whole on four of the five main indicators.

- There are few permanent exclusions.
- The authority works well with a range of partnerships including the Local Service Board, Youth Offending Team, Children and Young People's Partnership, 14-19 network, and with other neighbouring authorities.

However:

- Overall standards are adequate. In 2011 at key stage 3 three-quarters of Flintshire secondary schools are well below average and one-third are in the bottom quarter for the core subject indicator. There have been too many schools in the bottom 25 per cent over the last two years and too few schools in the top 25 per cent.
- In 2011 performance at key stage 4 declined on three indicators.
- In key stages 1, 2 and 3 the gap in performance between boys and girls is wider than that across Wales.
- The local authority does not perform to expected Welsh Government benchmarks when compared to similar authorities on free school meal rankings in key stage 1 and in key stage 3. It has average performance at key stage 2. At key stage 4, the authority has only met or exceeded its expected benchmarks once in the last three years. This is an important area for improvement.
- There are a range of areas requiring improvement in the primary sector, including declining attendance, behaviour, quality and standards, and financial management.

- Too many schools require some level of follow-up activity after Estyn inspections, including one primary school being placed in significant improvement and another in special measures.
- Elected members have not worked satisfactorily to reorganise secondary schools, reduce surplus places and make better use of resources.

132 Inspectors judged that the local authority has adequate prospects for improvement because:

- standards declined in 2011 on three key stage 4 indicators;
- the pace of securing improvements is often slow;
- it is not clear how the authority will address all the areas for improvement it identifies in its self-evaluation report; and
- elected members have been unwilling to act strategically in the needs and interests of children and young people, particularly with regard to their secondary school modernisation strategy.

However:

- senior officers have recently put new initiatives in place to improve the performance of pupils in receipt of free school meals and vulnerable pupils; and
- the authority is establishing good working relationships with five other authorities in the North Wales regional consortia to establish a regional school effectiveness service.

133 Inspectors recommended that, in order to improve, the authority should:

- Improve standards and performance to reduce the percentage of schools that are in the bottom 25 per cent when compared to similar schools across Wales and reduce the gap in performance between boys and girls.
- Improve the standard and quality of provision in primary schools by:
 - addressing a trend of declining attendance;
 - reducing fixed term exclusions; and
 - reducing school balances and deficits in line with national guidelines.
- Improve how senior officers and all elected members work together to:
 - improve standards for all learners;
 - improve self-evaluation and reporting to members; and
 - reorganise secondary schools, reduce surplus places and make better use of resources.
- Reduce the number of days' education that learners in Flintshire miss due to fixed term exclusions of six days or more in all of its secondary schools.
- Improve the monitoring arrangements for the Children and Young People's Partnership to effectively track the progress of children and young people.
- Prioritise all areas for improvement identified in its self-evaluation of education services.'

In January 2011, Estyn found the current provision for 14 to 19-year-old learners in Flintshire, and the prospects for improvement, were good

134 Estyn carried out an area inspection for Flintshire in January 2011 which examined:

- the quality and availability of a specified description of education or training for persons who are aged 15 or over;
- the standards achieved by those receiving that education or training; and
- whether the financial resources made available to those providing that education and training are managed efficiently and used in a way which provides value for money.

135 Estyn found that the area's current provision of learning for 14 to 19-year-old learners in Flintshire was good because of:

- good attainment of 14 to 19-year-old learners;
- high levels of learner participation, attendance rates, and the high proportion of 16 year olds continuing in education and training or moving on to employment;
- developing collaboration between schools and other sectors to widen the range of courses on offer to learners;
- well-developed partnership working to provide a wide range of non-formal and informal learning activities; and
- good-quality support for learners, targeted to meet specific needs and providing learners with informative advice on the options available to them.

136 The area's prospects for improvement were good because of:

- a strong commitment by partners and stakeholders to partnership working, built on firm foundations through extensive consultation and engagement;
- a clear understanding of the challenges that lie ahead and a strong commitment to changing the current pattern of provision at post-16;
- a good track record in developing collaboration between providers and sectors;
- well-developed quality assurance procedures, resulting in a clear and accurate understanding of current performance and areas in need of improvement; and
- the way self-evaluation processes inform improvement planning.

137 Inspectors recommended that, in order to improve, the local authority and providers of education and training need to work together to:

- rationalise provision for 16 to 19-year-old learners to eradicate unnecessary small classes and duplication;
- secure further improvements in the attainment of learners in schools at key stage 4 and especially post-16;
- continue to extend post-16 Welsh-medium provision in Deeside College and North Wales Training, and increase participation levels, so that more learners continue with Welsh-medium learning and assessment at post-16;

- extend across all providers the good practice in the quality assurance of collaborative provision; and
- develop further the way the network centrally collates and uses data and other information to inform strategic planning and to facilitate the evaluation of impact and progress.

Significant developments are taking place in aspects of play, leisure, and culture, but some risks remain

138 There is good progress in improving leisure facilities but financial risks remain. The Council's Partnering Agreement with Alliance Leisure Services Ltd (a private sector provider of leisure services) is leading to significant improvement in the quality of leisure facilities in the county. The cost of the improvement is funded through the increases in income from increased usage of the leisure centres. The Council and its partner have worked well to deliver the improvements in leisure facilities, and there is increased usage at Deeside Leisure Centre, where most improvement work has been completed.

139 The Council's mid 2011-12 performance report notes that there is a projected in-year Leisure Services overspend of £180,000. Overall usage of the leisure centres (excluding the renewed indoor facilities at Deeside Leisure Centre) had reduced. At three centres, the Council reduced reception staffing to achieve savings. This meant users have to pre-book and these centres have since seen a larger-than-average reduction in usage. The Council has assessed that there is now a new strategic risk for 'leisure – revenue funding' which is rated as 'red'.

140 The 'Sport Flintshire Team' at the Council has been recognised as being the best team of its kind in Wales – and the fourth best in the UK in the summer/autumn 2011. The team delivers sports and active recreation activities and opportunities. This excellent achievement has been attained through the Quest accreditation scheme – the industry standard for sport and leisure across both the public and private sectors.

141 The Council and other partners have been awarded Big Lottery grant funding for the NEW Play project. The project will be delivering peripatetic play provision across Flintshire, Wrexham and Denbighshire, targeting 15 play deprived communities over a fixed three-year period.

142 The Council's *Play Strategy* was approved in July 2011, but elements of the strategy are not adequately funded. The Council has reported that the long-term viability and sustainability of the Play Unit's current service provision is at risk, both in terms of fixed play equipment and community play work. The annual repair and maintenance budget for play areas is insufficient for the long-term sustainability of the sites. Match-funding arrangements for 2011-12 have been agreed with a number of town and community councils to fund refurbishment of 18 play areas. However, this is a small proportion of the total 178 sites. The possible ending of Welsh Government Cymorth funding in March 2012 will have severe implications regarding the delivery of future community play work.

143 During 2010-11, the Council approved a report on the Clwyd Theatr Cymru, together with updated governance arrangements for the theatre and business plan for 2011-12. The Council-owned theatre receives approximately £1 million funding per year from the Council, and funding from the Arts Council Wales. Significant development work is required to maintain the theatre building and, as a result of this, a new strategic risk entry for the Council's risk register was agreed. The risk is rated as 'amber'. A feasibility study for the development of the theatre is to be carried out.

The Council is addressing challenges and delivering improvements to help create and maintain a safe, prosperous and pleasant county

144 This part of the report sets out how well the Council is improving the way in which it creates and maintains the area as a safe, prosperous and pleasant place. The Council's objectives are:

- to make our communities safe and to safeguard the vulnerable, with children and older people being priority groups;
- to protect and grow the local and regional economy, to be a prosperous county and to provide help and support for those vulnerable to poverty; and
- to protect, plan and develop sustainable natural and built environments.

The Council is making good progress in helping make communities safe

- 145 The Council assessed its progress in making communities safe as 'good'.
- 146 Reasonable progress is being made in most aspects of the Public Protection Service and in 2010-11 the Council inspected all high-risk businesses that were due for a programmed inspection. This included all four categories of inspection – trading standards, food hygiene, animal health and health and safety.
- 147 The Council's mid 2011-12 performance monitoring report suggests the Council is on track in 2011-12 to meet most targets, except for health and safety inspections. The lower performance for health and safety inspections is reported as due to the need to undertake reactive work and because vacant posts within the service have reduced the number of officers available to undertake the work. The Council has been active in taking prosecutions where necessary and has made successful prosecutions in relation to trading standards, animal health and noise nuisance offences.
- 148 The Council's Community Safety Partnership has recently worked with Wrexham's Community Safety Partnership to develop the first joint Flintshire and Wrexham *Community Safety Partnership Plan 2011-14*. This sets out the strategic community safety priorities for both areas, and reflects the views of residents in the communities.

- 149 The Council and its partners have been working together to align the planning cycles for each organisation on community safety matters. This helps to target resources more efficiently and to address shared priorities.
- 150 Generally, crime and anti-social behaviour is reducing in Flintshire. However, residents remain concerned about crime, anti-social behaviour and substance misuse. The Council has also had a leading role in the development of a regional Safer Communities Board, which will take a key role in developing regional community safety policy and strategy.

The Council is playing a positive and effective role in work to develop the local and regional economy

- 151 The Council has assessed its progress in 2010-11 in promoting the economy as good.
- 152 The county has a strategically important position in the economy for Wales and the north-west of England and the Council is actively engaged with economic development partners. It is a respected partner, and has been able to play a leading role in helping Welsh and UK Government engagement with the business community in the area.
- 153 The Executive Board and senior officers have shown a high level of engagement and commitment to the objective of developing the local and regional economy. This engagement has contributed to the decision that there should be a new enterprise zone, the Deeside Growth Zone, focused on advanced manufacturing from April 2012. The Council will work with partners to set out a programme

to secure investment and jobs in the area. The Council has played a leading role in the Flintshire Regeneration Partnership and in the successful *Flintshire Business Week* events.

- 154 Town plans are being developed for each town in the county and the *Rural Development Plan* is also guiding projects in rural areas. Town plans for Buckley and Shotton/Connah's Quay have been completed.
- 155 The economic downturn is having an impact on the county with rising unemployment amongst 18 to 24 year olds. However, major investments, such as the planned £350 million Airbus North Factory, will continue to bring employment to the area.

The Council is making good progress in service changes to improve its services to protect the environment

- 156 The Council assessed its performance in its objective 'to protect, plan and develop sustainable natural and built environments as good'.
- 157 After a review of services, the Council has developed an integrated 'Streetscene' service which is a joined-up approach bringing together a number of services that are important in maintaining the local environment. This initiative has the potential to deliver a much improved, customer-facing service. In September 2011, a ballot of trade unions' members rejected proposals for operation of the service, and discussions are being held to resolve matters. The Council plans that the new service will go 'live' in early 2012 and this will be supported by a new customer contact centre.

- 158 Data for 2010-11 suggests that the Council's performance was poor for the percentage of municipal waste recycled, good for the percentage of waste prepared for reuse, and close to average for other measures. The Council has introduced changes to its domestic waste collection arrangements, which are intended to improve the efficiency and effectiveness of the service. There have been some initial problems with ensuring that residents understand and accept the new service. It is too early to assess the impact of the changes on the levels of recycling and other indicators of the effectiveness of the service.
- 159 The Council continues to lead the North Wales Residual Waste Treatment Project and to pursue long-term solutions to waste management.
- 160 The Council has adopted its Unitary Development Plan and will shortly start work on the Local Development Plan after obtaining approval from the Welsh Government for its delivery programme.

The Council is continuing to develop its performance monitoring arrangements but weaknesses remain in outcome measures, reliability of information and in some aspects of reporting and evaluation

161 This section considers how well the Council is evaluating and reporting on its performance and its arrangements to deliver improvement. We found that the Council is continuing to develop its performance monitoring arrangements but weaknesses remain in outcome measures, reliability of information and in some aspects of reporting and evaluation.

The lack of outcome based success measures for some objectives and weaknesses in data reliability weaken the Council's performance management arrangements

The Council is making progress in developing its arrangements for self-assessment and reporting on its improvement objectives but weaknesses remain

162 Councils in Wales are required to undertake self-assessments through a number of specific reports in addition to the ongoing process of performance monitoring and management. Specific self-assessments include:

- the publication of an annual report on performance under the Measure;
- the annual report of the Director of Social Services;
- the review of governance that contributes to the *Annual Governance Statement*; and
- self-evaluations required for regulatory inspections such as Estyn.

163 The Council approved its *Annual Performance Report* on 26 October 2011 and published it on its website in late November 2011. The report:

- includes an assessment of performance under the 10 improvement objectives for 2011-12 and show how these relate to the 40 priorities for 2010-11;
- shows how the Council is discharging its general duty to make arrangements to secure continuous improvement;
- makes reference to national and local performance indicators and uses a wider set of information to make its assessment; and
- includes comparative information with previous years and other Welsh authorities.

164 The Auditor General has determined that through the *Annual Performance Report* the Council has discharged all of its duties in relation to publishing improvement information under the Measure, except the requirement to publish the report by 31 October. However, the Council should do more to follow Welsh Government guidance, specifically in:

- providing a more consistent use of comparative information – whilst comparative ranking is given for all NSI and core indicators where the Council is ranked in the top and bottom three performers, in the sections on the improvement objectives comparative information is more likely to be given where the Council performs well than for other indicators;

- providing information about how it has considered whether to collaborate and whether collaboration has achieved its intended outcomes; and
 - providing clearer information about the steps the Council will take in the light of its assessment.
- 165 The Council had not developed clear measures of success or a reporting framework for many of the priorities adopted in 2010 (these priorities and the subsequent objectives agreed for 2011-12 are set out in [Appendix 4](#)). Consequently, the *Annual Performance Report* has used the 2011-12 improvement objectives in the report whilst indicating which of the 2010-11 priorities these apply to. The Council has used relevant information on actions, indicators and risks to support its assessment of performance, but these are not all outcome measures.
- 166 The *Annual Performance Report* is long and some sections are not easy to follow. It has also been affected by the changes to the Council's priorities and sub-priorities.
- 167 The Council has developed a new reporting approach based on the 2011-12 improvement priorities. This will provide a clearer framework for considering and reporting the Council's progress against its improvement objectives. To support this, the Council needs to complete current work to ensure that the intended outcomes, not just actions, are clear for each objective and that the accountability arrangements are also clear.
- 168 In addition to regular performance management arrangements the Council undertakes specific self-evaluations as part of the preparation of the annual governance statements, for its Annual Performance Review, and other specific service areas including lifelong learning and social services. The Estyn area inspection of provision for 14 to 19 year olds (see [paragraphs 134-137](#)) found that 'the way self-evaluation processes inform improvement planning' was a strength that contributed to the good prospects for improvement. The engagement of councillors in these arrangements varies: some councillors were involved in the development and approval of the Director of Social Services report for 2010-11; however, whilst the Executive Member for Education was consulted about the self-evaluation prepared for the Estyn inspection of education services, it was not formally approved by the Executive Board or considered by the relevant scrutiny committee.
- 169 Overall, we found that self-assessment is becoming an established part of the way the Council operates and we commend this. The Council has also played a significant role in supporting self-assessment of partnership bodies. The process of self-assessment is developing but will be improved when outcome-based success measures for all objectives are clear.

Performance monitoring and management arrangements are established but could be streamlined

170 The Council has an established framework for reporting performance information.

This includes:

- an agreed set of key improvement targets;
- an outcome agreement with the Welsh Government;
- the Council's improvement objectives;
- its Strategic Assessment of Risks and Challenges process, setting out 48 significant risks for community leadership, council delivery and council governance;
- directorate and departmental plans and targets; and
- resources management information, including sickness absence, HR, financial and assets information.

171 Quarterly reports are presented to overview and scrutiny committees covering these areas and providing a management assessment. These reports are lengthy.

172 Separate shorter 'exception' reports are presented to the Executive Board. The exception reports focus on areas where performance is below expected levels against improvement targets, together with an update on the strategic assessment of risks and challenges register. Executive members also have access to the reports that go to scrutiny committees. From January 2012, the Council has introduced the new additional reporting on progress on its improvement objectives. These reports are presented to the Corporate Resources Overview and Scrutiny Committee and the Executive Board.

173 Councillors told us that the quality of information reports has generally improved. But we found that:

- the quarterly performance reports for scrutiny were overlong, time-consuming to prepare, and took up to 12 weeks to be presented;
- the arrangements resulted in officers being held to account rather than the Executive Board; and
- there were some inconsistencies and weaknesses in the data and information reported (see below).

174 The development of a revised reporting framework focused on the Council's improvement objectives provides an opportunity to streamline the reporting arrangements with a view to improving timeliness, consistency and focus.

Weaknesses were identified in the accuracy of some performance data

175 We found councillors did not always trust the information in performance reports and that weaknesses existed that questioned the reliability of performance data. These included:

- Our audit of the data for the NSIs for 2010-11 identified 6 out of 24 indicators that were audited needed to be qualified. This represents a quarter of the important national indicator information.
- In July 2011, the Council's Internal Audit service undertook a review of the information for indicators that had been amended or qualified by the Wales Audit Office in 2010. This found significant errors and weaknesses in the same group of indicators in 2010-11 and that, whilst systems of control were adequate, the application of the controls was not. Ten significant recommendations for improvement were made.
- Incorrect data was initially submitted by the Council to the CSSIW to support the Director of Social Services report for 2010-11.
- The reliability of HR data has been affected by inaccuracies in staff information in the electronic HR system.

176 The Council needs to do more to ensure that appropriate controls are applied to ensure that data used and reported is reliable.

Appendices



Appendix 1

Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual Improvement Assessment, and to publish an Annual Improvement Report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges duties under section 19 to issue a report certifying that he has carried out an Improvement Assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual Improvement Assessment is the main piece of work that enables the Auditor General to fulfil his duties. The Improvement Assessment is informed by a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. This report also summarises the Auditor General's conclusions on the Council's self-assessment of its performance.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Useful information about Flintshire and Flintshire County Council

The Council

Flintshire Council spends approximately £312.5 million per year (2011-12). This equates to about £2,087 per resident. In the same year, the Council also spent £28.3 million on capital items.

The average band D council tax in 2010-11 was £1,115 per year. This has increased by 3.18 per cent to £1,151 per year for 2011-12. 68.5 per cent of the dwellings within Flintshire are in council tax bands A to D.

The Council is made up of 70 elected members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 22 Labour
- 19 Alliance
- 9 Conservatives
- 9 New Independent
- 9 Liberal Democrats
- 2 not aligned

The Leader is Councillor Arnold Woolley.

The Chief Executive is Colin Everett, and the directors are:

- Director of Environment – Carl Longland
- Director of Lifelong Learning – Ian Budd
- Director of Community Services – Neil Ayling

Other information

The Assembly Members for Flintshire are:

- Sandy Mewies, Delyn, Labour
- Carl Sargeant, Alyn and Deeside, Labour

Regional Assembly Members are:

- Llyr Huws Gruffydd, Plaid Cymru
- Mark Isherwood, Welsh Conservative Party
- Aled Roberts, Welsh Liberal Democrats
- Antoinette Sandbach, Welsh Conservative Party

The Members of Parliament for Flintshire are:

- David Hanson, Delyn, Labour
- Mark Tami, Alyn Deeside, Labour

For more information see the Council's own website at www.flintshire.gov.uk or contact the Council at Flintshire County Council, County Hall, Mold, Flintshire CH7 6NB. Tel: 01352 752121

Appendix 3

Appointed Auditor's Annual Audit Letter to the Members of Flintshire County Council

The auditor appointed by the Auditor General issued the following auditor's letter on 30 November 2011.

Annual Audit Letter to the Members of Flintshire County Council

As you will be aware the Auditor General for Wales will be issuing an Annual Improvement Report (AIR) to each local authority by the end of January 2012 and some of the issues that were traditionally reported in the Appointed Auditor's Annual Audit Letter will be included in that report. Therefore I have taken the opportunity to summarise the key messages arising from the Appointed Auditor's statutory responsibilities into this short letter which forms the Annual Audit Letter. The letter is designed to be a standalone document, but will also be presented to the Council and the public as part of the Annual Improvement Report and therefore discharges my reporting responsibilities under the Code of Audit Practice.

Flintshire County Council complied with its responsibilities relating to financial reporting and use of resources but there is scope to improve financial controls in a number of areas and the Council needs to further develop its future financial planning to help it meet the significant financial challenges ahead

- 1 It is the Council's responsibility to:
 - put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
 - maintain proper accounting records;
 - prepare a Statement of Accounts in accordance with relevant requirements; and
 - establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 2 The Public Audit (Wales) Act 2004 requires me to:
 - provide an audit opinion on the accounting statements;
 - review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
 - issue a certificate confirming that I have completed the audit of the accounts.
- 3 On 29 September 2011 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. Whilst my opinion was unqualified, I included an emphasis of matter in my report on the Pension Fund's accounting statements. A number of matters arising from the accounts audit were reported to members in my Audit of Financial Statements reports and further details will be reported in our detailed report in December.

- 4 From 2010/11 local authorities in Wales are required to produce their accounts on the basis of International Financial Reporting Standards. The introduction of these new standards imposed significant additional demands on the Council's finance staff.
- 5 The following issues were identified during the audit of the Council's accounts:
- The Council did not correctly apply its accounting policy in valuing its housing stock resulting in material misstatements to the accounts. As a result the net book value of the stock was reduced by £127.766 million.
 - The integrity of the financial statements was undermined because a number of the primary statements contained balancing entries.
 - There were a number of general presentational issues that related to the quality of the accounts and supporting records.
 - Whilst we were satisfied that the Council set aside a reasonable accounting estimate, in its financial statements, to meet the potential liability for equal pay, some of the assumptions used to support the estimate need to be better underpinned by factual data.
- 6 The following additional issues were identified regarding the Clwyd Pension Fund accounts:
- The auditor's report was modified to draw attention to the nature of private equity investments held by the Fund. As part of its investment portfolio, the fund had year-end holdings in private equity investments totalling £218.314 million. Because of the inherent uncertainty associated with the valuation of such investments, arising from the absence of a liquid market, the fair value of these investments may differ from their realisable values. As the difference could be material I decided to draw attention to the inherent uncertainty.
 - Our audit work identified that there are significant delays in the processing of new pensions resulting in delayed payment of lump sum and pension entitlements. As a result, lump sum liabilities contained within the draft financial statements were understated by £1.274 million.
- 7 My review of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government Measure (2009). The main findings from this latter work will be set out in the Annual Improvement Report. In addition I also bring the following issues to your attention:
- The Council continues to develop its medium-term financial plan, following adoption of its financial strategy, but considerable work is still required to set a balanced budget for 2012-2013 and beyond. In addition, not all pressures have yet been fully factored into the forecasts to establish the extent of the funding gap over the next three years.

- The Flintshire Futures programme has been structured to include a mixture of short, medium and longer term projects. However, the financial benefits have yet to be fully quantified and integrated in the financial planning, thereby establishing the contribution of Flintshire Futures to meet the funding gap in the medium term.
- 8 I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2011.
- 9 The financial audit fee for 2010/2011 is currently expected to be in line with those set out in the Annual Audit Outline.

John Herniman
Group Director

For and on behalf of the Appointed Auditor

30 November 2011

Appendix 4 Flintshire Council's improvement objectives and self-assessment

Flintshire Council's improvement objectives

The Council is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

The Council's Executive Board agreed the improvement priorities of the Administration in May 2010. These 40 priorities and directorate priorities were grouped under 10 improvement objectives in the Council's *Improvement Plan 2011-12*. The improvement plan can be found on the Council's website at www.flintshire.gov.uk. The improvement objectives and the priorities agreed in 2010 are shown below:

| Improvement objectives 2011-12 | Priorities agreed May 2010 |
|--|---|
| <p>1 To be a modern, efficient and cost effective public organisation through our four resource strategies – the Medium Term Financial Strategy, the People Strategy, the asset management strategy and the ICT Strategy – whilst ensuring our local taxes and fees and charges are fair and affordable</p> | <ul style="list-style-type: none"> • To promote and maintain a positive and confident reputation for the Council and the County locally, regionally and nationally. • To continue to make progressive change in the culture, efficiency, effectiveness, adaptability and performance of the organisation both corporately and in service planning and delivery. • To develop and follow a resilient medium and longer term financial strategy whilst maintaining an affordable level of council tax for local taxpayers. • To achieve the aims and objectives of the <i>People Strategy</i> with an emphasis on people management practice, management performance, attendance management and agile working. • To implement effective business continuity plans to protect key services. • To maximise the use of the Council's land and asset base for the achievement of Council priorities and to maximise capital receipts or income. |
| <p>2 To achieve the greatest possible cost efficiencies through regional collaboration to reinvest in local public services</p> | <ul style="list-style-type: none"> • To cope and prosper in the coming years of reductions in revenue and capital for public services and continue to improve and perform as a public services organisation. • To modernise and improve Council procedures and performance in procurement practice, to meet the aims of the <i>Opening Doors Policy</i> of the Welsh Assembly Government for small and medium-sized businesses and to achieve cashable and non-cashable efficiency targets. |

| Improvement objectives 2011-12 | Priorities agreed May 2010 |
|---|---|
| <p>3 To be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a Single Status Agreement</p> | <ul style="list-style-type: none"> • To achieve a legal, acceptable and affordable Single Status Agreement. |
| <p>4 To achieve the highest standards of customer service and care through our customer services strategy</p> | <ul style="list-style-type: none"> • To attain high and consistent levels of customer service, and to develop more flexible personal and remote customer contact services through an ambitious customer services strategy. • To reshape and improve the Street Scene Services. |
| <p>5 To make our communities safe and to safeguard the vulnerable, with children and older people being priority groups</p> | <ul style="list-style-type: none"> • To extend the impact of Public Protection Services to safeguard communities and public health. • To achieve a higher level of public confidence in the safety of communities in partnership with North Wales Police and others partners. • To promote citizen responsibility to support the work of the public services e.g. crime prevention, enforcement, community participation and community action. • To safeguard vulnerable adults, older people and children in partnership with statutory agencies and other partners. |
| <p>6 To protect and grow the local and regional economy, to be a prosperous County and to provide help and support for those vulnerable to poverty</p> | <ul style="list-style-type: none"> • To reduce extreme poverty, and make the best use of local resources to provided advice and extend benefits take-up, in partnership with others. • To protect, promote and develop the local economy through the transport and communications infrastructure, land and asset use, and the educational system. • To declare the Council's first Neighbourhood Renewal Area (NRA). |

| Improvement objectives 2011-12 | Priorities agreed May 2010 |
|--|--|
| <p>7 To promote independent, healthy and fulfilled living in the community with the highest quality personalised and supportive social and health care services</p> | <ul style="list-style-type: none"> • To promote independent and supported living in the community through sustainable and affordable domiciliary care, flexible care support packages, integration of services with other partners. • To provide flexible supported living choices including extended extra care housing provision. • To plan to meet the diverse and complex care needs of society including extended provision of dementia services. • To develop a sustainable and affordable policy for Out of County Places. • To work in partnership with the new Betsi Cadwaladr University Health Board to extend and improve access to primary health care, to invest in preventative services and to improve further the integration of health and social care. |
| <p>8 To meet housing need in the County and to work with partners to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector housing markets</p> | <ul style="list-style-type: none"> • To deliver an affordable housing supply through the affordable housing strategy. • To make a marked and rapid improvement in the quality, flexibility and performance of housing management and repairs and maintenance services and to improve the financial performance of the Housing Revenue Account. • To determine the future of the Council Housing Stock through a tenant ballot and a strategy to achieve the Welsh Housing Quality Standard. |

| Improvement objectives 2011-12 | Priorities agreed May 2010 |
|---|--|
| <p>9 To secure a modern and high performing range of learning, cultural, play and leisure opportunities for all ages with our schools, colleges and other partners</p> | <ul style="list-style-type: none"> • To develop the School Modernisation Strategy and to achieve, in phases, its aims and objectives whilst securing the highest possible level of 'spend per pupil'. • To achieve the aims and objectives of the School Effectiveness Framework. • To achieve the aims and objectives of the 14-19 transformation strategy and to be effective educational and economic partners with the higher and further education sectors and notably Deeside College and Glyndwr University. • To further develop the foundation phase for pre-school age. • To achieve the objectives of the action plan adopted by the Council in response to the Estyn Inspection of Local Education Services. • To achieve the aims and objectives of the Actif Leisure Strategy. • To agree and fund a scheme to remodel Deeside Leisure Centre • To agree a scheme to remodel Clwyd Theatr Cymru and campaign for national capital funding support. |
| <p>10 To protect, plan and develop sustainable natural and built environments</p> | <ul style="list-style-type: none"> • To achieve our waste minimisation and recycling targets through the local and regional strategies, thereby avoiding infraction penalties, with high levels of public support and participation. • to adopt the Unitary Development Plan (UDP) and progress the replacement Local Development Plan (LDP) with urgency. • to further improve the quality, flexibility and performance of planning development control services. • to improve Council enforcement particularly in environmental services, the cleanliness of the 'public realm' and in planning development control. • to agree a strategy with the Welsh Assembly Government to reduce traffic congestion on the A494/A55 interchange and the connecting County road network as a key part of the national and regional transport plans. |

Flintshire Council's self-assessment of performance

The Council's self-assessment of its performance can be found in its *Annual Performance Report 2010-11* which can be found at www.flintshire.gov.uk (search for improvement plan).

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Wales Audit Office Annual Improvement Report 2011

Response to the Recommendations

A: Formal Recommendations

| Ref | Recommendation | Response |
|-----|---|---|
| R1 | The Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources (HR) Strategy and Single Status agreement and ensure capacity and capability are available to achieve intended outcomes and timetables | <p>The Executive has recently received a full review of the People Strategy (note correct title), has re-set the priorities within it and has reviewed the resourcing of the Strategy. Quarterly review reports will be made to the Executive; the progress of the key work-streams within the Strategy will continue to be reported to Overview and Scrutiny within the quarterly performance reports for the HR and OD Division as is current practice</p> <p>The Singles Status project plan, objectives, timelines and decision-making steps and requirements will be reported to both Executive and Overview and Scrutiny in March. The newly elected Council will then be recommended to allocate significant time to building member knowledge, understanding and commitment to reach an Agreement by October 2012 through both formal and informal meetings and briefings</p> |
| R2 | The Council needs to complete its work in quantifying the financial benefits of its programme for efficiencies and organisational change by mid-2012-13 to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings or re-direct resources to priorities | <p>This work is in progress through (1) the on-going development of the Medium Term Financial Strategy Plan and (2) the 'stock-take' review of the Flintshire Futures programme for organisational development and change. An interim report will be presented on both in April and the new Council will be invited to review/re-set strategy from June. For priorities see P1 (below)</p> <p>This work under-pins and is reflected in the strategy and the detail of the draft 2012-13 Council Fund Revenue and Capital budgets</p> |

B: Proposals for Improvement

| Ref | Recommendation | Response |
|-----|--|--|
| P1 | Complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting | This work is in progress through the review of the Improvement Priorities/Objectives. This review will both meet the recommendation for the current Objectives and grow our capability for performance setting and management for future years. The new Council will need to understand the importance of the work and |

| | | |
|----|---|---|
| | | invest in skills and systems to maintain it. Importantly the new Council will need to develop consensus on the priorities and their investment needs |
| P2 | Develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money | The Customer Services Strategy is adopted and is in the process of implementation. Success and efficiency measures are being developed for each work-stream of the Strategy as they are adopted and implemented (e.g. channel shift, Flintshire Connects). This is an ambitious Strategy and the Council is calculating risks and benefits for each work-stream as they develop. We must take care not to become 'risk averse' and be prepared to take some calculated risks to improve the organisation for customer benefit and to achieve efficiencies |
| P3 | Ensure its Annual Performance Report is published by 31 October in line with statutory requirements and more fully reflects Welsh Government guidance | The first part (publication) is a technical recommendation on process which will be met provided that all information required by the Council to permit a timely publication is available; the second part (more fully meeting the guidance) will be met through the response to P1 (above) although it should be noted that national guidance and support is under development and is awaited (e.g. self-assessment support) |
| P4 | Improve quality assurance arrangements to ensure that data used to support performance management and monitoring is accurate and robust | This is a technical recommendation to improve further our internal arrangements which are currently sound and functioning |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 5

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **CHIEF EXECUTIVE AND DIRECTOR OF LIFELONG**
 LEARNING
SUBJECT : **REGIONAL SCHOOL EFFECTIVENESS & IMPROVEMENT**
 SERVICE - FULL BUSINESS CASE

1.00 PURPOSE OF REPORT

1.01 To seek Executive approval for the Full Business Case for a new Regional School Effectiveness and Improvement Service.

2.00 BACKGROUND

2.01 The Regional School Effectiveness and Improvement Service (RSEIS) is designed to be a new joint regional service serving the six local authorities in the region. It will cover the school improvement duties and services to monitor and challenge, and provide curriculum support and continued professional development for schools. It could provide additional services commissioned by schools and local authorities over time.

2.02 The RSEIS will be central to school improvement in Flintshire. It will be a 'powerhouse' to drive consistently good practice and standards across the region. It aims for a consistency of challenge and support for schools for children and young people to fulfil their potential.

2.03 The service aims to achieve the following outcomes:

- Improved standards in literacy (Welsh/English) and numeracy (Maths) that compare well with the best in other countries.
- A single coherent service for monitoring, supporting, challenging and intervening in schools across the region.
- Deployment of "System Leaders" with a recent proven record of school improvement.
- All schools able to access a much broader range of specialist support than that available currently.
- No local authorities or schools [learning settings] in any Estyn Inspection category of needing significant improvement or special measures.

2.04 The team will be a mix of permanent and seconded experienced school leaders known as 'System Leaders'. The role of the System Leader will be one of leadership and management - providing strategic leadership and management in literacy, numeracy and curriculum subject areas.

- 2.05 In September 2011, the draft Outline Business Case (OBC) was presented to all six Council Executives who resolved:
- that the OBC should be widely consulted upon with stakeholders from October 2011;
 - to establish a regional service by September 2012, subject to the Full Business Case (FBC); and
 - that the recruitment process for the appointment of a Chief Officer can begin, with the appointment to take place once the (FBC) has been adopted in all six authorities.
- 2.06 The Final Business Case (attached) takes full account of the issues highlighted during discussions on the Outline Business Case. They include:
- the case for change and the vision for the new service needs to be much stronger;
 - the quality of the new service for each council as well as the region must be addressed more explicitly;
 - the governance and accountability model must be resolved;
 - the pensions deficit issues, including the additional complication of Cynnal must be addressed;
 - the model must be able to demonstrate how it will service the diverse cultural and linguistic needs of the region;
 - the model must be able to demonstrate how it will drive up standards; and
 - the financial and HR issues, including possible impact on staff needs to be set out.

3.00 CONSIDERATIONS

3.01 Key Developments with the Full Business Case

In the Full Business Case:-

- a clear vision has been developed in consultation with stakeholders;
- the current position for standards, welsh language, population and schools is clearly explained;
- the educational (standards) and financial (current spend and benefits) case for change is clearly explained;
- the governance arrangements for the new service are recommended as a Joint Committee with a Host Authority. The Host Authority has limited business support functions;
- the service and joint committee will be accountable to the local authority Executive and Scrutiny functions of each of the six councils;
- There is a programme of delivery as follows:-

- o Tier 1 will deliver the North Wales regional strategy for raising standards to meet the national School Effectiveness Framework;
 - o Tier 2 (*the core of this FBC*) will deliver the new North Wales RSEIS to support Tier 1;
 - o Tier 3 will deliver the Management & Business Information Systems (Capita ONE) to support Tiers 1 and 2 (with a Host Authority); and
 - o Tier 4 will deliver the 'Support Functions' to support Tiers 1 and 2 (with a Host Authority).
- it is explained how the new service will meet the linguistic and local needs of the schools and the local authority;
 - a full financial model has been developed which includes: the cost of the RSEIS and implementation costs of the new service. Leaving costs and service cost per local authority; and
 - a human resources model has been developed and includes the timeline, planning for change, roles, TUPE arrangements, salary ranges, policies and procedures.

The Full Business Case (FBC) is enclosed at Appendix 1. An executive summary of the FBC has been included at Appendix 2. Additional information on governance arrangements, host authority arrangements, pensions arrangements and staffing arrangements for RSEIS and the "Home Team" for a local authority are included at Appendix 3.

3.02 **Reasons for Change**

The new service is designed to meet the challenges of Flintshire County Council's priorities including achieving the greatest possible cost efficiencies through regional and sub-regional collaboration to reinvest in local public services and to secure a modern and high performing range of learning, cultural, play and leisure opportunities for all ages with our schools, colleges and other partners. It will also safeguard Core Aim 2 of Flintshire's Children and Young People's Plan 2011-14 - that every child and young person has access to a comprehensive range of education training and learning opportunities.

The local, regional and national context for change is summarised below.

Local

- Emphasis on raising educational standards and performance
- Importance of relationships between local authorities and their schools
- Impact on stakeholders
- Recognition and commitment to develop regional services and joint working across the six councils
- Recognition of current strengths and faith in incremental development authorities
- Current patterns of provision are not suitable and change is required

Regional

- Limited capacity of some councils
- Current patterns of provision are not fit for purpose and change is required
- Commitment to regional school effectiveness and improvement service as the first stage towards a broader regional service where collaboration is appropriate
- Recognition and commitment to develop regional services and joint working across the six councils

National

- Transformation and Modernisation programme – Welsh Government expectations (Thomas Report; Simpson Report)
- Implications of School Effectiveness Framework
- Implementation of ESTYN's Common Inspection Framework
- Current deliberations on distribution of functions – local, regional and national
- Resource reductions – the need to provide system efficiencies

3.03 The key considerations for Flintshire as an individual constituent local authority partner include: -

- **Executive Governance:** Flintshire will be a full member of the Joint Committee which will oversee the new service at elected member level; Flintshire will play a full role in the supporting professional advisory arrangements at Director level;
- **Scrutiny and Performance Monitoring:** as per the Flintshire 'protocol' on regional collaboration (see the Executive report on the Compact) regional overview and scrutiny arrangements will be recommended for the post implementation period; regular and full local reporting on performance will be organised within Flintshire;
- **Transition Period:** the two local head teacher federations will be fully involved in planning the detail of the service and their needs and expectations as per the commitment given;
- **'Home Team':** Flintshire will have a small 'home team' to ensure that the Council/Schools receive the service both needed and expected as the 'clients' to ensure continuity of personal and trusted relationships;
- **Reinvestment of Efficiencies:** the efficiencies gained from the collaboration will be reinvested in the education service and will be delegated to schools to support localised needs to the maximum possible.

3.04 **Risk Management**

A full Risk Register has been developed within the project documentation. Risks have been and will continue to be identified by the Project Team (in association with

colleagues across the remit of the project) and the North Wales Association of Directors of Education Consortium.

3.05 **Timescale for the regional School Effectiveness & Improvement Service RSEIS (2012/2013)**

The following are key milestones towards creation of the RSEIS during 2012/13.

February / March - FBC to Scrutiny Committees & Executives

April - Appointment of the Chief Officer

September - Appointment of the System Leaders and Support Staff
- Joint Committee established

November - March - Team, cultural, induction, skills training for the staff appointed to the RSEIS

April 2013 - Staff transfer to the RSEIS, employed by the Host Authority

4.00 **RECOMMENDATIONS**

4.01 That the Executive approve the Full Business Case for a new Regional School Effectiveness and Improvement Service.

4.02 That the Executive is satisfied that the Full Business Case demonstrates the agreement to collaborate is in the best interests of the Council, that there will be service and financial benefits, and any risks of moving to a collaborative model can be managed and mitigated.

5.00 **FINANCIAL IMPLICATIONS**

5.01 **Local**

The cost of the RSEIS to Flintshire is £788,128. This leaves a potential overall saving for Flintshire of £333,877 (29.8%) to spend on residual responsibilities (home team) and delegation to schools.

The charging methodology selected to apportion the cost to each of the 6 councils is based on the annual Welsh Government '*Indicator Based Allocation for Education Funding*'. The methodology takes the percentage for each council (allocated for service components, Nursery and Primary school teaching, and Secondary school teaching) and applies it to the RSEIS. The formula includes factors to reflect pupil numbers, settlement threshold and the number of pupils eligible for free school meals.

5.02 **Regional**

The current cost of delivering the existing statutory and advisory in-scope school improvement functions for each council is £5.1m.

This has been adjusted to establish the influenceable spend that will provide a basis for building up the financial model by (i) £406k to reflect posts in-scope (>60%) at 100% cost and reduced by posts not in-scope (<60%) and (ii) £311k to reflect expenditure funded by grants. The influenceable spend is **£4.4m**.

The cost of the RSEIS is £3.5m, equating to an average cost per pupil of £35, (compared to £51 currently).

The cost of the New Regional Service compared to the influenceable spend identifies a potential overall regional saving of £882k (20%), which can be re-invested in Education, or released as a cashable saving, depending on the needs of each local authority.

6.00 ANTI POVERTY IMPACT

6.01 The project supports the focus of the Community Strategy towards the development of children and young people.

7.00 ENVIRONMENTAL IMPACT

7.01 The project is focused on providing sustainable options for education that meets the needs of children and young people now and in the future.

8.00 EQUALITIES IMPACT

8.01 The project:

- supports the focus of the Community Strategy towards the development of **children and young people**;
- strives to provide **equality of opportunity** for all children to receive the best possible education in schools across North Wales; and
- is focused on providing **sustainable options** for education that meets the needs of children and young people now and in the future.

9.00 PERSONNEL IMPLICATIONS

9.01 Continued consultation with employees and union representatives will be essential to the development of a resilient and high quality service delivery model.

10.00 CONSULTATION REQUIRED

10.01 During February 2012 the North Wales Association of Directors of Education in Wales Consortium is consulting widely with stakeholders on the Full Business Case to establish a single regional school effectiveness and improvement service in the ownership of the 6 local authorities in North Wales. Senior school leaders have

confirmed that the FBC addresses the areas that they raised as needing further work in the consultation on the OBC.

- 10.02 Ongoing consultation with stakeholders will be required to ensure that they are fully engaged and involved in implementation arrangements.

11.00 CONSULTATION UNDERTAKEN

11.01 Findings of the Stakeholder Consultation (March 2011)

The findings of the *'Report on the Feasibility and implications of establishing a Regional School Effectiveness and Improvement Service for the six North Wales Local Authorities'*, indicate that such a service is feasible and would provide a key transformational development that could provide high quality provision and contribute to achieving improved outcomes for learners. It would also enable both schools and local authority to fulfil their statutory obligations.

In March 2011, consultation meetings were undertaken with stakeholders in Flintshire and other authorities. In addition, consultation with relevant Focus Groups (with Headteachers; School Governors; Trade Unions), comprising representatives from across the region were conducted. The subsequent Report found considerable support for the strategy; in many cases the establishment of a regional School Effectiveness and Improvement Service was welcomed; others recognised the drivers towards such a service and their impact. At the same time there was support for the implementation of the regional service option. Ideas were subsequently developed into the Outline Business Case.

11.02 Findings of the Stakeholder Consultation on the RSEIS Outline Business Case (OBC) (October 2011)

In September 2011, the draft OBC was presented to all six Executives who resolved:

- that the OBC should be widely consulted upon with stakeholders from October 2011;
- to establish a regional service by September 2012, subject to the FBC; and
- that the recruitment process for the appointment of a Chief Officer can begin, with the appointment to take place once the FBC has been adopted in all six authorities.

Consultation on the OBC was carried out with stakeholders across the six authorities during October and November 2011. A full Consultation Plan for the OBC was developed in each local authority. The Consultation was supported by a 'Consultation Pack' which included a copy of the OBC, a generic presentation, an executive summary, discussion papers, a copy of the Consultation Plan, and a feedback form. Consultation outcomes have been significant in the development of the Full Business Case.

12.00 APPENDICES

- 12.01 Appendix 1 - Final Business Case (FBC)
Appendix 2 - Executive Summary of the FBC
Appendix 3 - Project Guidance

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Executive Report - 20/09/11 - Regional School Effectiveness & Improvement Service

LLOSC Report - 19/01/12 - RSEIS Governance Arrangements

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Full Business Case

North Wales Regional School Effectiveness and Improvement Service (RSEIS)



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1. Introduction

1.1 Foreword

North Wales Local Authorities are committed to ensuring that the children and young people in their schools are given the best possible start in life and achieve life skills of the highest standard.

We recognise that Wales has a major challenge in ensuring that its levels of educational attainment are at least comparable with its competitors in the world economy. Our society and economy have no greater asset than the skills and learning capacity of our people. North Wales must play its part in making a significant change in the way it monitors, challenges, supports and intervenes in schools, in order to work in partnership with schools to drive the raising of standards in pupil achievement. New ways of delivering LA school improvement statutory functions must be established that will make a difference to the pace of school performance improvement. The formation of a Regional School Improvement and Effectiveness Service (RSEIS) is an important step within the new delivery mechanisms.

No individual authority can address the current performance issues as a single entity, divorced from working collaboratively with other authorities. The tasks to be engaged and implemented are too onerous and complex. The improvement agenda, common to all authorities, driven on an individual LA basis, would result in a grossly inefficient duplication of effort and processes. Enhancing the collaborative work that is already taking place, through current regional consortia initiatives and processes, allows us to establish and develop a Regional School Improvement and Effectiveness Service.

This exciting development will provide north Wales with a quality school improvement and effectiveness service in a cost effective and efficient manner, to raise standards and 'make a difference' for children and young people. It will champion a new way of driving standards. It will: host new robust systems of performance information to measure effectiveness; raise standards – improving literacy and numeracy; promote well being, raise aspirations; improve pupils resilience as learners; improve outcomes and reduce variation between and within schools to realise the moral purpose of education; support education improvement in schools; and support leadership development within schools and governing bodies.

The RSEIS will be central to school improvement in North Wales. It will be a powerhouse to drive good practice across the region. It will ensure a consistency of challenge and support for schools across the six counties, leading to our children and young people fulfilling their potential.

1.2 Purpose of the Full Business Case

This document will address the issues highlighted by the six North Wales Cabinets / Executive Boards when approving the OBC for consultation (Sept/Oct 2011), and by the stakeholders during the consultation (Oct/Nov 2011):

- the case for change and the vision for the new service needs to be much stronger;
- the quality of the new service for each council as well as the region must be addressed more explicitly;
- the governance and accountability model must be resolved;
- the pensions deficit issues, including any issues relating specifically to the Cynnal company must be addressed;

- the model must be able to demonstrate how it will service the diverse cultural and linguistic needs of the region;
- the model must be able to demonstrate how it will drive standards; and
- the financial and HR issues, including possible impact on staff needs to be set out.

2. Vision for the Regional School Effectiveness and Improvement Service (RSEIS)

The North Wales Consortium will aspire to deliver the following outcomes:

- O1 - Improved standards in literacy (Welsh/English) and numeracy (Maths) that compare well with the best in other countries.
- O2 - A single coherent service for the monitoring, supporting, challenging and intervention within schools across the region.
- O3 - Deployment of System Leaders with a consistent approach and recent proven record of school improvement.
- O4 - All schools able to access a much broader range of specialist support than that available in individual LAs currently.
- O5 - No Local Authorities or schools [learning settings] in any Estyn Inspection category of needing significant improvement or special measures.

When established, the new Regional School Effectiveness and Improvement Service will increase the pace of meeting the aspirations that:

Our Children and Young People:

- individually realise their full potential, and, achieve standards and learner outcomes comparable with the best in other countries
- have access to high quality provision delivered on a consistent basis

Our Schools will access a service that will support them to:

- have leadership and management that drive the best standards and provision
- employ teachers that understand how to meet their learners needs
- have learning environments (working within the constraints of the built environment) that inspire learners to realise their full potential

Our Local Authorities can commission a service that will:

- provide their statutory school improvement functions
- be a centre for excellent practise (and support) that will ensure greater capacity and expertise to be available for schools, utilising System Leaders with a coherent approach and recent proven record of school improvement.
- drive Welsh medium and bilingual development for education communities across North Wales
- deliver value for money, through efficiencies of scale, without compromising on quality
- be driven by the needs of our schools, individually and collectively

3. Regional Overview of North Wales in Context

North Wales is divided into the six Authority areas of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham. A socio-economic profile of each Local Authority is available in *Appendix 1*.

3.1 Standards

Absolute performance at Consortium level shows a general trend of improvement, comparing well with the other consortia, despite a slight decrease in 2011 when compared with 2010. Performance remains above the all Wales averages.

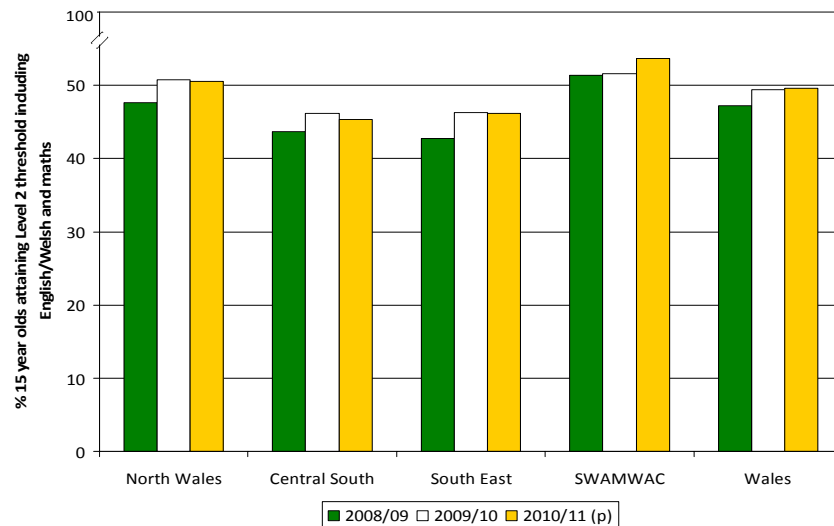


Fig. 1

A data analysis of the three year performance of regions across Wales, in the key performance indicators (*Table 1*), demonstrates that students in north Wales schools on average achieve (i) higher than the national average across all indicators; (ii) the highest standards at Level 1; (iii) the second highest standards at Level 2, Level 2+ and Core Subject Indicator; and, (iv) the second highest standards in the point score indicators.

Table. 1

| | Pupil No. | Pupil No. | Pupil No. | TL1 | TL1 | TL1 | TL2 | TL2 | TL2 | TL2+ | TL2+ | TL2+ | CSI | CSI | CSI | AWPS | AWPS | AWPS | CPS | CPS | CPS |
|-------------|-----------|-----------|-----------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-----|-------|-------|
| | 9 | 10 | 11 | 9 | 10 | 11 | 9 | 10 | 11 | 9 | 10 | 11 | 9 | 10 | 11 | 9 | 10 | 11 | 9 | 10 | 11 |
| North Wales | 7959 | 7880 | 7766 | 89.6 | 91.5 | 92.3 | 60.7 | 65.1 | 68.9 | 47.7 | 50.7 | 52.1 | 46.9 | 49.9 | 50.8 | 384.1 | 404.9 | 443.4 | | 310.2 | 317.6 |
| South West | 10439 | 10268 | 9937 | 89.6 | 91.1 | 92 | 63.6 | 65.1 | 69.6 | 51.4 | 51.6 | 53.9 | 50.2 | 50.2 | 51.9 | 390.1 | 405 | 443.6 | | 311.2 | 320.2 |
| South Wales | 9526 | 9235 | 9041 | 87.7 | 88.6 | 89.2 | 59 | 61.6 | 65.4 | 43.6 | 46.1 | 45.6 | 42.4 | 45 | 44.7 | 379.2 | 389.7 | 410.9 | | 297.6 | 303.5 |
| South East | 8676 | 8614 | 8258 | 86.7 | 88.4 | 89.5 | 57.2 | 61.8 | 64.6 | 42.7 | 46.3 | 46.4 | 41.6 | 44.6 | 45 | 358.8 | 377 | 398 | | 298.7 | 304.9 |
| Wales | 37607 | 37072 | 36088 | 88.2 | 89.7 | 90.3 | 60.7 | 63.8 | 67.3 | 47.2 | 49.4 | 50.1 | 46 | 48 | 48.7 | 378.9 | 394.3 | 422.9 | | 305.1 | 311.6 |

Findings by the Welsh Government (on the progress by the North Wales Consortia to meet the objective to facilitate raising standards through; working with partners, self evaluation, use of data, and assessment of capacity) are that:

- for the North Wales Consortium the difference between the level 2 threshold and the level 2 threshold inclusive English/Welsh and Maths, is around the national average;
- there is wide variation across the consortium in the difference between the level 2 threshold and the level 2 threshold inclusive;
- the difference between the level 2 threshold and the level 2 threshold inclusive has increased from 13% to 17% between 2009 and 2011;
- nearly half of the schools in the consortium show a difference of between 10 and 20 percent between the level 2 threshold and the level 2 threshold inclusive; and
- the difference between the percentage of students gaining a GCSE A*-C in English/Welsh, the same grade GCSE in Maths and those gaining the level 2 threshold inclusive is similar to Wales as a whole.

3.1.1 National Banding of Secondary Schools

In February 2011, the Minister for Education and Skills set out the case for improvement and a clear set of actions to drive forward his improvement agenda. The national school banding system is one of these actions and will group schools into bands which will reflect their performance and progress, and consider the challenges they face and their individual circumstances. The Minister has stated:

- categorically that banding is not about labeling schools, naming and shaming, or creating a divisive league table;
- that banding is about grouping schools according to a range of factors to establish priorities for differentiated support and to identify those from whom the sector can learn;
- that the most important element of the banding system will be the framework of support and challenge that will be developed over time to accompany each band;
- that the bands will inform support, challenge and intervention in a more standardised and transparent way than at present; and
- that it will be for local authorities and consortia to agree the detail of how they will use banding to help target support and raise standards for all.

Welsh Government, Topics – ‘School Banding’, 08 December 2011

In December 2011, the Welsh Government release the banding of Secondary schools based on 2011 data¹. For the Secondary schools in the North Wales region (with Band 1 being the highest) this placed:

- 15% in Band 1
- 35% in Band 2
- 24% in Band 3
- 16% in Band 4
- 11% in Band 5

The NW Consortia will utilise good practice within the region’s schools to support and drive improvement within these schools in Band 4 and 5.

¹ *Welsh Government Secondary School Banding - 2011 Data*

3.1.2 Programme for International Student Assessment (PISA)

The 2009 PISA survey of the educational achievement of 15- year-olds, found that standards in Wales have lowered since 2006, and in the key areas of reading, mathematics and science the mean score in Wales was significantly lower than the rest of the UK. In all three domains the mean score for Wales and our international 'ranking' was lower than in 2006.

The Minister for Children, Education and Lifelong Learning responded to the survey stating that:
'We must all take a level of responsibility for the problem and resolving it. We need to refocus on higher standards, set our ambitions and expectations high and look for improvement in every aspect of our system.'

3.2 Welsh Language

Welsh medium school provision varies between and within authorities. Across North Wales authorities, 51% of Primary and Secondary schools are classified as Welsh Medium (including those categorised as 'dual stream', or 'bilingual type B').

With 99% of its schools classified as Welsh Medium, Gwynedd has the highest percentage across the region and the whole of Wales, closely followed by the Isle of Anglesey with 96% (including those categorised as 'dual stream', or 'bilingual type B'). As we move to the east of the region towards Flintshire and Wrexham, the percentage of Welsh medium schools (including those categorised as 'dual stream', or 'bilingual type B') is 7% and 12% respectively.

Table.2

| | Welsh Medium ² | | | Total Schools (Prim & Sec) | % that are Welsh Medium schools |
|---------------------|---|---|------------|-------------------------------|---------------------------------|
| | Primary (Welsh Medium and Dual Stream) | Secondary (Welsh Medium and Bilingual Type B) | Total | | |
| North Wales | 207 | 25 | 232 | 454 | 51% |
| Anglesey | 49 | 4 | 53 | 55 | 96% |
| Gwynedd | 101 | 14 | 115 | 116 | 99% |
| Conwy | 26 | 2 | 28 | 68 | 41% |
| Denbighshire | 19 | 3 | 22 | 60 | 37% |
| Flintshire | 5 | 1 | 6 | 86 | 7% |
| Wrexham | 7 | 1 | 8 | 69 | 12% |

During consultation, schools in the North East welcomed the prospect of welsh medium support from bilingual RSEIS System Leaders and the prospect of sharing good practice with schools that have extensive welsh medium experience.

3.3 Population and Schools

North Wales has a total resident population³ of 678,461, 23% of the total population in Wales. Projections suggest that the population of under 16 year olds across North Wales will remain fairly constant over the next 25 years, expecting a decrease of less than 1%. Within the individual authorities the variance fluctuates, with Denbighshire projected to have the highest increase of around 6% and Flintshire the highest decrease of around 9%.

² WAG, *Defining Schools According to Welsh Medium Provision, October 2007*

³ *Statistical Directorate, Welsh Assembly Government, 2010 Mid-Year Population Estimates*

In January 2011⁴, there were a total of 466 Nursery, Primary, Secondary and Special schools within the six LAs, with over 100,000 full time and part time pupils.

Table.3

| | Number of Schools | | | | % of the total number of schools in North Wales | All Pupils by Region & LA (Nursery, Pri, Sec & Special) | % of all pupils in Wales |
|---------------------|-------------------|------------|-----------|-----------|---|--|--------------------------|
| | Nursery | Primary | Secondary | Special | | | |
| North Wales | 2 | 399 | 55 | 10 | 466 | 101,504 | 22% |
| Anglesey | 0 | 50 | 5 | 1 | 12% | 9,540 | 2% |
| Gwynedd | 0 | 102 | 14 | 3 | 26% | 17,342 | 4% |
| Conwy | 0 | 61 | 7 | 1 | 15% | 16,012 | 3% |
| Denbighshire | 0 | 52 | 8 | 2 | 14% | 15,830 | 3% |
| Flintshire | 1 | 74 | 12 | 2 | 20% | 23,800 | 5% |
| Wrexham | 1 | 60 | 9 | 1 | 16% | 18,980 | 4% |

Gwynedd has the highest percentage of schools in the region, followed by; Flintshire, Wrexham, Conwy, Denbighshire and Isle of Anglesey.

⁴ *Welsh Assembly Government, 2010/11 Number of Schools, by sector and 2010/11 Pupils on roll, by sex and sector*

4. Background and Case for Change

4.1 Current Arrangements

The six North Wales LAs are Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham.

Across the six LAs arrangements for delivering school improvement services vary.

Conwy, Denbighshire, Flintshire and Wrexham have a team of officers based within each authority to deliver the core School Improvement functions to the schools within that authority. Core School Improvement functions refers to the school improvement statutory and advisory functions (monitor, challenge, support and intervene). These are supported by a range of additional school improvement functions e.g. Early Years, 14-19, Inclusion, Music, Athrawon Bro(teachers), ICT support staff, Healthy Schools, Active Young People, PESS, MIS.

A full breakdown of the School Improvement functions considered 'in-scope' for this project is available in *Appendix 2*.

Anglesey and Gwynedd commission Cynnal to provide support for core and additional School Improvement functions.

Across the six North Wales LAs extra subject specific support is commissioned from Cynnal or Curriculum Support, directly by the LAs or schools.

4.2 The Educational Case for Change

Standards achieved by pupils in Wales are not as good as pupils in some other countries.

The most able pupils in Wales are a year behind in their development of literacy skills than pupils in some other countries.

We currently have unnecessary duplication of systems across the six Local Authorities to manage services and to deliver common requirements, such as, to appoint and train System Leaders; set up Professional Learning Communities; set up School Profiling Systems [data analysis systems]; meet the requirements of the School Standards and Effectiveness Frameworks; collaborate with other authorities to coordinate the implementation of various WG initiatives and grants.

Given the current financial climate, collectively, there are inefficiencies in use of monies when there is the potential to ensure decreasing resources are used to greater effect through efficiencies of scale.

Opportunities

- The RSEIS demonstrates that North Wales Local Authorities understand the need to change the way School Improvement Services monitor, challenge, support and intervene with schools in order to further improve the standards of education within schools.
- The RSEIS mitigates the risk of decreasing LA budgets and fewer resources, negatively affecting the quality of individual LA School Improvement Services.
- The RSEIS ensures all schools across the region have access to Welsh language support.

- The RSEIS aspires to develop and build on current good practice (in individual LA School Improvement Services) as the minimum level of quality from which to establish the new service whilst, (i) retaining local delivery and ownership where appropriate (ii) ensuring linkage to current Inclusion and ALN Services, and (iii) progressing the increasing collaborative working at Consortium level.
- The RSEIS enables key issues from current Estyn Inspection Reports of LA Services, Schools and other settings to be addressed collectively, and, to prepare for the new Estyn Consortium Inspections from 2014.
- The RSEIS enables the dissemination of good practice across the region.
-

4.3 Financial Case for Change

4.3.1 Current Gross Cost / Cost per Pupil

Based on the information received and verified by each of the six Statutory Chief Education Officers, analysis was undertaken to establish the current 'cost per pupil' of delivering the existing statutory and advisory 'in-scope' School Improvement functions for each LA (defined in *Appendix 2*) .

In order to establish a true spend, the analysis takes account of all time spent delivering the functions, regardless of the percentage identified (e.g. no minimum or maximum percentage bar), and includes salaries funded by grants and estimated transport costs.

| | Total FTE of Advisory Employees (all %ages) | Total FTE Admin Staff | Cost of School Improvement Services (all %ages) | Pupil Numbers | Cost per Pupil |
|---------------------|--|-----------------------------|--|------------------|-------------------|
| Cynnal | 16.75 | 10.84 | | | |
| Ynys Mon | 0.95 | 0.00 | 489,000 | 9,540 | 51.26 |
| Gwynedd | 1.00 | 0.00 | 779,000 | 17,342 | 44.92 |
| Conwy | 10.13 | 1.67 | 724,000 | 16,012 | 45.22 |
| Denbighshire | 14.01 | 4.65 | 1,004,000 | 15,830 | 63.42 |
| Flintshire | 17.01 | 5.47 | 1,264,000 | 23,800 | 53.11 |
| Wrexham | 11.68 | 4.00 | 859,000 | 18,980 | 45.26 |
| | 72 | 27 | 5,119,000 | 101,504 | 50.43 |

Table.4

The cost of school improvement staff within Cynnal is not included separately in the table as the associated charges are with each individual LA.

The total gross cost of providing the 'in-scope' functions across the six NW LAs is **£5.1m**. This equates to an average cost of £51 per pupil, with a high of £63 and a low of £45. The Minister has stated his expectation that the cost per pupil should reduce in order to release funding to schools, and has referred to a target in the region of £33 per pupil.

4.3.2 Current Spend Based on Staff in Scope

An analysis by LA is available in *Appendix 3*.

For the purpose of this project, the NW ADEW Directors agreed that if a member of staff spends equal to, or more than, 60% of their time on the identified functions, they are considered 'in-scope' (see *Appendix 2*).

There are 112 members of staff 'in-scope' across the six LAs and Cynnal, 72 directly delivering 60% or more of the identified school improvement functions, and 40 administrative staff (including translation staff) delivering 27 full time equivalent (FTE) contribution on these activities.

The following considerations have been applied:

- to reflect the influenceable spend within each LA, salary costs for the 72 members of staff in-scope are included at 100% cost;
- salary and transport costs associated with staff in-scope for Cynnal, are reflected within each LA costs as the actual charges made for that service (impacts on Ynys Mon, Gwynedd and Conwy costs);
- salary costs associated with staff in-scope for CS, are included as staff salaries within the employing LA, with any balance shared between the partnership LAs (Conwy, Denbighshire and Flintshire);
- to ascertain the overall current transportation costs for LA based staff - for each individual the percentage identified as spent on in-scope activities was applied to their total transport costs. This results in overall current estimated transportation cost of £97k; and
- actual administrative salary savings will in the future depend on which support staff are transferred to the new service, and which will remain with the LA.

| | Total Number of Advisory Employees (>60%) | Total FTE Admin Staff | Influenceable Spend* |
|---------------------|---|------------------------------|-----------------------------|
| Cynnal | 21 | 10.84 | |
| Ynys Mon | 0 | 0.00 | 435,000 |
| Gwynedd | 0 | 0.00 | 711,000 |
| Conwy | 11 | 1.67 | 723,000 |
| Denbighshire | 10 | 4.65 | 728,000 |
| Flintshire | 17 | 5.47 | 1,122,000 |
| Wrexham | 13 | 4.00 | 684,000 |
| | 72 | 27 | 4,403,000 |

Table.5

**Salary and transport costs for all staff in-scope, plus any charges for in-scope services with Cynnal and/or CS, are excluding expenditure funded by external grants. The cost of school improvement staff within Cynnal is not included separately in the table as the associated charges are with each individual LA.*

The influenceable spend that will provide a basis for building up the financial model within this Full Business Case is **£4.4m** (staff in-scope, plus transport costs).

From this revenue the project is committed to achieving a 10% saving, and each LA will need to consider how they will meet the cost of commissioning the new service, and possibly fund posts to deliver the residual School Improvement functions.

4.3.3 Current Delegation Arrangements

Arrangements for funding school improvement services vary across the six LAs. Some Authorities have delegated part of the school improvement functions to individual school budgets.

The level of current delegation will need to be considered by each LA when funding the new regional service. It is proposed that each LA reviews the current arrangements to ensure sufficient centrally held budget to enable the LA to pay their share of the cost of the regional service whilst also maximising the funds to be delegated to schools.

Each LA is responsible for reviewing its own funding arrangements, which will inform the implementation stage of this project.

4.3.4 School Improvement Functions Funded by Grants

Some of the LAs currently fund elements of the school improvement service with grants totalling £311k.

It is important to note that whilst expenditure funded by grants is included in 4.3.1 'Current Cost per Pupil' to demonstrate total costs, expenditure funded by grants is excluded from the costing exercise in 4.3.2 'Current Spend Based on Staff in Scope' to establish the LA budget for this project, the 'influenceable spend'.

Grants may be used by LA and/or schools in future to commission additional service from the regional service, depending on the individual terms and conditions of each source of funding.

5. Key Functions of the RSEIS

The vision is to establish a regional School Effectiveness and Improvement service to be accountable to, and undertake the statutory responsibilities of, the six local North Wales Authorities in respect of the duties to monitor; challenge; provide support services for curriculum continued professional development and management of schools, and in addition provide services that can be commissioned by schools and local authorities.

The **6 key functions** of the new regional service, underpinned by the core principle of delivering on local and national Welsh language strategies to develop and increase excellence in pedagogy and Welsh medium/bilingual education in communities across North Wales, are as follows:

1. supporting LAs to undertake their statutory functions in relation to school effectiveness;
2. provide support for both LAs and Schools (jointly and separately as the case may be) in School Improvement activity;
3. specifically undertaking responsibility for the Implementation of SEF and for CIF accountability;
4. making provision for the development, maintenance, and review of regional frameworks on a commissioned basis;
5. providing a centre of expertise for MIS service and for the management analysis and interpretation of data; and
6. provide a specialist centre for Education Management matters and an Education Human Resources Service to provide expertise and advice.

For a full description of the 6 key functions see *Appendix 4*.

5.1 Key Aims and Objectives of the RSEIS

Taking due regard for the national and regional drivers, the **key aims** are to establish a regional school improvement service which will:

- implement the national School Effectiveness Framework to raise standards and improve wellbeing by reducing variance within and between schools and local authorities, whilst taking account of local need;
- respond to the Estyn inspection regime, which has raised the bar and emphasised partnership working in its revised inspection criteria;
- identify efficiency savings; and
- provide a foundation that allows future regionalisation of other/linked Education services.

The *Education and Other Related Services Regional Board* will aim to deliver the project against two overarching **objectives**:

- to be delivering the School Effectiveness and Improvement Service under the regional arrangements across the six North Wales Authorities, by September 2012; and
- to identify savings through the delivery of a regional School Effectiveness and Improvement Service of 10% of North Wales expenditure.

6. Consultation with Stakeholders

6.1 Findings of the Stakeholder Consultation on a Regional Service (March 2011)

The findings of the *'Report on the Feasibility and implications of establishing a Regional School Effectiveness and Improvement Service for the six North Wales Local Authorities'*⁵, indicate that such a service is feasible and would provide a key transformational development that could provide high quality provision and contribute to achieving improved outcomes for learners. It would also enable both schools and LAs to fulfil their statutory obligations.

In March 2011, individual Authority consultation meetings with relevant stakeholders within each authority were organised by the individual Directors/Chief Officers, with further reports to scrutiny committees and executive boards of the six LAs. In addition, consultation with relevant Focus Groups (with Headteachers; School Governors; Trade Unions), comprising of representatives from across the region were conducted by the Consortium Officer and the Independent Consultant. The subsequent Report⁶ found considerable support for the strategy; in many cases the establishment of a regional School Effectiveness and Improvement Service was welcomed; others recognised the drivers towards such a service and their impact. At the same time there was support for the implementation of the Option.

The ensuing decision of the Education and Related Services Regional Board was to proceed collaboratively and seek to establish a regional School Effectiveness and Improvement Service fit for future purpose, (in particular the implementation of SEF), that builds on current strengths, and provides an integrated service across the region. This regional service will be owned by the six LAs and will operate as a separate entity under a joint commissioning framework. This will require the regional service to be professionally rigorous and focus on pedagogy, learning, and leadership in its dealing with schools; similarly, professional rigour will be required of schools and LAs. Such an approach will be crucial to the success and credibility of this development.

6.2 Findings of the Stakeholder Consultation on the RSEIS Outline Business Case (OBC) (October 2011)

In September 2011, the draft OBC was presented to all six Executive Boards who resolved:

- that the OBC should be widely consulted upon with stakeholders from October 2011;
- to establish a regional service by September 2012, subject to the FBC; and
- that the recruitment process for the appointment of a Chief Officer can begin, with the appointment to take place once the FBC has been adopted in all six authorities.

Consultation on the OBC was carried out with stakeholders across the six authorities during October and November 2011. A full Consultation Plan for the OBC was developed and each Local Authority was provided with a 'Consultation Pack' which included a copy of the OBC, a generic presentation, an executive summary, discussion papers, a copy of the Consultation Plan, and a feedback form.

⁵ *'Report on the feasibility and implications of establishing a Regional School Effectiveness and Improvement Service for the six North Wales Local Authorities'* Gerson Davies, Independent Consultant, January 2011

⁶ *Report on Consultation in relation to the proposal to establish a Regional School Effectiveness and Improvement Service for the six North Wales Local Authorities'* Gerson Davies, Independent Consultant, April 2011

| DELIVERY MODEL | |
|--|---|
| Core Team | The number of Systems Leaders will need to be more than 31. |
| | 3 visits per schools per year is not enough. |
| | Schools want System Leaders that have local knowledge of their schools. |
| | Need to clearly define the Vision for the RSEIS in the FBC. |
| | 'Additional Support' should be available to all schools to drive rising standards. |
| | Geographical issues will need to be identified and addressed. |
| | The Core Team will require data stream / analysis (ICT). |
| | Additional considerations for the Core Team (based on the OBC model). |
| Subject Specialists Extended Team | Concern that Curriculum Specialists are in the RSEIS Extended Team (not permanent posts). |
| | There would need to be a basic commitment from Schools to the service from the Extended Team (based on the OBC model). |
| Secondments | Whilst it is recognised that a secondment is a good opportunity for staff development, schools are finding it increasing difficult and impractical to release good staff. |
| LA Based Officers | Need to further define the Home Team, its responsibilities and its relationship with the RSEIS. |
| Standards / Quality | Need to show how the RSEIS will improve standards, delivering at least, if not more, than what is currently in place. |
| Welsh Language / Bilingualism | The RSEIS must to be a bilingual service. |
| | All staff employed by the RSEIS do not have to be bilingual in order to ensure a bilingual service. |
| Costings / Savings/ Delegation | Concerns that, whilst increased delegation is welcome, there will not be enough money delegated for schools to buy in the extended team provision. |
| Project Timescales | Concern that the project timescales are too tight and that this may result in an ineffective service. |
| GOVERNANCE MODEL | |
| Constituency of the Governance Arrangements | There need for fair representation in the Governance arrangements to include; schools, governors and diocese – all with voting rights. |
| Accountability within the Governance Arrangements | The FBC will need to show the accountability within the Governance arrangements. |
| ROLE OF SYSTEM LEADER / HR | |
| Transitional Arrangements | Clarification is required with regards to; safeguarding pay, pensions and employment of affected staff; early retirement / voluntary redundancy packages; timetable for staff changes; redundancies process, process for appointment and the proposed structure of the RSEIS. |
| System Leader Posts | A rigorous approach is required to appoint the System Leaders. |

7. Governance Model

7.1 Governance Option Appraisal

In July 2011, the OBC undertook an initial exercise which considered the various options for Governance, and recognised that further work would need to be undertaken before a decision could be reached.

The NW ADEW Directors commissioned expert legal advice from Trowers and Hamlins, who produced two reports on the types of, and benefits / disadvantages of, the various Governance models. The initial assessment from Trowers and Hamlins on the governance options in relation to the RSEIS, recommended that the project consider the options for a 'Joint Committee with a Host Authority' and a 'Company Limited by Guarantee':

- **Joint Committee with a Host Authority** – functions are delegated by each LA to a Joint Committee with membership from all six LAs and Service stakeholders. A Host Authority is identified to employ staff and provide some support functions.
- **Corporate Arrangements (e.g. Company Limited by Guarantee)** – an arms length arrangement would be set up as the 'corporate vehicle' to deliver the service. All LAs would need a contract with this corporate vehicle to buy services, and arrangements would need to be in place for ownership and governance.

A workshop (attended by the Project Team, ADEW Directors and Legal Officers from across the six North Wales Authorities) was then facilitated by Trowers and Hamlins to consider the options in the context of the RSEIS. Following this a full Option Appraisal was carried out with a range of stakeholders on the 'Joint Committee with a Host Authority' and a 'Company Limited by Guarantee' governance models (see *Appendix 5*).

Based on the findings of the option appraisal, **the recommendation by the Education and Other Related Services Board is that a 'Joint Committee with a Host Authority' is adopted as the governance model for the Regional School Effectiveness and Improvement Service**, with the expectation that the model is reviewed as part of the post implementation review.

In the context of the regional service being developed, the main disadvantages (scoring 0 - does not meet the criteria) associated with a 'Company' model are in relation to:

- the pensions deficit (see 7.2) - whilst both options will have a pensions deficit evaluation which will need to be paid back over a number of years, the contribution rate towards the past service deficit may be unaffordable due to a more restrictive pay-back arrangement as a company in its own right (based on an actuary evaluation on estimated data); and
- the ability to take advantage of VAT exemption - with a company limited by guarantee in this context, because the majority of its income will come from the provision of education and closely related services (exempt from VAT), it is not permitted to recover VAT on any purchases/overheads which relate to those services.

It was also recognised that:

- the initial set-up and ongoing costs relating to ICT for the service under a company model would be double that of a Joint Committee with a Host authority, requiring support to be procured in the private sector (there being a conflict of interest in the case of an LA providing this support);

- political buy-in would be more unlikely in the Company model when considering the potential personal liability for Directors of the company (although insurance should be taken out and indemnities given), and the potential conflict of interest between Members sitting as Directors versus Members sitting as Councillors; and
- staff buy-in would be more unlikely in the Company model with staff preferring an option where they remain employed by the LA and remain in the LGPS, and likely to result in opposition from staff and their unions due to perceived worries about pay, conditions, pensions etc.

7.2 Pensions Deficit - Estimated Contribution Rates for RSEIS

The Actuary for the Gwynedd Pension Fund has provided an initial estimation of the potential pension deficit and pension contribution rate for the new regional service. The information provided to the actuary to base this estimation was limited and the conclusions made can only be an indication of the potential rates as the actual employee information will not be known until the HR process has been implemented.

The Options for the *treatment* of the pension deficit evaluated for the regional service are:

Option 1: Fully Funded Approach (the pension deficit remain with the current employer)

- The overall pension deficit for the employer would remain unchanged.
- Existing employer could voluntarily pay amount of the pension deficit to the pension fund and crystallise the amount within the authority accounts, with regard to the staff transferring.
- If the existing employer chooses not to crystallise the amount this would be reflected within the next valuation of the pension fund. There would be fewer staff from which to recoup the deficit in contributions which could lead to a higher contribution rate for the employer.

Option 2: Share of Deficit Approach (the pension deficit transfers to the new regional service)

- The actuary for the pension fund would make a valuation with regard to the regional body to assess the required contribution rate to reflect both the future service contribution and the past service deficit

It is anticipated that all collaborative arrangements will use Option 2, and in this particular case Option 1 is not a viable option when we take account of the company Cynnal, who with Company status, has no obligation to retain the pensions deficit for staff transferring to a new service.

Therefore, the financial modelling for RSEIS has included the estimates on the basis of Option 2 with a 'Share of Deficit Approach', based on the spreading period normally allowed for a Local Authority (past service adjustment 'spread' over 20 years).

A full overview of the pension issues for the RSEIS is available in *Appendix 6*.

7.3 RSEIS Governance Accountability Model

The following model shows the accountability relationship between the Local Authority and the RSEIS.

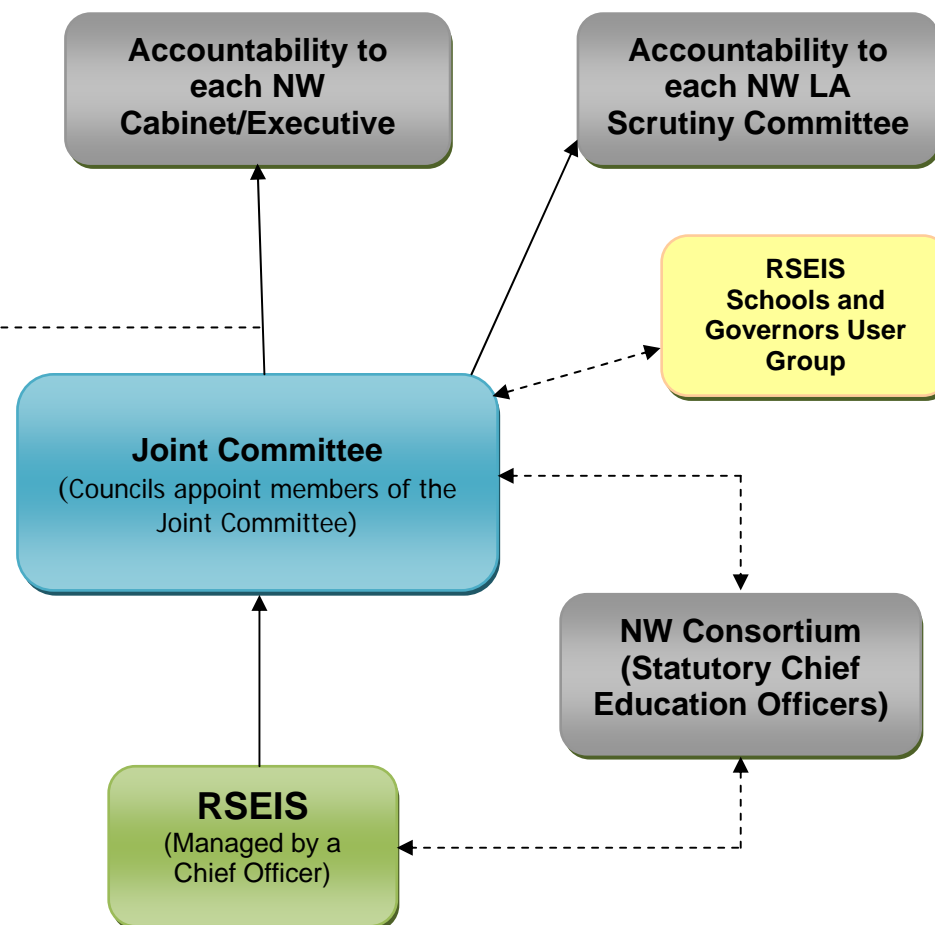
Local Accountability

- Each local authority(LA) will commission (buy) the service from the collaborative RSEIS organisation
- The LA retains power to negotiate the service level agreement / contract with the RSEIS or delegation arrangements with schools, which may require local variation
- The LA Chief Education Officer retains the statutory responsibility for the delivery of the functions with the support of the Executive Member
- The Joint Committee are accountable to the council as a whole
- The LA Chief Education Officer and Executive Member will ensure that the service meets the needs of their schools

Regional / Collective Accountability

- Achieved through a *Joint Committee with a Host Authority* model
- Councils can appoint members of the Joint Committee, who can be Members and otherwise
- Joint Committee members need to put the interests of the collaborative entity first to manage the 'whole service', focusing on the 'collective' interests
- The Joint Committee will oversee management of the RSEIS, with the support of the NW Consortium in their role as Educational Specialists responsible for driving standards
- The Joint Committee are accountable to the council as a whole, with Joint Committee members accountable to their own LA council and scrutiny members
- The RSEIS Chief Officer will be responsible to the Joint Committee
- The Joint Committee will receive support and challenge from the *'RSEIS Schools and Governors User Group'*

Fig.2



7.4 Deciding on the Host Authority

In order to employ staff under the Joint Committee, the new RSEIS will need to use a Host Authority, which will be one of the six North Wales authorities.

Complimenting the 'employment' role, the Host Authority will also be responsible for providing HR, Finance and Legal support to the staff and the new service (Tier 2).

Expressions of interest to be the Host were invited from Local Authorities. Following careful consideration, the NW Chief Executives Group are by majority decision recommending Gwynedd as the RSEIS Host Authority.

7.5 Constituency of a Joint Committee

This is an outline approach, which would be developed and established by the RSEIS 'Chief Officer' and 'Joint Committee' during April to September, following the adoption of the FBC.

The JC would consist of 'voting members' and 'co-opted non-voting members'

Table.7

| Voting Members | Co-opted Non-voting Members |
|--|---|
| 6x Education Portfolio Members <i>one from each NW LA</i> | 6x Statutory Chief Education Officers <i>one from each NW LA</i> |
| 1x Diocese Representative <i>nominated from across the Wrexham, St Asaph and Bangor Diocese, on a rotating bi-annual term</i> | 1x Legal Representative <i>nominated by the members of the NW Legal ADEW, on a rotating bi-annual term</i> |
| 1x Secondary Schools Representative* | 1x S151 Representative <i>nominated by the NW S151 Treasury Group on a rotating bi-annual term</i> |
| 1x Primary Schools Representative* | |
| 1x Special Schools Representative* | |
| 1x Governor Representative* | |

11 voting members

8 non-voting members

Total of **19 members** (voting and non-voting)

Notes:

1. In addition, a 'RSEIS Schools and Governors User Group' would be established to provide support and challenge to the JC. The members of this group would nominate a Secondary, Primary, Special and Governor representative to take the voting seats on the JC*. This would be on a rotating bi-annual term.
2. Trowers and Hamlins have confirmed 'that the six Councils may appoint third parties (Diocese, Schools and Governors) to sit on the Joint Committee, but it is then a matter of choice as to whether they are given voting rights. Without further specific action, the position under the Local Government Act 1972 is that they would have voting rights, in that the Act is silent on it. However, there would be nothing to stop the Councils appointing on a non-voting or observer status if they so chose'. The model assumes voting rights for these third parties to satisfy stakeholder concerns expressed in the OBC consultation and to recognise the Schools as key 'buyers' of the RSEIS Service (albeit in most cases through the LA).

8. Delivering the 6 Key Functions

In order to deliver the six key functions (section 5), the programme will be delivered in four inter-dependant tiers:

- Tier 1 will deliver the NW regional strategy for raising standards to meet the national School Effectiveness Framework, through the NW Consortium.
- Tier 2 will deliver the new NW Regional School Effectiveness and Improvement Service(RSEIS) to support Tier 1.
- Tier 3 will deliver the MIS Structure (Capita ONE) to support Tiers 1 and 2.
- Tier 4 will deliver the 'Support Functions' to support Tiers 1 and 2 (Host Authority).

Whilst this Section (8) will describe all four Tiers, the focus of this Full Business Case is on the Tier 2 project to deliver the new NW Regional School Effectiveness and Improvement Service.

Key Milestones Dates for Tiers 1 to 4

Table.8

| Milestone Date | Description | Tier |
|----------------|---|--|
| Feb / Mar 2012 | RSEIS Full Business Case to LA Cabinets / Executive Boards | 2 |
| Mar 2012 | Host Authority for the RSEIS agreed | 4 |
| April 2012 | Appointment of the RSEIS Chief Officer | 2 |
| | Procedures and processes in place for sharing & disseminating expertise within and between ONE and SIMS | 3 |
| | Appointment of full-time Information Manager to manage the Regional Management Information Project | 3 |
| Jun 2012 | Procedures and processes developed for B2B (student data and attendance), Bases, and PULSE | 3 |
| Sept 2012 | Appointment of the RSEIS System Leaders and Support Staff | 2 |
| | Joint Committee established | 2 |
| | Common System Leaders approach to monitoring and challenge school performance. | 1 |
| | Common System Leaders approach to support and intervention in school performance | 1 |
| | Common single collation of school performance data collection and analysis | 1 |
| | Common School Leadership and Management Tool | 1 |
| | Common Profiling of Local Authority Performance | 1 |
| | Common approach for Facilitating and Capturing Good Practice | 1 |
| | Common School Heads and Governing Body Roles and Responsibilities in relation to Standards | 1 |
| | Common practice for facilitating and capturing good practice from Professional Learning Communities [PLCs] | 1 |
| | Coordination of regional Literacy, Numeracy and Inclusion Strategies | 1 |
| | Capita ONE hosted solution goes live – users across the region access their data from Flintshire | 3 |
| | B2B (student data and attendance), Bases, and PULSE modules are implemented with access to a harmonised set of standard reports identified and developed with all Heads of School Improvement | 3 |
| | Information sharing protocol and data transfer agreement in place for all Authorities and their schools | 3 |
| | Nov 2012 to Mar 2013 | Team Building, cultural alignment workshops, induction programmes, specific skills training for the staff appointed to the RSEIS |
| April 2013 | Staff transfer to the RSEIS, employed by the Host Authority | 2 / 4 |
| | Host Authority for the RSEIS provides HR, Finance and Legal support to the staff and the new service | 4 |

8.1 NW School Effectiveness and Improvement Agenda in the Wider Context of School Improvement

The NW School Effectiveness and Improvement Agenda (Tiers 1 to 4) will contribute to the wider School Improvement Service being delivered locally for schools.

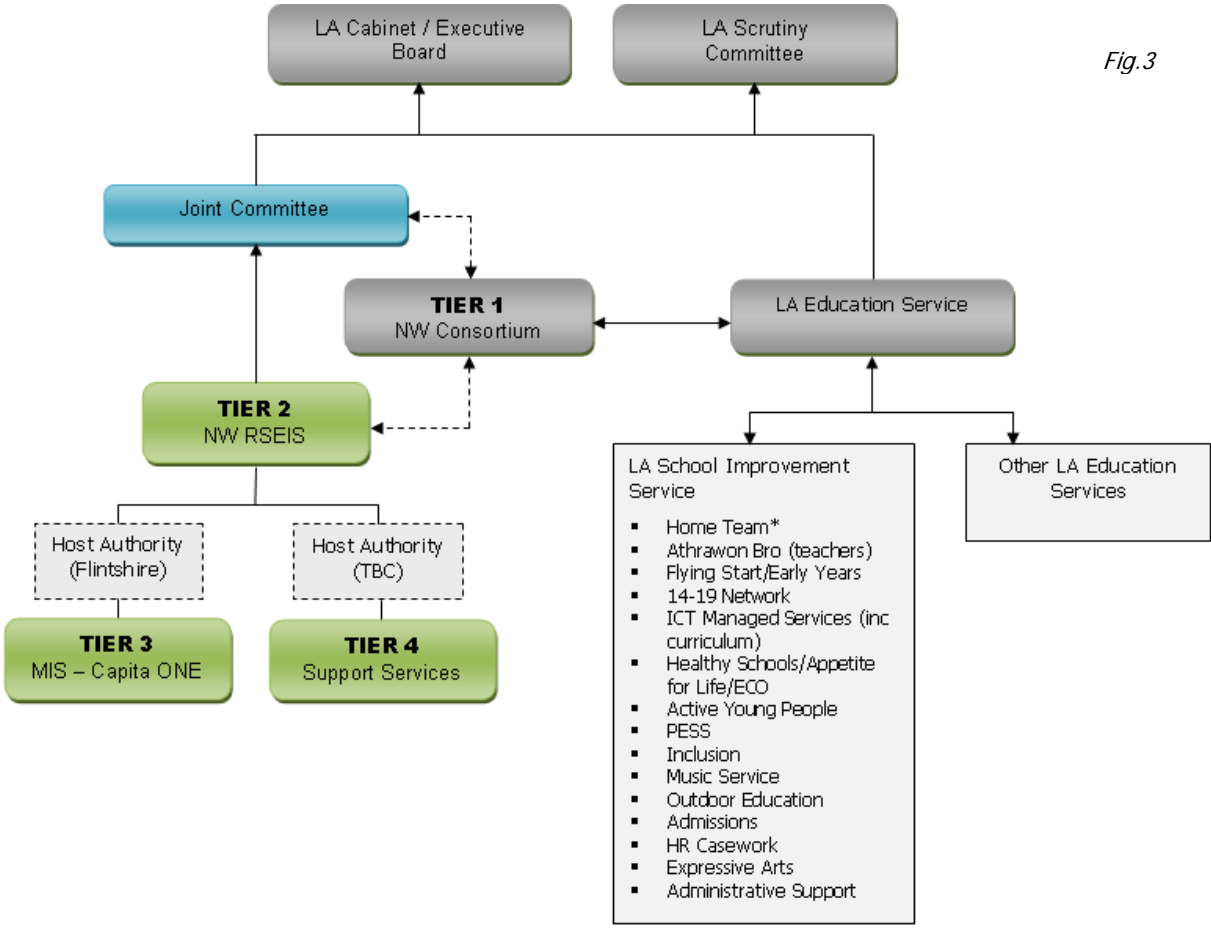


Fig.3

The statutory role of Chief Education Officer will remain with the 'LA Education Service'.

The 'LA School Improvement Service' includes those areas that contribute currently to the overarching 'LA Education Service', but (with the exception of HR Casework) are not carrying out the 6 Key Functions that are currently 'in scope' for the RSEIS.

The 'Home Team*' staff will be identified by each LA as staff required to fulfil those school improvement functions not covered by the RSEIS nor the other teams in the 'Local Authority School Improvement Service'. These staff will remain employed by the Local Authority.

The 'Other LA Education Services' are those areas e.g. Site Management, Catering, SEN, that work alongside the School Improvement Service, contributing to the overarching 'LA Education Service'.

The four Tiers of the RSEIS are explored in the subsequent sections 8.2 to 8.5.

8.2 Tier 1 - North Wales Regional Agenda for Raising Standards

From September 2012, all (current) LA School Improvement Teams, Cynnal and CS will be working to an agreed regional strategy that will ensure consistency in the processes to monitor, challenge, support and intervene in schools across North Wales.

This will result in a significant change across the six N Wales Local Authorities in the process for engaging with schools to drive increasing standards and improving performance. Local Authorities across the region are committed to ensuring that this new way of collaborative working will result in improved standards and make a positive difference to school and pupil performance.

Background

This approach has been driven by the Association of Directors of Education Wales (ADEW) North Wales Consortium. The group comprises the Chief Education Officers of each constituent authority, and is supported by a Consortium Coordinator and Consortium Office (hosted by Gwynedd LA).

In 2009, the Consortium established an operational group - the School Effectiveness Framework(SEF) Steering Group to drive the School Effectiveness Framework agenda forward and identify potential joint working arrangements. The SEF Steering Group consists of; a senior representative of each LA, the Chief Executive of Cynnal, and the Cynnal's Senior Primary School Improvement officer representing Gwynedd and Anglesey (the two authorities regard Cynnal as an extension of the authorities). The Group is chaired by the Consortium Co-ordinator. The Group has worked on a number of areas that will, from September 2012, deliver a single unified strategy and processes for a collaborative approach, allowing the six authority teams, Cynnal and CS to work in new ways to deliver LA school improvement statutory functions that will increase the pace of school performance improvement.

Delivering the Regional Strategy

Tier 1 work incorporates the linkage with Inclusion, ALN and School Support Services that are so essential to provide schools with the necessary support to meet the needs of each individual pupil. This linkage extends also to multi agency work, especially when developing the Team around the Family concept of meeting individual needs through partnership working.

From September 2012, there will be in place various interdependent strands of collaborative common approaches in operation within Tier 1 to monitor, challenge, support and intervene in schools across the region:

Strand 1 – Common System Leaders approach to monitor and challenge school performance.

All monitoring and challenge meetings with Head teachers and senior LA officers in every LA will have a new common agenda, focus and quality of delivery. All officers will have received System Leader training.

Strand 2 – Common System Leaders approach to support and intervention in school performance.

All support and intervention for individual schools in every LA will have been targeted from common regional criteria set from a new common School Improvement element within each LA School Partnership Agreement. All officers will have received System Leader training.

Strand 3 – Common single collation of school performance data collection and analysis

All LAs will have access to a regional core data set of individual school performance across the region and an analysis of performance utilising Key Performance Indicators with Free School Meal ranking. This will facilitate a consistent use of data for the identification of key trends across and within LAs, to facilitate (i) the sharing of good practice from high performers, and, (ii) targeted regional support for groups of schools with common causes of poor performance.

Strand 4 – Common School Leadership and Management Tool

All schools across the region will have access to a School Leadership and Management tool that will ensure a common understanding of agreed criteria for professional standards and quality. This will assist System Leaders to secure a common understanding of the criteria, allow school management teams to utilize it for self assessment purposes, provide a useful training tool within and between schools and in monitoring and challenge meetings with LA officers / System Leaders. It will ensure common regional quality of assessment outcomes for targeting support and intervention to improve school performance.

Strand 5 – Common Profiling of Local Authority Performance

There will be a profile of each LA performance against a series of performance indicators. The profile will identify (i) those schools with good practice in specific fields, and (ii) individual and groups of schools requiring specific levels of support and common key issues that require attention. This will facilitate sharing good support and intervention activities across the region.

Strand 6 – Common Approach for Facilitating and Capturing Good Practice

Further work will be undertaken in formalising criteria for good classroom observation practice. This will facilitate consistency in quality practice for system leadership across the board.

Strand 7 – Common School Heads and Governing Body Roles and Responsibilities in relation to Standards

Further work will be undertaken in developing a regional protocol to ensure head teachers and governors have clarity regarding their roles and responsibilities in relation to professional discussions on school performance. This will facilitate consistency in quality practice for system leadership across the board.

Strand 8 – Common practice for facilitating and capturing good practice from Professional Learning Communities (PLCs)

Monitoring meetings between LAs and schools across the region will include a focus on the developing PLCs that were established as a result of a regional programme of training and guidance in 2010-11. WG is developing a national website in relation to PLCs which overrides the Consortium Moodle based interactive tool which focuses on research for improvement and effective practice. The national and regional thrust for collaboration has highlighted the need for practitioners to share best practice and this has been enthusiastically endorsed by the Regional Education and Related Services Programme Board as a means of raising standards. The SEF Steering Group has facilitated the national training programme and already conducted an initial overview of effectiveness and outcomes during the Autumn Performance Visit 2011.

Strand 9 – Coordination of Regional Literacy, Numeracy and Inclusion Strategies

Further work will be undertaken to develop the regional strategies driven by the established regional steering groups for Literacy, Numeracy and Inclusion. The work will link to national strategies and intended outcomes.

Besides the strands mentioned above, the ADEW North Wales Consortium is involved in a number of other developments to progress greater collaborative working, such as, (i) Regional ICT Managed Service (including VLE), (ii) Music Peripatetic and Ensemble Service (iii) Coordination of Delegated School Funding arrangements.

The strands identified above will support the delivery of the following outcomes:

- O.1 - Improved standards in literacy (Welsh/English) and numeracy (Maths) that compare well with the best in other countries.
- O.2 - A single coherent service for the monitoring, supporting, challenging and intervention within schools across the region.
- O.3 - Deployment of System Leaders with a consistent approach and recent proven record of school improvement.
- O.4- All schools able to access a much broader range of specialist support than that available in individual LAs currently (linked to Tier 2).
- O.5 - No Local Authorities or schools (learning settings) in any Estyn Inspection category of needing significant improvement or special measures.

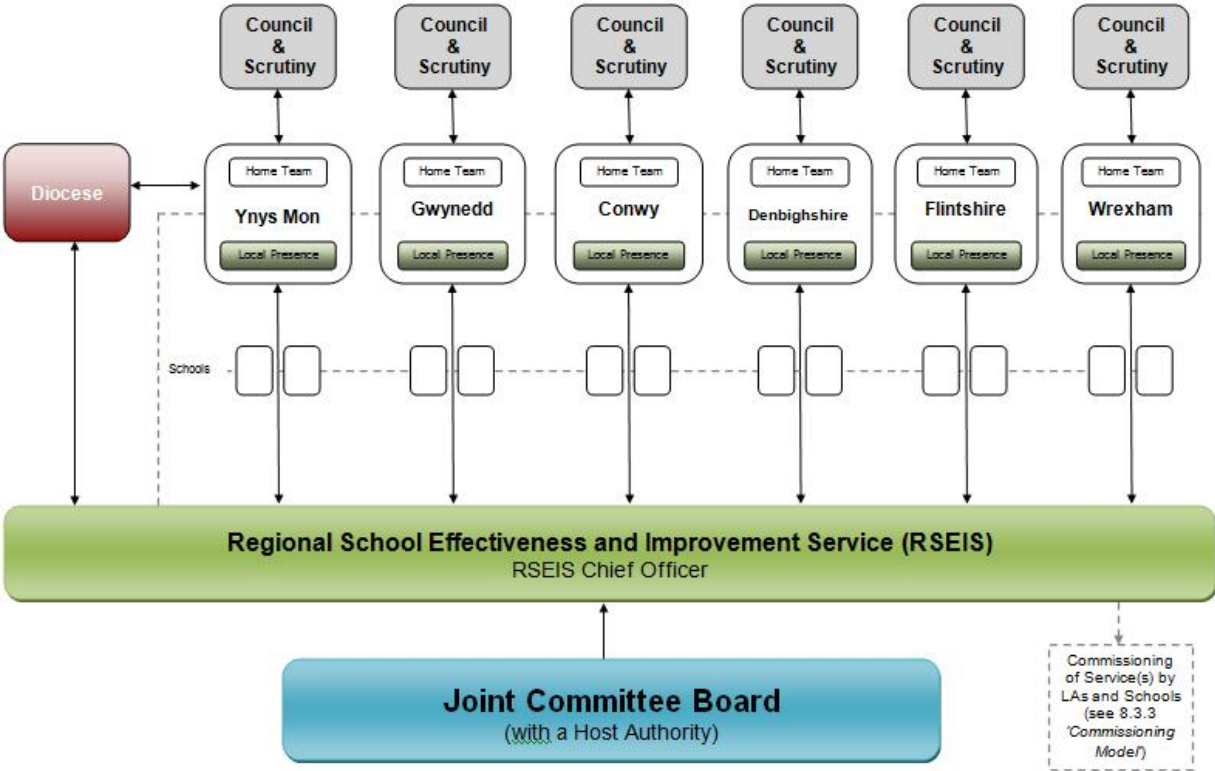
Meeting the Regional Agenda for Raising Standards through the RSEIS (Tier 2)

The common approaches outlined above will result in the six authorities, Cynnal and CS working, from September 2012 on the same standards agenda in the same way. Initially, there will be eight management processes and structures mirroring each other across North Wales.

The establishment of a single structure, the Regional School Effectiveness and Improvement Service (RSEIS) will provide a means of employing efficiencies of scale and a central focus for school improvement across North Wales. This Tier 2 delivery mechanism will absorb the Tier 1 common approaches and will be a powerhouse to drive good practice across the region. It will champion a new way of driving standards. It will provide good quality school improvement and effectiveness service in a cost effective and efficient manner to raise standards and 'make a difference'. It will ensure a consistency of challenge and support for schools across the six counties, leading to our children and young people fulfilling their potential.

8.3 Tier 2 - New North Wales Regional School Effectiveness and Improvement Service (RSEIS)

Fig.4



8.3.1 The Delivery Model

The new RSEIS (Tier 2) will be managed by a Chief Officer with a team consisting of System Leaders, a Business/Finance Manager, Administrative Support and Translators.

Section 10 of this Full Business Case explores the roles in respect of the Job Descriptions and Person Specifications, their impact on existing staff (TUPE), and salary in more detail.

Chief Officer

The Chief Officer will be required to: shape the new organisation, preparing, developing and delivering the strategic direction for the new service; implement, monitor and review regional policies; and lead, manage and direct a team in coordinating quality service delivery effectively, efficiently, economically and responsive to local circumstances.

As agreed by the six North Wales Cabinets / Executive Boards in October 2011, the recruitment process for the post of Chief Officer is already underway, with the appointment to take place once the FBC has been adopted in all six authorities.

System Leaders

With a clear focus on Leadership and Management, System Leaders will also provide strategic leadership and management in Literacy & Numeracy and Curriculum (subject) areas. System Leaders will be responsible for:

Leadership

- Providing support and guidance to ensure that the school's vision, ethos and moral purpose is shared by all staff and stakeholders.
- Providing support and challenge to improve the practice of effective self- evaluation and school improvement planning.
- Providing support and guidance to ensure that leaders and managers to make best use of their expertise to improve their effectiveness.
- Providing a level of challenge by evaluating provision objectively, gathering valid and reliable evidence from a range of sources both within the organisation and beyond.
- Understanding comparative and value-added data and use it to identify high performance and underperformance of pupils, schools and subject areas/departments.
- Analysing and use data to judge the performance and challenge underachievement of groups of learners by gender, ethnicity, special educational needs and prior attainment.
- Challenging the school to set ambitious but realistic targets.
- Using an appropriate range of quantitative and qualitative data to synthesise a wide range of information to formulate hypotheses.
- Providing constructive feedback that forms the basis for future improvement.
- Being able to build the capacity of others to carry out self-evaluation.

Teaching and Learning (Pedagogy)

- Providing support and advice on and evaluating the quality of; teaching and learning styles, and subject specialism's.
- Providing guidance on the rigorous use of formative and summative assessment and on their use to improve learners' work.
- Promoting and support the development of networks of professional practice.
- Identifying effective teaching and learning practice which can be shared within and across networks.
- Ensuring all schools adequately develop the skills agenda, particularly in literacy and numeracy.

Developing People and the Organisation

- Initiating and support action research into effective practice.
- Providing advice on how development needs might be met by referring to examples of good CPD practice.
- Facilitating the development of networks of professional practice.
- Providing advice and guidance on procedures, to evaluate the effectiveness of CPD and the impact of networks of professional practice.

Curriculum

- Providing support and challenge for curriculum development.
- Providing support in developing a curriculum which is relevant, personalised, promotes engagement with learning and reflects the ethnic, cultural and linguistic diversity of the school.
- Providing support and guidance on curriculum planning and the development of effective schemes of work, short term plans and planning for assessment for learning.

Student Attitudes

- Identifying other agencies working with the setting and the nature and scope of their involvement.
- Supporting the school in its attempts to gather the views of parents, children and young people and how these are acted upon.
- Providing guidance on promoting an inclusive ethos and maximising opportunities for children and young people to benefit from links with other agencies.

Internal Accountability

- Providing guidance and support to evaluate classroom practice against specific and rigorous criteria so that staff; know and understand the characteristics of high-quality learning and teaching, recognise and analyse aspects of good practice which will transfer to other learning contexts, and provide constructive feedback that forms the basis for future improvement.
- Providing guidance and support to establish robust performance management systems that make effective use of attainment data.
- Developing criteria which trigger intervention procedures at whole school and departmental level.

Partnership Beyond the School

- Supporting a multi-agency approach based on the needs of the local learning community or family of schools.
- Identifying other agencies working with the setting and the nature and scope of their involvement.

It is anticipated that there will be a requirement for **30 FTE System Leaders** to deliver the above areas of work across the schools within the North Wales region. This has been based on the following analysis of Service provision (taking account of the consultation feedback):

(see accompanying notes in Appendix 7)

Table.9

| | Days |
|---|---------------|
| School Visits (all schools – 466 inc N, P, Sec, Spe) 6 days allocation per school: 3 regular visits 3 days planning and preparation (including Performance Management) | 2796 |
| Schools Requiring Additional Support * | |
| - Targeted Support (based on pro-active school profiling) : | 1592 |
| 388 schools 20% = 10 days x 78 schools = 780 | |
| 19% = 6 days x 74 schools = 444 | |
| 6% = 16 days x 23 schools = 368 | |
| - Post Inspection : | 410 |
| Estyn Monitoring = 16 x 10 days (160 days) | |
| LA Monitoring = 15x 6 days (90 days) | |
| Significant Improvement/Special Measures = 5 x 32 days (160 days) | |
| Pre-Inspection Review (inc. pre-inspection report) * | 311 |
| 9 Secondary schools x 10 'person' days (90 days) | |
| 67 Primary schools x 3 'person' days (201 days) | |
| 2 Special schools x 10 'person' days (20 days) | |
| Total Days Support Required from the RSEIS | 5109 |
| School Contact Days Based on 195 school days (inc training days) Minus 20 days (accumulative) to account for 5 days each side of the summer and Christmas holidays Minus an average of 3 days sickness leave | 172 |
| Number of System Leaders Required for the RSEIS | 30 FTE |

* Number of days is an average requirement, allowing flexibility for more or less as required

It is important to note that there will be a number of additional posts that will be available according to:

- (i) the number of staff (Home Team) each LA will require to support those functions that are not covered by the RSEIS nor the other 'LA School Improvement Teams'; and
- (ii) additional commissioning from the RSEIS for System Leaders from either the LA or schools, through budgets or grants. This approach will provide professional opportunities for Headteachers and Teachers to be seconded for short-term periods to the RSEIS, ensuring that the Service can draw on the best practice from schools across the region. Schools will have the opportunity to strengthen and extend collaborative working across the region to collectively commission targeted support and share good practice.

Business/Finance Manager

Reporting to the Chief Officer, the Business/Finance Manager will manage a small administrative team that will be tasked with the direct management of the business support and financial budget of the Service, reporting quarterly to school governing bodies. The Business / Finance Manager will play a key role in monitoring spend against the budget, delivering quarterly updates to the management team and wider stakeholders.

Administrative Support

It is anticipated that the RSEIS will need administrative support at a ratio of 1:5. Based on the anticipated requirement for 30 FTE System Leaders, the Service there will be a requirement for 6 FTE administrative posts. These posts will report to the Business / Finance Manager. In addition there will be 1 FTE post of a Personal Assistant reporting directly to the Chief Officer.

Translator

In order to ensure the new regional service is underpinned by the core principle of delivering on local and national Welsh language strategies to develop and increase excellence in pedagogy and Welsh medium/bilingual education in communities across North Wales, it is anticipated that the RSEIS will require 2 FTE Translators. These posts will report to the Business / Finance Manager.

8.3.2 Serving the Cultural and Linguistic Needs of the Region

What is clear from the consultation with stakeholders is the need to have a bilingual service that can fully provide Welsh medium support across the region, an underpinning feature of the new Service. This contributes to local and national Welsh Language Strategies to drive Welsh-medium and bilingual development for education communities across North Wales.

Consultation with stakeholders also identified the need to ensure that local diversity and variations are considered in any delivery model, and schools in particular wanted to retain the advantages that the local service currently offers – namely school improvement staff knowing their school and its teachers.

The local knowledge is particularly important to help deploy practitioners to work alongside those in similar linguistic contexts and to develop pedagogical skills to a high standard. Some schools will teach a greater proportion of those learning English or Welsh as a second language than others, therefore the support has to be appropriate. In some areas there will be those who are learning both Welsh and English as additional languages and the RSEIS will need to be sensitive to all needs. Effective pedagogy involves having a respected command of linguistic issues and opportunities.

Consequently, it is anticipated there will be a local presence of officers from the regional service working with local schools. This realises the benefits of a consistent and common approach to frameworks and protocols, whilst meeting the needs of individual schools across the region.

8.3.3 Commissioning from the RSEIS

This is an outline approach, which would be developed and established by the RSEIS 'Chief Officer' and 'Joint Committee' during April to September 2012, following the adoption of the FBC.

Commissioning of the RSEIS will be via a two-part Service Level Agreement (SLA).

Part A SLA for RSEIS Main Provision

Each North Wales Local Authority will be committed to commission (buy) the 'main' provision from the RSEIS.

The 'main' service refers to the entitlement for all schools within that LA to receive 6 days allocation, with; 'targeted support', 'post inspection' and 'pre-inspection' support being received by those schools as identified by the RSEIS. This work will be carried out by a permanent team of 30 FTE System Leaders. (See *breakdown of service provision and responsibilities of a System Leader in section 8.3.1 of this FBC*)

Part A of the SLA will include:

- standard terms and conditions
- period of agreement
- status of agreement
- resolution of disputes
- payment arrangements
- review period
- penalty charges

Payment arrangements will be in-line with the agreed approach as set out in section 9.1 of this FBC.

Part B Call-off Agreements

Local Authorities and schools, individually and collectively from across the region, can 'call-off' (buy) additional System Leader support (which includes curriculum specialist support) from the RSEIS. This will provide schools with the opportunity to strengthen and extend collaborative working across the region, to collectively commission targeted support and share good practice.

Part B of the SLA will include:

- register of additional services available
- eligibility criteria
- beneficiaries
- payment arrangements
- review period

Payment arrangements will be based on a tariff for a unit of service (e.g. the cost of a curriculum specialist on a daily rate), to be negotiated by the Chief Officer prior to the service being available. This work will be carried out by currently practicing Headteachers and Teachers, seconded for short-term periods to the RSEIS, ensuring that the Service can draw on the best practice from schools across the region.

8.4 Tier 3 - MIS Structure (Capita ONE)

8.4.1 Purpose

This is a three-year interdependent project (Tier 3) to the RSEIS to establish a Regional *Management Information Service* that will support and enable the delivery of; statutory responsibilities, performance monitoring, review and improvement, plus development activities of the Consortium of six local North Wales Authorities and their schools in respect of the duties to monitor, challenge, improve performance and outcomes. Provision of a Regional Management Information Service will see the collective implementation of a **shared hosted system** with **common software** tools based on **common database structures** used by services that have adopted **common business processes**.

All Authorities use Capita's 'ONE' management information system, capable of holding a single, detailed, core record for each pupil, and through a range of application modules enables access and reporting by professional staff.

8.4.2 Collective Implementation of ONE

The collective implementation of Capita ONE is based upon:

- adoption of a strategic approach to identification and delivery of regional management information services incorporating services for Authorities and schools; and
- development and implementation driven by business needs and implementation of efficient common business processes that are outcome focused in supporting improvement and contributing effectively to delivery of best outcomes for pupils.

The result will be regional support for collection, analysis, presentation and reporting of data, for both individual Local Authorities and the Consortium, to inform decision making and the work of education services and schools in raising standards.

The project has six work streams.

1. Database harmonisation – bringing all Authority databases to the same high quality and implementing agreed codes to facilitate searching, analysis and reporting across the Consortium.
2. Business processes – identifying, developing and documenting business processes for use across all Authorities to maximise operational efficiency, data integrity and to capture best practice.
3. Implementation of software modules – phased implementation incorporating identification of needs, training and standardisation of reporting.
4. Technical implementation – identification of hosting Authority, technical design and provision of a secure hosted environment for use by all Authorities.
5. Security and privacy – undertaking a privacy impact assessment, identifying needs and solutions and incorporating them into technical design/provision and operational use of software to ensure security and privacy in data handling and use of software.
6. Working together – identification, development and implementation of operational procedures to maximise collaborative working, implement efficient operational procedures and realise savings.

Expected benefits are:

- provision of a shared management information service ensuring that greater capacity and expertise is available for Local Authorities and schools;

- consistency of service and support provision for education services across the Consortium through use of common business processes for data quality/integrity and use of application software modules;
- increased efficiency through application of consistent best practice business process and protocols employed across the Consortium;
- equity of high quality service provision across the Consortium through adoption of smarter management, access to high quality peer support and collaboration;
- decision making and performance improvement based on timely, high quality performance information;
- increase in the range of functional service areas supported by the use of management information systems;
- measurable cash savings and enhanced value for money on annual maintenance of Capita ONE software;
- added value from a hosted technical solution in respect of security, resilience and business continuity; and
- trust and confidence amongst stakeholders in the Consortium's commitment and ability to securely manage personal data and meet legislative requirements for data protection.

8.4.3 Project Progress

- Lead Officers have begun work on harmonising databases within the areas of Bases, B2B and addresses.
- Review of lookups completed and harmonisation planned.
- Initial business processes focusing on data quality and integrity drafted for Bases, B2B and Pulse with A & T in progress for completion in March.
- Migration to A & T version 4 plus implementation for Authorities not using the module scheduled via a support package to be delivered by Capita for this critical and public facing service.
- In November 2011, following a collaborative process involving agreement of evaluation criteria and structured method for accepting and evaluating proposals, the unanimous decision by Heads of IT was that Flintshire should host the shared technical solution. Hardware and system software have been installed.
- Secure Extranet purchased via PSBA with installation requested for end of February.
- Privacy Impact Assessment (based on ICO guidance) completed and development of protocols, procedures and agreements scheduled for completion when the hosted solution goes live.
- Draft Information Sharing Protocol, incorporating a data transfer agreement, for North Wales Authorities and their school completed ready for review and consultation with stakeholders.
- Collaborative support package devised for implementation of B2B with limited external input.

8.5 Tier 4 – Support Functions

In order to employ staff under the Joint Committee, the new RSEIS will need to use a Host Authority, which will be one of the six North Wales authorities (see section 7.4 *'Deciding on the Host Authority'*).

Complimenting the 'employment' role, the Host Authority will also be responsible for providing HR, Finance and Legal support to the staff and the new service (Tier 2).

In respect of the Key Function 6 to *'provide a specialist centre for Education Management matters and an Education Human Resources Service to provide expertise and advice'*, referring in particular to HR casework (e.g. providing specialist support and advice to schools), this will be considered as a separate project in collaboration with the North Wales Support Services Regional Board. In the interim period, this function will continue to be carried out by each LA, directly with their schools.

9. Financial Model

9.1 Cost of Tier 2 – New Regional School Effectiveness and Improvement Service (RSEIS)

| | Total £ |
|----------------------------------|------------------|
| Employee Related Costs | 2,916,689 |
| Premises Related Costs | 49,600 |
| Transport Related Costs | 190,370 |
| Supplies & Services | 57,725 |
| Commissioning Budget | 250,000 |
| Support Services | 50,647 |
| Total Annual Revenue Cost | 3,515,031 |

Table.10

This is based on one premises, with each additional hub requiring an estimated additional £19k. A full breakdown of these costs is available in *Appendix 8*.

The current cost of delivering the existing statutory and advisory in-scope school improvement functions for each LA is £5.1m (section 4.3.1).

This has been adjusted to establish the influenceable spend that will provide a basis for building up the financial model by (i) £406k to reflect posts in-scope (>60%) at 100% cost and reduced by posts not in-scope (<60%) and (ii) £311k to reflect expenditure funded by grants. The influenceable spend is **£4.4m** (section 4.3.2).

The **cost of the RSEIS is £3.5m**, equating to an average cost per pupil of £35 (which would increase with any additional commissioning by LAs or schools, through budgets or grants).

The cost of the RSEIS compared to the influenceable spend identifies a potential overall regional saving of £882k (20%), which can be re-invested in Education, or released as a cashable saving, depending on the needs of each local authority.

The cost of the RSEIS to each Local Authority is detailed below:

Table.11

| | Ynys Mon | Gwynedd | Conwy | Denbighshire | Flintshire | Wrexham | Total |
|--|----------------|----------------|----------------|----------------|------------------|----------------|------------------|
| Total number of Schools | 56 | 119 | 69 | 62 | 89 | 71 | 466 |
| <i>%age of pupils</i> | 9.4% | 17.1% | 15.8% | 15.6% | 23.4% | 18.7% | 100.0% |
| Cost of School Improvement (all %ages) | 489,096 | 779,165 | 723,764 | 1,004,370 | 1,263,738 | 859,322 | 5,119,455 |
| Adjustment to reflect posts in-scope (>60%) at 100% cost and reduced by posts not in-scope | (54,374) | (68,232) | 46,972 | (195,340) | (8,424) | (126,683) | (406,080) |
| Cost of in-scope expenditure | 434,722 | 710,933 | 770,736 | 809,031 | 1,255,314 | 732,639 | 4,713,374 |
| Less Grant funded expenditure | 0 | 0 | (48,020) | (81,152) | (133,309) | (48,366) | (310,847) |
| Influenceable Spend | 434,722 | 710,933 | 722,716 | 727,879 | 1,122,005 | 684,273 | 4,402,528 |
| Cost of RSEIS (System Leaders with additionality of Strategic Literacy, Numeracy & Subject Specialisms) | | | | | | | 3,520,000 |
| Charging Methodology | 10.25% | 18.02% | 15.70% | 15.32% | 22.39% | 18.32% | 100.00% |
| Charge for RSEIS | 360,800 | 634,304 | 552,640 | 539,264 | 788,128 | 644,864 | 3,520,000 |
| Saving compared to Influenceable Spend | 73,922 | 76,629 | 170,076 | 188,615 | 333,877 | 39,409 | 882,528 |
| Saving as %age of Influenceable Spend | 17.0% | 10.8% | 23.5% | 25.9% | 29.8% | 5.8% | 20.0% |

The charging methodology selected to apportion the cost to each of the 6 LAs is based on the annual Welsh Government 'Indicator Based Allocation for Education Funding'. The methodology takes the percentage for each LA (allocated for service components, Nursery and Primary school teaching, and Secondary school teaching) and applies it to the RSEIS. The formula includes factors to reflect pupil numbers, settlement threshold and the number of pupils eligible for free school meals.

9.2 Implementation Costs of the RSEIS

In order to set up the new service, implementation costs have identified in the region of £1.2m, these include one off costs associated with:

- potential redundancies (these are further explored in section 9.1.2);
- staff transfer and recruitment (i.e. assessment centre for new appointments, training needs analysis, team building and cultural alignment, induction);
- office costs (i.e. basic office furniture and resources); and
- ICT costs (i.e. infrastructure, information systems, support and consultancy)

| | Capital £ | Revenue £ | Total £ |
|-----------------------------------|----------------|------------------|------------------|
| Redundancy Cost | | 1,027,000 | 1,027,000 |
| Staff Transfer/Recruitment | | 34,000 | 34,000 |
| Office Costs | 27,000 | 5,000 | 32,000 |
| ICT Costs | 107,000 | | 107,000 |
| Total Implementation Costs | 134,000 | 1,066,000 | 1,200,000 |

Table.12

A full breakdown of these implementation costs are available in *Appendix 9*.

The six NW Authorities are in the process of working with the WG to secure support for these costs.

9.2.1 Leaving Costs

Across the six LAs and Cynnal there are 112 members of staff in-scope, 72 directly delivering 60% of more of the identified school improvement functions, and 40 administrative staff (including translation staff) delivering 27 FTE contribution on these activities.

Of the 72 advisory members of staff in scope, 1 post is due to become vacant and 16 are currently seconded and will revert to their previous permanent posts when the new regional service is operational. The LAs have an anticipated requirement for 8 posts in their Home Team to support those functions that are not covered by the RSEIS nor the other 'LA School Improvement Teams'. The remaining 47 will transfer to the new service.

Of the 40 administrative staff identified, as supporting advisory staff delivering the in-scope functions, the total percentage of their time spent on this activity is rounded to 27 FTEs. Therefore, for the purpose of identifying potential leaving costs associated with administrative staff, the average salary for all 40 staff will be multiplied by the 27 FTE posts.

The Full Business Case (FBC) is based on a service delivery, which requires 30 System Leaders and 9 support posts.

When we consider the 47 advisory posts in-scope against the potential requirement for 30 system leaders in the new service, and assuming all 47 staff will have the right to transfer to the new service under TUPE, there is an estimated surplus requirement of 17 staff. It is important to note that there will be a number of additional posts available for the 17 staff to apply for according to (i) additional number of staff (Home Team) each LA will require to support those functions that are not covered by the RSEIS nor the other 'LA School Improvement Teams', and (ii) additional commissioning from the RSEIS for System Leaders from either the LA or schools, through budgets or grants. Based on their current salaries, and calculated as an average, this totals an estimated £705k under local policies and £867k under a harmonised policy (see Appendix 10).

The new service anticipates administrative support to a ratio of 1:5, which may provide 9 administrative posts (including translation). As there are 27 FTEs identified in the current arrangements, there is potentially a surplus of 18 posts. Based on their current salaries, and calculated as an average, this totals an estimated £141k under local policies and £160k under a harmonised policy.

Table.13

| | Number of Staff | Redundancy Payment Policy Local £ | Harmonised £ |
|--|-----------------|---|------------------|
| Advisory Staff in-scope (excl.secondments and vacancies) | 55 | 2,280,000 | 2,806,000 |
| RSEIS requirement | 30 | | |
| Anticipated Home Team requirements | 8 | | |
| Potential Surplus of Advisory Posts | 17 | 705,000 | 867,000 |
| Administrative Staff in-scope (based on average) | 27 | 211,000 | 241,000 |
| RSEIS requirement | 9 | | |
| Potential Surplus of Administrative Posts | 18 | 141,000 | 160,000 |
| Potential Redundancy Payment | 35 | 846,000 | 1,027,000 |

The total potential leaving costs for advisory and administrative staff is **£1m**, based on harmonised terms and conditions.

The full RSEIS Financial Report on Potential Leaving Costs is available in *Appendix 10*.

10. HR Model

10.1 Key HR Timescale for the RSEIS

| | |
|----------------------|--|
| April 2012 | Appointment of RSEIS Chief Officer |
| April to May 2012 | Formal consultation with Staff to include expressions of interest for voluntary redundancy and retirement. |
| May 2012 | Confirm the jobs that will be available in the LA 'Home Teams'. |
| July 2012 | Assessment process for posts in the new RSEIS Service. |
| August 2012 | Appointments made for the posts in the new RSEIS Service. |
| Sept 2012 | Further consultation with staff not appointed to either the LA Home Team posts or the posts in the new RSEIS Service. |
| Nov 2012 to Mar 2013 | Team building, cultural alignment workshops, induction programmes, specific skills training for the staff appointed to the new RSEIS Service. |
| April 2013 | (i) Staff transfer to the new RSEIS Service and (ii) contracts end for the staff not appointed to either the LA Home Team posts or the posts in the new RSEIS Service. |

10.2 Planning for Change

It will be necessary to consult with unions on the process for managing the change with staff. Two flow charts have been developed to summarise the process for change from the existing arrangements to the new RSEIS Service, and the process for redundancy (see *Appendix 11*). It will also be necessary to agree a detailed timetable for consultation, recruitment, redeployment, redundancy activity with all employing organisations and the unions. This will be made available to all staff during the formal consultation with staff during April and May 2012.

There have been a number of pieces of work already undertaken on the alignment of culture and induction to a new organisation, which will form the basis of approach for the RSEIS. In addition, further discussion is required to identify opportunities to align culture and build the new team ethos within the service.

Key areas for consideration include:

- Responsiveness and Culture, which will include reviewing the IT requirements of the service as this will directly impact on the new service's ability to be flexible, agile and responsive;
- Perceptions of influence including employer/employee perception to ensure a unified approach to the delivery of a regional school improvement service;
- Full engagement with each Local Authority in terms of how the home teams and new service will work together to ensure consistent delivery across North Wales;
- Resourcing the HR issues so they do not excessively delay the implementation of the new service; and
- Develop an appropriate accommodation and location strategy for the new service.

10.3 Roles Available in the RSEIS

10.3.1 System Leader Roles

Currently each LA provides monitoring, support, intervention and challenge to schools on all aspects of school improvement. The new service model will mean that the System Leaders will be engaging in support, monitoring, challenge and intervention directly with schools on 7 key areas of School Improvement; leadership, teaching and learning, developing people and organisations, curriculum, student attitudes, internal accountability, and partnership beyond schools.

Of the identified 30 System Leader roles there will be 4 'Team Leaders' to provide day to day management supervision of the remaining 26 System Leaders. The 'Team Leaders' will report directly to the Chief Officer. The System Leaders will have responsibility for the areas of work documented in section 8.3.1.

Whilst it will not be a requirement for all staff to be able to work bilingually, in order to secure a linguistic balance some of the posts will be designated as Welsh essential roles. The balance will be a matter for the RSEIS Chief Officer to address once in post, and may vary on further consultation with schools. Any bilingual requirements for additional roles commissioned over and above the core team will be determined by need.

See *Appendix 12*, for draft System Leader Job Descriptions and Person Specifications, which will be developed by the Chief Officer on appointment, in consultation with staff and unions.

10.3.2 System Leader Secondment Opportunities

There will be the opportunity for practicing Headteachers and Teachers to take short-term secondments within the RSEIS according to additional commissioning from the RSEIS for System Leaders from either the LA or schools, through budgets or grants. This approach will provide professional opportunities for Headteachers, ensuring that the Service can draw on the best practice from schools across the region.

Headteachers wishing to take advantage of secondment opportunities will need to be released from their current posts with the agreement of the school's Governing Body.

10.3.3 Support Roles

Business/Finance Manager

Reporting to the Chief Officer, the Business/Finance Manager will manage a small administrative team that will be tasked with the direct management of the business support and financial budget of the Service, reporting quarterly to school governing bodies. The Business / Finance Manager will play a key role in monitoring spend against the budget, delivering quarterly updates to the management team and wider stakeholders.

Administrative Support

It is anticipated that the RSEIS will need administrative support at a ratio of 1:5. Based on the anticipated requirement for 30 FTE System Leaders, the Service there will be a requirement for 6 FTE administrative posts. These posts will report to the Business / Finance Manager. In addition there will be 1 FTE post of a Personal Assistant reporting directly to the Chief Officer. The role of the administrator will not vary greatly however the tasks they undertake will need to be reviewed in line with the new service delivery model.

Translator

In order to ensure the new regional service is underpinned by the core principle of delivering on local and national welsh language strategies to develop and increase excellence in pedagogy and Welsh medium/bilingual education in communities across North Wales, it is anticipated that the RSEIS will require 2 FTE Translator. These posts will report to the Business / Finance Manager.

See *Appendix 13* for draft Job Descriptions and Person Specifications for the support roles, which will be developed by the Chief Officer on appointment, in consultation with staff and unions.

10.4 TUPE Arrangements

Members of staff who are currently engaged in delivering the school improvement 'in-scope' functions through their individuals organisations, may have a right to transfer to the new organisation, which will be providing that function on a shared service basis. This transfer would be subject to TUPE regulations. Under these regulations, members of staff will transfer with at least their existing statutory employment rights and contractual entitlements. Any resulting redundancies would be the responsibility of the new organisation.

10.5 Salary Ranges

All Authorities use the GLPC job evaluation and the Soulbury scheme. However how this is applied across the six authorities does vary.

Once a host authority has been agreed all future job evaluations should be undertaken in accordance with the host authority evaluation schemes.

For the purpose of the financial modelling the above schemes have been used in addition to engaging Hay Job evaluation services to benchmark the values both regionally and nationally. A salary range has therefore been awarded to each of the roles using the bottom and top of six council salaries.

Table.14

| Role | Total Points | Upper Quartile | Median | Lower Quartile |
|----------------------------|--------------|----------------|--------|----------------|
| Senior System Leader | 702 | 67,349 | 59,949 | 54,570 |
| System Leader | 634 | 60,609 | 54,489 | 49,762 |
| Business & Finance Manager | 406 | 42,890 | 38,730 | 34,569 |
| Translator | 240 | 29,470 | 26,137 | 23,583 |
| Administrator | 144 | 22,094 | 19,602 | 17,213 |

10.6 Policies and Procedures

A complete review of policies and procedural differences across the 6 authorities will need to be undertaken. This will need to be carried out by the host authority to ensure that correct policies, procedures and terms and conditions are applied to the employee. There will also need to be a commitment by the new employer to agree a Pay, terms and conditions harmonisation strategy within 3-5yrs of the new service formation, in order to address any equal pay issues in line with legislation.

However for managing the transfer process, there needs to be a common process and policies for:

- **Redeployment**(the process not entitlements such as pay protection);
- **Applications for Premature retirements**(the process not the entitlements);
- **Job matching;**
- **Recruitment and Selection to the new posts;**
- **Redundancy Management**(however in terms of redundancy entitlements the employees current terms and conditions will apply and so consultation will not be required on this aspect);
- The **Sickness Absence Policy;** and
- **Flexi time arrangements.**

These will be developed with the six LAs and unions during February and May 2012.

Socio-economic Profile of the North Wales Local Authorities

The Isle of **Anglesey**⁷ County Council is the smallest authority but one in Wales with population of approximately 69,000. Although the county's population increased by 900 between 1997 and 2007 there has been a reduction the number of children under 10 and of young people 20-30 years of age.

In general, the county, which covers a surface area of 714km², is fairly rural with only four urban centres, namely Holyhead, Llangefni, Amlwch and Menai Bridge. Over 60% of the population (over three years of age) speak Welsh.

Although the county's average weekly wage [£427.90] is marginally above the average for Wales [£425.30], there is a high level of deprivation in parts of the county with 15.3% of the population aged between 16 and 54 being economically inactive.

There are six Communities First wards in the county with four of them in Holyhead and one each in Amlwch and Llangefni. Around 15% of the population is in receipt of housing benefit and council tax benefit and 18.4% of primary school pupils, 14.4% of secondary school pupils and 45.3% of pupils in the special school receive free school meals.

Gwynedd is a rural county with small, scattered settlements and larger urban settlements, including Bangor and Caernarfon in the north, Pwllheli in the west, Porthmadog and Blaenau Ffestiniog in its centre and Tywyn and Dolgellau in the south. Gwynedd's economy is based primarily on agriculture and the services sector. It has substantial areas of economic and social deprivation.

Gwynedd has a low population density. The county covers over 12% of the surface area of Wales but has only approximately 4% of the population. The mid-year estimate for 2010 gave the population of Gwynedd as 119,007. There are approximately 28,135 children and young people aged 0 – 19 years. By 2021, it is anticipated that there will be a reduction of approximately 4% in the under 16 population.

Over 60% of the population of Gwynedd (over three years of age) speak, read and write Welsh, compared with 16% in the rest of Wales. The council's public administration is bilingual and the council seeks to ensure that people have services in their preferred language, be it Welsh or English. As part of the county's education language scheme, the local authority had adopted a bilingual education policy that is implemented in schools throughout the county.

Conwy⁸ is centrally located in north Wales. It has a population of 111,400. In Conwy, 34.3% of people over the age of three speak Welsh compared to the Wales average of 25.6%.

Conwy has the lowest proportion of residents of working age in Wales at 58.7%. Of these, 26.8% are economically inactive, which is slightly lower than the 27.2% across the whole of Wales. Of the working age population in Conwy just under 13% have no qualifications, which is below the Welsh average at 15%.

⁷ ESTYN 'A report on the quality of Isle of Anglesey local authority, November 2009'

⁸ ESTYN 'A report on the quality of local authority education services for children and young people in Conwy County Borough Council - March 2011'

The percentage of Conwy pupils of compulsory school age eligible for free school meals is 18.1%, similar to 18.9% nationally. This level of eligibility is the 11th highest in Wales. Only four of the 71 areas in Conwy are in the 10% most deprived areas within Wales.

Ethnic minorities account for 1.1% of the population, which is lower than the Wales average.

The Welsh Government's Standard Spending Assessment (SSA) for Conwy County Borough Council for 2010-2011 was £1,698 per head of population. This is at the average level across Wales. As in the past, the council set its overall revenue budget at about 98% of SSA, allowing it to maintain very low levels of Council Tax.

Denbighshire⁹ is largely a rural county in North Wales, with a population of 97,000. It contains some of the most prosperous areas within Wales along with some of the most deprived. It covers an area which runs from the North Wales coastal resorts of Rhyl and Prestatyn down through the Vale of Clwyd, south as far as Corwen and Llangollen. Around a quarter of the overall population speaks Welsh but this rises to over 60% in some rural areas.

Service industries and tourism are the main employers in Denbighshire. Together, these groups provide for around 64% of all jobs. Manufacturing provides 13% and agriculture accounts for a further 3%.

Denbighshire has 62.4% of its working-age adults economically active compared with 61.0% for Wales. The proportion of self-employed workers (9.8%) is higher than that in Wales (7.7%). A quarter of the workforce is partly skilled or unskilled. The unemployment rate in the County is 4.2%, compared with 4.3% for Wales as a whole. A high level of seasonal employment is the main cause of the transient school population in one area in Rhyl.

The county of **Flintshire** occupies a unique location in the North East area of Wales, sharing its west border with Denbighshire, south with Wrexham and east and south east border with Cheshire. Most of its north border is bounded by the Dee Estuary. It serves as a main tourist and business gateway between North Wales and England and performs an important role in the economic operation of the North East Wales sub-region. The county is characterised by diversity, and has a significant and prosperous industrial heartland, a mixed pattern of rural, semi-rural and urban settlements the majority of which support a growing population.

According to the Annual Mid Year Population Estimates, the population of Flintshire has grown from 142,036 in 1991 to 149,709 in 2010.

According to the 2001 Census of Population 20,599 people in Flintshire could speak Welsh; this represents 14.4% of the population aged 3 and over compared to the 1991 Census, this is an increase of 2200 more Flintshire residents. Whilst the overall figure for Welsh speakers in Flintshire is 14.4%, several wards in Flintshire contain a higher proportion of Welsh speakers than the national average (20.8%).

According to ONS 71.8% of Flintshire residents are in employment compared to 66.4% in Wales and 70.3% in Great Britain.

Wrexham¹⁰ is located in North East Wales and is bordered by Flintshire to the north west, Denbighshire to the west, Powys to the south and England to the east. The total population is 133,207.

⁹ ESTYN 'A report on the quality of Denbighshire Local Authority, March 2009

¹⁰ ESTYN 'A report on the quality of LAESCYP in Wrexham County Borough Council November 2010'

In Wrexham, 17.6% of people over the age of three have at least one or more skills in the Welsh language (i.e. speaking, reading or writing) compared to the Wales average of 25.6%. Overall 64.3% of the population in Wrexham are of working age. Of these 18.5% are economically inactive, which is significantly lower than the 24.6% across Wales. Thirteen point eight per cent claim some form of Department of Work and Pensions (DWP) allowance. Of those claiming job seekers allowance, 31.3%% are under 25 years of age. This is lower than the 34.2% for Wales.

Of the working population in Wrexham, 11.2% have no qualifications, which is lower than the Wales average of 13.7%.

The percentage of Wrexham pupils of compulsory school age eligible for free school meals is 19%, similar to 18.9% nationally. This level of eligibility is the 10th highest in Wales (PLASC 2010). Only six of the 85 areas in Wrexham are now in the 10% most deprived areas within Wales.

As of 31 March 2010, Wrexham had 100 children being looked after by the authority. There were 119 children on the Child Protection register. Ethnic minorities account for 3.5% of the population, similar to the Wales average.

School Improvement Functions Considered 'In-Scope'**Categories NOT in Scope**

- Athrawon Bro (teachers)
- Flying Start / Foundation Phase / Early Years
- 14-19 Network
- ICT Technical / System Support / MIS
- Healthy Schools / Appetite for Life / ECO
- Active Young People
- PESS
- Inclusion
- Music Service
- Outdoor Education
- PA to the Statutory Chief Education Officer / Head of Service
- Admissions
- HR Casework
- Expressive Arts

Categories IN Scope

- Primary or Secondary Inspector / Advisors
- Subject Advisors
- Literacy / Numeracy Advisors
- School Performance Data Collection/Analysis Officers
- Administrative Staff (see section below)

Administrative Staff

Across the number of administrative staff employed within the School Improvement Department/Service, consider the proportion of time spent directly supporting the categories 'IN scope'. This should be presented as a FTE figure on the collection template, followed by the details of the administrative staff that contribute to the FTE figure.

Criteria for Establishing Individual Staff in Scope

Any member of staff involved in one or more of the activities listed below equating to more than 60% of their time:

1. The deployment, management, recruitment and CPD of School Improvement Professionals (now to be called Systems Leaders).
2. Routine Visits (now to be three per year per School) to Schools to undertake monitoring of a School's Performance.
3. Undertaking and managing interventions in Schools Causing Concern.
4. Thematic Interventions, e.g. concerned with specific, normally Under Achieving, groups of learners (e.g. whose first language is not Welsh or English, ALN, Looked After Children, etc.)
5. Collection, interpretation and dissemination of Schools and Pupil Performance Data to Schools, within the LA, to Elected Members, et al.
6. Provision of reports concerning School Standards and Performance to Elected Members, ESTYN, the Welsh Government and the general public. (Note: it is a statutory

requirement for the LA to provide a commentary upon a School prior to it being Inspected).

7. Commentary upon and approval of a School's Post Inspection Action Plan. (These duties are more demanding in the case of a School which has been placed in a formal category by ESTYN).
8. Attendance at appointments of Headteacher, and routine attendance at appointments other than Headteachers
9. Management of Literacy and Numeracy Strategy and deployment of literacy and numeracy experts and literacy and numeracy CPD programmes.
10. Challenge to Schools only via Systems Leaders on: Leadership, Teaching, Learning, Under Achieving Groups, Attendance, Behaviour, Financial Management, use of Performance and Assessment data, Looked After Children, PLCs and use of resources to support improvement.
11. Support and guidance for NQTs.
12. Leading the development of School to School working.
13. Curriculum support, including subject advice, phase and aspect-specific advice.
14. Delivery of local initiatives.
15. Undertaking the performance management scheme functions and responsibilities.
16. ICT advice and support.
17. Convening and managing theme or phase-specific groups.
18. Professional Development Centres.
19. Undertaking research.

Local Authority Arrangements for Delivering School Improvement Services

Cynnal Company

Cynnal was established back in 1996 by Gwynedd and Ynys Môn to provide support services for schools within the two authorities. Cynnal was registered as a limited company under warranty, and management of the company invested in a Board of Directors, representing the two authorities and their schools.

Cynnal's main objectives are to provide curriculum support services through a team of subject advisors and advisory teachers, and information technology support services through a team of computer and network technicians.

Ynys Mon and Gwynedd commission Cynnal to provide support for school improvement and curriculum functions by a series of service level agreements. In addition, Conwy commissions curriculum support, with other organisations such as ESTYN and Welsh Government commissioning ad hoc services.

Cynnal have a team of officers to deliver the core school improvement functions. A total of 21 members of staff currently spend the majority of their time delivering school improvement functions, equating to 16.75 full time equivalent (FTE). All 21 staff are considered to be in scope (60% >), 1 of whom is on a secondment arrangement. In addition there are 13 members of staff (10.84 FTE) providing support (e.g. administration, translation) with all 13 staff initially in scope.

Within Cynnal there is a total of 33 staff in scope.

The advisory staff in scope currently spend time on other functions equating to 1.65 FTE work. Cynnal will need to review these other functions to consider whether the work can be absorbed by other officers at the Company, or if new posts will need to be developed.

The cost of the time spent on school improvement functions by members of the Cynnal staff, including transport, is £1,605k of which a total £1,192k is charged to Ynys Mon, Gwynedd and Conwy. The full costs of the staff in scope, including transport, is £1,725k.

Ynys Mon

Ynys Mon commission Cynnal to provide support for school improvement functions by a series of service level agreements. Ynys Mon delegates some aspects of the school improvement service, with schools commissioning directly with Cynnal.

The current cost of the service level agreement for school improvement functions with Cynnal is £435k, of which £139k is paid from schools' delegated budgets and £296k is paid from the LA non-delegated budget.

In addition to the support from Cynnal, 4 members of staff within the LA spend some of their time doing school improvement functions equating to 0.95 FTE, with no support staff identified. Ynys Mon will have approximately 0.95 FTE capacity in relation to the percentage of officers' work that will be transferred to the new service. The cost of the time spent on school improvement functions by members of the LA staff is £54k.

Of the 72 advisory staff identified as in-scope (60% or more), none of these are employed by Ynys Mon.

Gwynedd

Gwynedd commission Cynnal to provide support for School Improvement functions by a series of service level agreements. Gwynedd delegates some aspects of the school improvement service, with schools commissioning directly with Cynnal.

The current cost of the service level agreements for school improvement functions with Cynnal is £711k, of which £254k is paid from schools' delegated budgets and £457k is paid from the LA non-delegated budget.

In addition to the support from Cynnal, 7 members of staff within the LA spend some of their time doing school improvement functions equating to 1 FTE, with no support staff identified. Gwynedd will have approximately 1 FTE capacity in relation to the percentage of officers' work that will be transferred to the new service. The cost of the time spent on school improvement functions by members of the LA staff is £68k.

Of the 72 advisory staff identified as in-scope (60% or more), none of these are employed by Gwynedd.

Conwy

Conwy have a team of officers based within the authority to deliver the core school improvement functions. Conwy delegates some aspects of the school improvement service, with primary schools commissioning from the LA, and some of the secondary schools commissioning directly with Cynnal.

A total of 12 members of staff currently spend time delivering school improvement functions equating to 10.13 FTE. Of these, 11 are considered to be in scope (60% >), 1 of whom is on a secondment arrangement. In addition there are 6 members of staff (1.67 FTE) providing support (e.g. administration, translation) with all 6 staff initially in scope.

Within Conwy there is a total of 16 staff in scope.

The advisory staff in scope currently spent time on other functions, equating to 1.15 FTE work. Conwy will need to review these other functions to consider whether the work can be absorbed by other officers, or if new posts will need to be developed.

Conversely, Conwy will have approximately 0.4 FTE capacity in relation to the percentage of officers' work that will be transferred to the new service.

The current cost of school improvement services is £724k, which includes any commissioning for curriculum support from Cynnal and Curriculum Support (CS), to the value of £22k. The influenceable spend in Conwy is £723k, with £311k paid from the LA non-delegated budget and £412k paid from delegated schools' budgets.

Denbighshire

Denbighshire have a team of officers based within the authority to deliver the core school improvement functions.

A total of 25 members of staff currently spend time on delivering school improvement functions equating to 14.01 FTE. Of these, 10 are considered to be in scope (60% >), 2 of whom are on secondment arrangements. In addition there are 6 members of staff (4.65 FTE) providing support (e.g. administration, translation), with all 6 staff initially in scope.

Within Denbighshire there is a total of 14 staff in scope.

The advisory staff in scope currently spent time on other functions, equating to 1.92 FTE work. Denbighshire will need to review these other functions to consider whether the work can be absorbed by other officers, or if new posts will need to be developed.

Conversely, Denbighshire will have approximately 6.53 FTE capacity in relation to the percentage of officers' work that will be transferred to the new service. This amount is higher than the average across the six authorities, as there are 15 employees remaining in their current posts who currently spend up to 50% of their time on school improvement functions. Further analysis of all these post will be required by Denbighshire, with the potential to identify further savings.

The current cost of school improvement services is £1m, which includes commissioning for curriculum support from Curriculum Support (CS), to the value of £21k. The influenceable spend in Denbighshire is £728k. None of this budget is delegated to schools.

Flintshire

Flintshire have a team of officers based within the authority to deliver the core school improvement functions. Flintshire delegates some aspects of the school improvement service, with schools commissioning direct from the LA.

A total of 20 members of staff currently spend time delivering school improvement functions equating to 17.01 FTE. Of these, 17 are considered to be in scope (60% >), 5 of whom are on secondment arrangements. In addition, there are 7 members of staff (5.47 FTE) providing support (e.g. administration, translation), with all 7 staff initially in scope.

Within Flintshire there is a total of 19 staff in scope.

The advisory staff in scope currently spent time on other functions, equating to 1.2 FTE work. Flintshire will need to review these other functions to consider whether the work can be absorbed by other officers, or if new posts will need to be developed.

Conversely, Flintshire will have approximately 1.3 FTE capacity in relation to the percentage of officers' work that will be transferred to the new service.

The current cost of school improvement services is £1,264k, which includes commissioning for curriculum support from Curriculum Support (CS), to the value of £11k. The influenceable spend in Flintshire is £1,122k, of which £990k is paid from the LA non-delegated budget and £132k is paid from delegated schools' budgets.

Wrexham

Wrexham have a team of officers based within the authority to deliver the core school improvement functions.

A total of 22 members of staff currently spend time delivering school improvement functions equating to 11.68 FTE. Of these, 13 are considered to be in scope (60% >), 7 of whom are on secondment arrangements, and 1 post due to become vacant. In addition there are 8 members of staff (4.00 FTE) providing support (e.g. administration, translation), with all 8 staff initially in scope.

Within Wrexham there is a total of 13 staff in scope.

The advisory staff in scope currently spent time on other functions, equating to 0.40 FTE work. Wrexham will need to review these other functions to consider whether the work can be absorbed by other officers, or if new posts will need to be developed.

Conversely, Wrexham will have approximately 2.38 FTE capacity in relation to the percentage of officers' work that will be transferred to the new service. This amount is higher than the average across the six authorities, as there are 9 employees remaining in their current posts who currently spend between 5% and 50% of their time on school improvement functions. Further analysis of these post will be required by Wrexham, with with the potential to identify further savings.

The current cost of school improvement services is £859k. Wrexham does not currently commission any additional support. The influenceable spend in Wrexham is £684k. None of this budget is delegated to schools.

Six Key Functions of a Regional School Effectiveness and Improvement Service¹¹

The 6 functions are as follows:

1. **Supporting LAs to undertake their statutory functions in relation to school effectiveness by:**
 - Monitoring the work and performance of schools on the basis of a range of evidence and reporting on this.
 - Challenging schools on the basis of whole school performance and provision, and in relation to individual learning programmes and pupil support arrangements so as to drive improvement in pupil outcomes.
 - Intervening in the provision made by a school when necessary, and supporting schools in difficulty and those with serious weaknesses.
 - Facilitating the use and interpretation of data to ensure intelligent accountability.

2. **Provide Support for both LAs and Schools (jointly and separately as the case may be) in School Improvement activity by:**
 - Supporting schools to address issues of school effectiveness/improvement and pupil outcomes.
 - Providing advice and support for pedagogy (learning, teaching), leadership and management, and in intelligent accountability and professional development. (Self evaluation, assessment and monitoring).
 - Developing and deploying, on an associate basis, system leaders and progressing proactively the system leadership agenda.
 - Facilitating and supporting where required networking and networks of professional practice.
 - Addressing issues of concern in schools and LAs and supporting schools needing significant improvement.
 - Provide expertise on IT (Curriculum & Pedagogy) and VLE

3. **Specifically undertaking responsibility for the Implementation of SEF and for CIF accountability by:**
 - Providing and developing staff expertise and organisational knowledge in pedagogy and learning.
 - Supporting school self evaluation.
 - Supporting the LAs and schools in exercising their responsibilities in relation to SEF – including improvement in pupil outcomes and their wellbeing.
 - Ensuring that all the activities of a regional service are undertaken in the context of SEF.

¹¹ 'Report on the feasibility and implications of establishing a Regional School Effectiveness and Improvement Service for the six North Wales Local Authorities' Gerson Davies, Independent Consultant, January 2011

- Facilitating the development and work of Professional Learning Communities.
- Providing Support for, and addressing the needs of, Schools Causing Concern.
- Contributing to preparations for Estyn inspection of individual schools and other surveys.
- Making arrangements for continuous professional development through courses, brokerage, collecting and disseminating good practice, and developing a regional Portal.

4. Making provision for the development, maintenance, and review of regional frameworks on a commissioned basis, to include:

- Protocols.
- Operational guidance and documentation.
- Documentation and bulletins.

5. Providing a centre of expertise for MIS service and for the management analysis and interpretation data

6. Provide a specialist centre for Education Management matters and an Education Human Resources Service to provide expertise and advice.

Whilst the responsibilities indicated above provide a framework for the regional service arrangements would need to ensure that the needs of individual authorities and schools were reflected in service provision; this will be the responsibility of the Joint Commissioning Committee. If these functions are to be the responsibility of a regional service then it should not be involved in other activities unless specifically commissioned.

Option Appraisal

Regional School Effectiveness and Improvement Service (RSEIS)

Governance Models

This report covers the following:

1. Methodology
2. Governance Options for the Regional School Effectiveness and Improvement Service
 - 2.1 Governance Arrangements in Relation to Individual Local Authorities and Members
 - 2.2 RSEIS Governance Accountability Model
3. Weighting the Criteria
4. Scoring the Options
5. Conclusions to the Option Appraisal

1. Methodology

The purpose of this report is to consider the Governance options in relation to the development of the Regional School Effectiveness and Improvement Service(RSEIS).

The following stakeholders were involved in this option appraisal:

- NW S151 Officers
- NW ADEW Directors
- NW Legal Officers
- RSEIS Project Team
- NW Regional Education and Other Related Service Board (*membership: Project Sponsor, Executive Members, NW ADEW Directors*)

In June 2011, the Regional Education and Other Related Service Board engaged a Project Team to support the NW ADEW Directors to write an Outline Business Case(OBC) for the development of the new Service. The OBC undertook an initial exercise which considered the various options for Governance, and recognised that further work would need to be undertaken before a decision could be reached.

The NW ADEW Directors commissioned expert legal advice from experts Trowers and Hamlins, which produced two reports on the types of, and benefits / disadvantages of, the various Governance models. A workshop (attended by the Project Team, ADEW Directors and Legal Officers from across the six North Wales Authorities) was then facilitated by Trowers and Hamlins to consider the options in the context of the RSEIS.

During the workshop, the criteria for assessment was developed taking account of the Outline Business Case and feedback from the Executives of the six Authorities.

The exercise of weighting the criteria was undertaken by the NW ADEW Directors.

The Option Appraisal template is a recognised approach of the WLGA, having been tested for use within the public sector.

The following sequence of activities was undertaken:

- the initial draft was considered and developed by the NW Legal Officers, including an attempt at scoring the options against the criterion;
- the full draft was then shared with the NW S151 Officers, who were invited to score the options (without the benefit of seeing the scores assigned by the Legal officers);
- the full draft was then shared with the NW ADEW Directors, who were invited to score the options (without the benefit of seeing the scores assigned by the Legal officers or the S151 Officers); and finally
- the full draft was presented to the NW Regional Education and Other Related Service Board, who considered the previous scoring to agree a final score set, and make a recommendation for the Governance model for the RSEIS.

The recommendation will inform the Full Business Case, which will be presented to the six LA Executive Boards in February 2011.

2. Governance Options for the Regional School Effectiveness and Improvement Service (RSEIS)

Governance is the way in which Local Authorities (LAs) govern, own and hold services to account. There are several legal structures which can be adopted by local authorities to support a shared service arrangement:

- **Secondment** – some LAs would either make available staff to the other council, or it will receive staff from the other.
- **Delegation to One Authority** – functions are delegated by each LA to one of them, which then delivers the functions on behalf of the others.
- **Delegation to a Joint Committee (with a Host Authority)** – functions are delegated by each LA to a Joint Committee with membership from all six LAs.
- **Commercial Contractual Arrangements (Contractual Model)** - one LA provides services to the other public sector bodies in return for payment under the Local Authorities (Goods and Services) Act 1970.
- **Corporate Arrangements (e.g. Company Limited by Guarantee)** – an arms length arrangement would be set up as the ‘corporate vehicle’ to deliver the service. All LAs would need a contract with this corporate vehicle to buy services, and arrangements would need to be in place for ownership and governance.
- **Collaborative Arrangements** – as per the Commercial Contractual Arrangements it involves a robust arrangement between the six LAs, and will avoid procurement obstacles if arrangements are put in place properly.

The initial assessment from Trowers and Hamlins on the options in relation to the project found that:

- ✘ *‘the **Secondment** model would not (in itself) seem to be suited in commercial or legal terms to the proposed arrangement for the transforming education project’.* It would however be a practical option for some specialist staff who would be delivering discrete services (Extended Team). Whilst it avoids procurement implications, is well understood, and can be a useful alternative to staff transfer - its application is generally limited and is more suited to short-term projects, rather than as a means of delivering shared services.
- ✘ the option to **Delegate to Another Authority** is *‘unlikely to be attractive for political and practical reasons’.* Although it is well known in local government, is able to avoid procurement rules, and clear statutory powers exist to facilitate such an arrangement – it can be politically difficult if involving front-line services, relies heavily on trust and involves transferring funds rather than getting a payment for a service, which may lack accountability.
- ✓ *‘a **delegation** by all six LAs to a **Joint Committee** constituted under Section 102 (of the Local Government Act 1972) would be more attractive than a delegation from one authority to another’,* but would require a Host Authority to employ staff and enter into contracts, as a Joint Committee is unable to do this.

The initial assessment recognised that it has the same advantages as delegating to another authority (being well known in local government, able to avoid procurement rules, and clear statutory powers exist to facilitate such an arrangement), but can also provide equality between LAs and political transparency.

The disadvantages are similar to delegating to another authority (that it relies heavily on trust and involves a transfer of funds), but also recognises that balanced representation can be difficult, and constitutional arrangements must be thoroughly set out from the offset.

- ✘ the option of a **Contractual Model** was also considered not to be '*suited in commercial or legal terms to the proposed arrangement for the transforming education project*'. The main issue is that most contracts will be caught by the procurement rules, which will prevent a direct award of a contract to another LA without testing the market.
- ✓ '**Corporate Arrangement** (e.g. *Company Limited by Guarantee*) as the delivery vehicle could be effective through a number of different structures, with no one model having a stronger legal case than another'.

The advantage to this model is the flexibility it provides in the management of the Service, with potential for a new culture, less bureaucracy and quicker decision making than the public sector. The corporate vehicle can employ its own staff, trade and enter into contracts.

However, the Corporate Arrangement is less straightforward than all the other models. If a corporate model is to be chosen, a deeper analysis of matters relating to risk and finance (including tax) needs to be undertaken. A corporate model needs to be constituted and run so that it is able to be exempt from procurement requirements (Teckal), with LAs being the controlling shareholders. A corporate vehicle will have articles of association which sets out its power and objects, and a shareholders agreement and contracts will need to be in place with each LA.

- ✘ '**Collaborative Arrangement** model would not seem to be suited in commercial or legal terms to the proposed arrangement for the transforming education project'.

This is an emerging concept relying on the case of *Commission v Germany* which confirmed a genuine collaborative arrangement would not need to be formally tendered.

Whilst this can work well for two authorities who wish to deliver a service without the route of formal delegation or contracts, as the numbers grow it becomes more difficult to tie down the arrangements. When working to deliver a clear set of functions across six LAs, there needs to be some formality to the arrangements.

2.1 Governance Arrangements in Relation to Individual LAs and Members

Implementation of the proposal to establish a regional service does not dilute the role and responsibilities of individual LAs in relation to school effectiveness and improvement. The statutory responsibilities continue to apply to the LAs. The following statements are true for all the models:

- the regional service will be in the ownership of the six LAs;
- monitoring of the way the service carries out the functions will be with the Joint Committee / Limited Company Members appointed by LAs, whose membership will include; portfolio holders, the individual Directors of Education/Chief Education Officers of the six LAs, and schools;
- the Joint Committee / Limited Company Members ensure the LA requirements are met through the functions and responsibilities delivered by the Service;
- individual LAs will still need to monitor and scrutinise the services received through regular monitoring involving their scrutiny and other relevant political processes; and
- Scrutiny Committees would have the opportunity to request specific reports on matters relating to school effectiveness over and above the service operational arrangements.

These arrangements ensure that political accountability remains with local members. In fact, there is opportunity for any of the governance models to strengthen local accountability by ensuring that local members become advocates for children and champions for community needs.

2.2 RSEIS Governance Accountability Model

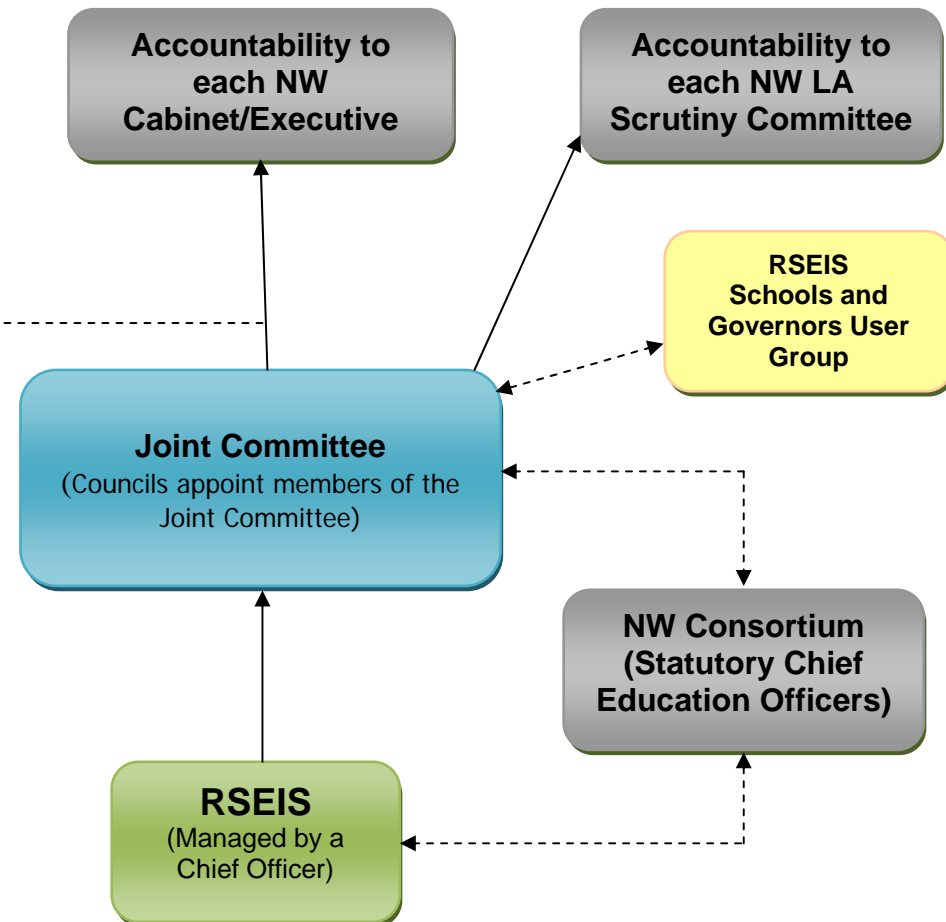
The following model shows the accountability relationship between the Local Authority and the RSEIS.

Local Accountability

- Each local authority(LA) will commission (buy) the service from the collaborative RSEIS organisation
- The LA retains power to negotiate the service level agreement / contract with the RSEIS or delegation arrangements with schools, which may require local variation
- The LA Chief Education Officer retains the statutory responsibility for the delivery of the functions with the support of the Executive Member
- The Joint Committee are accountable to the council as a whole
- The LA Chief Education Officer and Executive Member will ensure that the service meets the needs of their schools

Regional / Collective Accountability

- Achieved through a *Joint Committee with a Host Authority* model
- Councils can appoint members of the Joint Committee, who can be Members and otherwise
- Joint Committee members need to put the interests of the collaborative entity first to manage the 'whole service', focusing on the 'collective' interests
- The Joint Committee will oversee management of the RSEIS, with the support of the NW Consortium in their role as Educational Specialists responsible for driving standards
- The Joint Committee are accountable to the council as a whole, with Joint Committee members accountable to their own LA council and scrutiny members
- The RSEIS Chief Officer will be responsible to the Joint Committee
- The Joint Committee will receive support and challenge from the '*RSEIS Schools and Governors User Group*'



3. Weighting the Criteria

The criteria for the option appraisal are listed below. The NW ADEW Directors have considered their relative importance by distributing 100 points between them.

Table 1

| Governance Models – Criteria <i>(further definitions where necessary are in Table 2 below)</i> | | Points Awarded |
|---|--|-----------------------|
| 1 | Strategic Fit | |
| 1.1 | Enables the transfer of the Key Functions (4 of the 6) into the new Service | 6 |
| 1.2 | Must be able to support the core principle of delivering on local and national Welsh language strategies to develop and increase excellence in pedagogy and Welsh medium/bilingual education in communities across North Wales | 6 |
| 2 | Value for Money | |
| 2.1 | Enables the realisation of Objective 2 <i>‘to identify savings through the delivery of a regional School Effectiveness and Improvement Service of 10% of North Wales expenditure’</i> | 6 |
| 2.2 | Must have the potential for future savings | 4 |
| 2.3 | Enables the realisation of the Key Aims of the Outline Business Case | 6 |
| 2.4 | Must not have unaffordable <i>Pensions Deficit</i> costs | 4 |
| 2.5 | Must not have unaffordable start-up staffing costs e.g. relocation, redundancy | 4 |
| 2.6 | Must not have unaffordable start up ICT costs | 4 |
| 2.7 | Must have the ability to take advantage of VAT exemption | 3 |
| 3 | Deliverability | |
| 3.1 | Enables the realisation of Objective 1 – <i>‘to be delivering the School Effectiveness and Improvement Service under the regional arrangements across the six North Wales Authorities, by September 2012’</i> | 6 |
| 3.2 | Must limit bureaucracy | 3 |
| 3.3 | Must be able to employ staff | 6 |
| 3.4 | Must be able to contract | 3 |
| 3.5 | Must be able to trade | 3 |
| 4 | Sustainability | |
| 4.1 | Must have the ability to grow and change | 6 |
| 4.2 | Must be able to secure appropriate support services (e.g. legal, finance, HR) | 6 |
| 5 | Acceptability | |
| 5.1 | Must be able to alleviate tensions with key stakeholders (Schools and their Governing Bodies) | 6 |
| 5.2 | Must be acceptable to regulators (e.g. ESTYN, WLGA, WG) | 6 |
| 5.3 | Must be likely to receive Political buy-in | 6 |
| 5.4 | Must have staff buy-in or the potential to overcome staff opposition | 6 |
| Total | | 100 |

Table 2 – Definitions for Table 1

| | |
|-----|---|
| 1.1 | <p>The 4 of the 6 Key Functions in scope for this project are:</p> <ul style="list-style-type: none"> ▪ supporting LAs to undertake their statutory functions in relation to school effectiveness; ▪ provide support for both LAs and Schools (jointly and separately as the case may be) in School Improvement activity; ▪ specifically undertaking responsibility for the Implementation of SEF and for CIF accountability; ▪ making provision for the development, maintenance, and review of regional frameworks on a commissioned basis; |
| 2.3 | <p>The Key Aims are:</p> <ul style="list-style-type: none"> ▪ implement the national School Effectiveness Framework to raise standards and improve wellbeing by reducing variance within and between schools and local authorities, whilst taking account of local need; ▪ respond to the Estyn inspection regime, which has raised the bar and emphasised partnership working in its revised inspection criteria; ▪ identify efficiency savings; and ▪ provide a foundation that allows future regionalisation of other/linked Education services e.g. Inclusion |
| 2.4 | Need to give consideration here to the potential impact on Cynnal with respect to their company status |
| 4.1 | Does the model allow for additional (Education and Non-Education) Services to be brought into scope? |
| 5.1 | Is it capable of having Schools as formal Stakeholders, what is the potential level of impact on LA staff 'in-scope'? |
| 5.3 | Political buy-in needs to be at both a Local and National level - must limit the liability for any one, or all of the six North Wales authorities |

4. Scoring the Option

- The weightings have been transferred into the 'Agree Weightings' column.
- Each option has been awarded a score of between 0 and 3 and entered in the column 'Raw Score'.
- The 'Raw Score' has been multiplied by the 'Agreed Weightings' score to give the weighted score.

3 – Meets all of the criteria
 2 – Meets some but not all of the criteria
 1 – Meets some of the criteria
 0 – Does not meet the criteria

Based on the initial assessment by Trowers and Hamlins (section 2), the Governance Models that will be considered in this option appraisal are a 'Joint Committee with a Host Authority' and a 'Company Limited by Guarantee'.

Table 3 (reference to Table 1)

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|---|------------------|---|----------|--------------------------------------|----------|--|
| | | | Raw | Weighted | Raw | Weighted | |
| 1.1 | Enables the transfer of the Key Functions (4 of the 6) into the new Service | 6 | 3 | 18 | 3 | 18 | <p>Both options can deliver the four functions with stipulations in the agreement. In addition:</p> <p>Option A</p> <ul style="list-style-type: none"> ▪ Staff will transfer under TUPE to a Host Authority ▪ Each Authority can delegate their functions to the Joint Committee ▪ Third parties can sit on a Joint Committee (e.g. School Governors or Headteachers) ▪ Requires a great level of trust and goodwill between the partners ▪ Measures need to be in place to prevent imbalance ▪ The Authorities will enter into a delegation agreement, including the constitutional arrangements for the Joint Committee <p>Option B</p> <ul style="list-style-type: none"> ▪ Staff will transfer under TUPE to the Company ▪ Company can enter into contracts in its own name ▪ Local Authorities cannot delegate their functions to a Company ▪ Board of Directors can be made up of Local Authority members, others or a mixture of both |

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|--|------------------|---|----------|--------------------------------------|----------|---|
| | | | Raw | Weighted | Raw | Weighted | |
| 1.2 | Must be able to support the core principle of delivering on local and national Welsh language strategies to develop and increase excellence in pedagogy and Welsh medium/bilingual education in communities across North Wales | 6 | 3 | 18 | 3 | 18 | <p>Option A</p> <ul style="list-style-type: none"> This can be one of the stipulations when the Joint Committee is set up <p>Option B</p> <ul style="list-style-type: none"> This can be one of the stipulations through a Shareholder's Agreement |
| 2.1 | Enables the realisation of Objective 2 'to identify savings through the delivery of a regional School Effectiveness and Improvement Service of 10% of North Wales expenditure' | 6 | 3 | 18 | 3 | 18 | <p>Both options will incur costs related to branding, leaving costs, office accommodation, TUPE and general on-costs (all considered as part of the FBC).</p> <p>Option A</p> <ul style="list-style-type: none"> Virtually no start up costs for the Joint Committee itself <p>Option B</p> <ul style="list-style-type: none"> Start up cost for registering the Company – nominal Structure will be free of local authority terms and conditions and more easily able to bring about further efficiencies |
| 2.2 | Must have the potential for future savings | 4 | 2 | 8 | 3 | 12 | <p>Both options allow other LA Services to join and sell to the public sector (e.g. further and higher education).</p> <p>Option A</p> <ul style="list-style-type: none"> A Joint Committee is not able to trade with the private sector <p>Option B</p> <ul style="list-style-type: none"> Has the ability to trade and generate profit (depending on model chosen) |

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|---|------------------|---|----------|--------------------------------------|----------|--|
| | | | Raw | Weighted | Raw | Weighted | |
| 2.3 | Enables the realisation of the Key Aims of the Outline Business Case | 6 | 3 | 18 | 3 | 18 | <p>Both options allow other LA Services to join and sell to the public sector (e.g. further and higher education), and both respond to Estyn inspection regime which has emphasised partnership working in its revised inspection criteria.</p> <p>Option A</p> <ul style="list-style-type: none"> A Joint Committee would reduce variances within and between schools and LAs, allowing more flexibility to respond to changing local needs Rationalisation of staff would increase efficiency <p>Option B</p> <ul style="list-style-type: none"> A Company would reduce variances within and between schools and LAs. However, whilst it would be more difficult to change the contract and anticipate future need - this should be surmountable by shareholder control Rationalisation of staff would increase efficiency |
| 2.4 | Must not have unaffordable Pensions Deficit costs | 4 | 2 | 8 | 0 | 0 | <p>Both options will have a pensions deficit evaluation which will need to be paid back over a number of years. The contribution rate towards the past service deficit:</p> <p>Option A</p> <ul style="list-style-type: none"> May be lower due to a more favourable pay-back arrangement (similar to current LAs) <p>Option B</p> <ul style="list-style-type: none"> May be higher due to a more restrictive pay-back arrangement (as a company in its own right) |
| 2.5 | Must not have unaffordable start up staffing costs in relation to relocation, redundancy and culture of the new service | 4 | 2 | 8 | 2 | 8 | <p>Start up costs in relation to relocation and redundancy would be the same for both Options, with any variance being due to the delivery model, rather than the Governance model.</p> |

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|--|------------------|---|----------|--------------------------------------|----------|---|
| | | | Raw | Weighted | Raw | Weighted | |
| 2.6 | Must not have unaffordable start up ICT costs | 4 | 2 | 8 | 1 | 4 | <p>There would be considerable start up and ongoing ICT costs for both options</p> <p>Option A</p> <ul style="list-style-type: none"> A Host(s) LA would be able to provide ICT support to the Joint Committee, offering the opportunity to reduce both start-up and ongoing costs <p>Option B</p> <ul style="list-style-type: none"> Any LA would be unable to support the Company if there was a conflict of interest - ICT would need to be procured in the private sector, which may double the start-up and ongoing costs to that of a Joint Committee |
| 2.7 | Must have the ability to take advantage of VAT exemption | 3 | 2 | 6 | 0 | 0 | <p>Option A</p> <ul style="list-style-type: none"> If a joint committee remained within the VAT registration of one of the parent local authorities as an accounting body (not unusual, but technically would require HMRC approval), then the VAT on the “exempt-related” purchases of the joint committee would be within the “de-minimis” limits for Partial Exemption. <p>Option B</p> <ul style="list-style-type: none"> With a company limited by guarantee in this context, because the majority of its income will come from the provision of education and closely related services (exempt from VAT), it is not permitted to recover VAT on any purchases/overheads which relate to those services. |
| 3.1 | Enables the realisation of Objective 1 – ‘to be delivering the School Effectiveness and Improvement Service under the regional arrangements across the six North Wales Authorities, by Sept2012’ | 6 | 3 | 18 | 3 | 18 | <p>Option A</p> <ul style="list-style-type: none"> The timetable can be achieved <p>Option B</p> <ul style="list-style-type: none"> The timetable can be achieved |

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|------------------------------|------------------|---|----------|--------------------------------------|----------|---|
| | | | Raw | Weighted | Raw | Weighted | |
| 3.2 | Must limit bureaucracy | 3 | 2 | 6 | 2 | 6 | <ul style="list-style-type: none"> ▪ Option A ▪ A Joint Committee(JC) sits between each Council and the service and has its functions delegated to it by each Authority ▪ The JC members would still need to report back to each Authority through scrutiny ▪ Extent of delegation would be granted by each Authority's Cabinet/Executive ▪ The Authorities would enter into a delegation and Joint Committee agreement, which would include measures for recompense for the Host Authority for staff, accommodation etc. ▪ JC can delegate day to day functions to the Head of Service or to sub-committees <p>Option B</p> <ul style="list-style-type: none"> ▪ The Company is independent of the LAs ▪ It is possible for the LAs to set up a Joint Committee to oversee the work of the Company so that shareholder control is managed collectively, but this adds a layer of bureaucracy ▪ Each LA would have to have a contract with the Company ▪ The Company would report back to each LA and there would be a Shareholders Agreement underpinning their relationship |
| 3.3 | Must be able to employ staff | 6 | 3 | 18 | 3 | 18 | <p>Option A</p> <ul style="list-style-type: none"> ▪ JC cannot employ staff – this has to be done through the Host Authority <p>Option B</p> <ul style="list-style-type: none"> ▪ Company can employ staff direct |
| 3.4 | Must be able to contract | 3 | 3 | 9 | 3 | 9 | <p>Option A</p> <ul style="list-style-type: none"> ▪ JC cannot enter into contracts – this has to be done through the Host Authority <p>Option B</p> <ul style="list-style-type: none"> ▪ Company can enter into contracts |

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|--|------------------|---|----------|--------------------------------------|----------|---|
| | | | Raw | Weighted | Raw | Weighted | |
| 3.5 | Must be able to trade. | 3 | 2 | 6 | 3 | 9 | <p>Option A</p> <ul style="list-style-type: none"> No opportunity to trade outside the public sector <p>Option B</p> <ul style="list-style-type: none"> Has the ability to trade, subject to satisfying provisions in Section 95 Local Government Act 2003 |
| 4.1 | Must have the ability to grow and change | 6 | 3 | 18 | 3 | 18 | <p>Option A</p> <ul style="list-style-type: none"> Has the flexibility to grow and to be a stepping stone for another model if appropriate i.e. if successful and wanting to trade then it can become a Company later on <p>Option B</p> <ul style="list-style-type: none"> Can grow and change with little formality – a very flexible format |
| 4.2 | Must be able to secure appropriate support services (e.g. legal, finance, HR) | 6 | 3 | 18 | 3 | 18 | <p>Option A</p> <ul style="list-style-type: none"> The Host LA would be able to provide Support Services to the Joint Committee – agreeing the Host Authority will need a process for identification. <p>Option B</p> <ul style="list-style-type: none"> Any LA would be unable to support the Company if there was a conflict of interest - Support Services would need to be procured in the private sector |
| 5.1 | Must be able to alleviate tensions with key stakeholders (Schools and their Governing Bodies) <i>(For School Improvement Officers and Unions see 5.4)</i> | 6 | 3 | 18 | 3 | 18 | <p>Option A</p> <ul style="list-style-type: none"> Outside bodies can have members sitting on a JC <p>Option B</p> <ul style="list-style-type: none"> Outside bodies can have members sitting on a Board of Directors of a Company in LA control Entirely new Body may have a new culture and identity that stakeholder will need to adjust to |

| Governance Models – Criteria | | Agreed Weighting | Option A Joint Committee with a Host Authority | | Option B Company Ltd by Guarantee | | Contributing Factors <i>(obtained from LA Legal Representatives)</i> |
|------------------------------|--|------------------|---|----------|--------------------------------------|----------|--|
| | | | Raw | Weighted | Raw | Weighted | |
| 5.2 | Must be acceptable to regulators (e.g. ESTYN, WLGA, WG) | 6 | 3 | 18 | 3 | 18 | <p>Both options respond to Estyn inspection regime which has emphasised partnership working in its revised inspection criteria.</p> <p>Option A</p> <ul style="list-style-type: none"> A creature of Local Government subject to LA rules <p>Option B</p> <ul style="list-style-type: none"> Outside the Local Government regulatory field – but there is strong evidence of acceptability e.g. Cynnal |
| 5.3 | Must be likely to receive Political buy-in | 6 | 2 | 12 | 1 | 6 | <p>Option A</p> <ul style="list-style-type: none"> A well-known and familiar concept LAs other than the Host Authority may fear loss of power/input but it is the JC not the Host Authority who controls the service and balancing controls can be built into the agreement. <p>Option B</p> <ul style="list-style-type: none"> Often a fear about setting up a Company although this can be a good way of maximising the potential of the service particularly if there are trading opportunities Potential personal liability for Directors of the company although insurance should be taken out and indemnities given Potential conflict of interest between Members sitting as Directors versus Members sitting as Councillors |
| 5.4 | Must have staff buy-in or the potential to overcome staff opposition | 6 | 2 | 12 | 1 | 6 | <p>Option A</p> <ul style="list-style-type: none"> Staff and Unions will probably prefer an option where they remain employed by the LA and remain in the LGPS <p>Option B</p> <ul style="list-style-type: none"> Likely to result in opposition due to perceived worries about pay, conditions, pensions etc |

5. Conclusions to the Option Appraisal

| | Option A Joint Committee with a Host Authority | Option B Company Ltd by Guarantee |
|--------------------------------|--|---|
| Totals (weighted score) | 263 | 240 |

Based on the findings of this option appraisal, **the recommendation by the Education and Other Related Services Board is that a 'Joint Committee with a Host Authority' is adopted as the governance model for the Regional School Effectiveness and Improvement Service.**

In the context of the regional service being developed, the main disadvantages (scoring 0 - does not meet the criteria) associated with a 'Company' model are in relation to:

- the pensions deficit - whilst both options will have a pensions deficit evaluation which will need to be paid back over a number of years, the contribution rate towards the past service deficit may be unaffordable due to a more restrictive pay-back arrangement as a company in its own right (based on an actuary evaluation on estimated data); and
- the ability to take advantage of VAT exemption - with a company limited by guarantee in this context, because the majority of its income will come from the provision of education and closely related services (exempt from VAT), it is not permitted to recover VAT on any purchases/overheads which relate to those services.

It was also recognised that:

- the initial set-up and ongoing costs relating to ICT for the service under a company model would be double that of a Joint Committee with a Host authority, requiring support to be procured in the private sector (there being a conflict of interest in the case of an LA providing this support);
- political buy-in would be unlikely in the Company model when considering the potential personal liability for Directors of the company (although insurance should be taken out and indemnities given), and the potential conflict of interest between Members sitting as Directors versus Members sitting as Councillors; and
- staff buy-in would be unlikely in the Company model with staff preferring an option where they remain employed by the LA and remain in the LGPS, and likely to result in opposition from staff and their unions due to perceived worries about pay, conditions, pensions etc.

Overview of the Pension Issues for the RSEIS

1. Estimated Contribution Rates for RSEIS

The Actuary for the Gwynedd Pension Fund has provided an initial estimation of the potential pension deficit and pension contribution rate for the new regional service. The information provided to the actuary to base this estimation was limited and the conclusions made can only be an indication of the potential rates as the actual employee information will not be known until the HR process has been implemented.

Option 1: Fully Funded Approach (the pension deficit remain with the current employer)

The RSEIS would have no initial deficit and the employer's contribution rate is the 'future service' rate with no past service adjustment.

Option 2: Share of Deficit Approach (the pension deficit transfers to the new regional service)

The total contribution rate includes both a 'future service' rate and a 'past service adjustment' rate. The 'past service adjustment' rate is dependant on the overall value of the past service adjustment and the 'spreading period'. The 'spreading period' will be determined based on the perceived risk of the new employer. The riskier the employer is deemed to be, the shorter the deficit spreading period.

The financial modelling for RSEIS has included the estimates on the basis of option 2 with a 'Share of Deficit Approach' based on the spreading period normally allowed for a Local Authority (past service adjustment 'spread' over 20 years). If the governance model is a company model the rate could be substantially higher, dependant on the determined spreading period (e.g. past service adjustment 'spread' over 8 or 10 years). The overall amount of past service adjustment is the same in all circumstances; it is the spreading period which creates a variance in affordability between the governance models.

2. Current Pension Arrangements

Employees with the 6 LAs and Cynnal have opted-in to the relevant employer's pension scheme

- Gwynedd Pension Fund
- Clwyd Pension Fund
- Teachers' Pension Scheme (exceptions)

Gwynedd, Ynys Mon, Conwy and Cynnal Company are employers with the Gwynedd Pension Fund, and Flintshire, Denbighshire and Wrexham are employers with the Clwyd Pension Fund. The new regional service will request to be an admitted body with one of these 2 funds, under the Local Government Pension Schemes (LGPS). On transfer to the new regional service the staff will start to contribute to that pension fund, via their new employer.

3. Admitted body of pension fund

If the regional service operates with a host authority, the pension fund would be the same as that of the host authority. The host authority would need an agreement with the 5 other LAs that the regional service should be treated as a separate entity to the host authority and to have discrete actuarial reports and employer's contribution rate.

If the regional service is set up as a company, it would need to request to become an admitted body under the LGPS in either the Gwynedd or the Clwyd Pension Fund.

4. Valuation of transferring staff's pension deficit

The pension fund will make a valuation with regards to all the staff transferring from their previous employer to the new admitted body. This value will depend upon individual staff's age and service, but will primarily depend upon market factors (bond yields, etc) at the time of transfer.

Existing pension deficit for each current employer (6 LAs and Cynnal)

The pension fund currently makes a triennial valuation of the pension deficit for each admitted body within the pension fund and sets the contribution rate for the 3 years subsequent to the valuation to reflect the individual characteristics of each employer. The pension deficit is not created due to staff transferring to another employer, but it requires a valuation at point of transfer.

Options for the treatment of the pension deficit evaluated for the regional service

Option 1: Fully Funded Approach (the pension deficit remain with the current employer)

- The overall pension deficit for the employer would remain unchanged.
- Existing employer could voluntarily pay amount of the pension deficit to the pension fund and crystallise the amount within the authority accounts, with regard to the staff transferring.
- If the existing employer chooses not to crystallise the amount this would be reflected within the next valuation of the pension fund. There would be fewer staff from which to recoup the deficit in contributions which could lead to a higher contribution rate for the employer.

Option 2: Share of Deficit Approach (the pension deficit transfers to the new regional service)

- The actuary for the pension fund would make a valuation with regard to the regional body to assess the required contribution rate to reflect both the future service contribution and the past service deficit.

Pension fund valuation of employer's contribution rate

Employers' contributions to a LGPS fund are set as to 'secure the fund's solvency', whilst the actuary must also have regard to the desirability of maintaining as nearly constant a rate of contribution as possible (over time) and at reasonable cost.

Separate employer contribution rates are assessed by the actuary for each participating employer. The rates are assessed taking into account the experience and circumstances of each employer, following a principle of no cross-subsidy between the distinct employers in the fund. In attributing the overall investment performance obtained on the assets of the fund to each employer a pro-rata principle is adopted.

The rate for a local authority may reflect a recoupment of past service deficit over a 20 year period whilst the regional service (if the governance model is a company) may be assessed to reflect recoupment over 8 or 10 years. This is generally assessed in terms of the average 'remaining working lifetime' of the employees of the admitted body.

New recruitment of staff will impact on the regional service

A pension deficit valuation is made on each recruitment whereby the past service deficit transfers from the existing employer to the new employer. The regional service may be particularly vulnerable to pension deficits by new recruitment with a high possibility of recruitment requiring expensive “club” transfers from the Teachers’ Pension Scheme (TPS) to the LGPS.

5. Teachers’ Pension Scheme (TPS)

The TPS is a contributory scheme administered by Teachers’ Pensions (TP) on behalf of the Department for Education (DfE). It is a defined benefit ‘final salary’ scheme. It is a statutory scheme subject to the Teachers’ Pensions Regulations (1997).

When a member of staff transfers from the TPS to the LGPS there is a valuation of pension deficit and arrangements made for a ‘club transfer’. The TPS evaluates the pension contributions that have been paid into the scheme and will transfer these to the LGPS fund. The LGPS fund will receive the contributions paid e.g. over 20 years but will also inherit the accrued pension rights over the 20 years. The accrued pensions’ rights will be higher than that already paid in contributions (particularly where employees’ salaries have increased over their careers with increments and promotions) and therefore there is a pension deficit on transfer.

6. Local Government Pension Schemes (LGPS)

The LGPS is a defined benefit final salary scheme under which the benefits are specified in the governing legislation (the Local Government Pension Scheme Regulations). The required levels of employee contributions are specified in the Regulations. Employer contributions are determined in accordance with the Regulations which require that an actuarial valuation is completed every 3 years.

The funding of defined benefits is by its nature uncertain and is based on both financial and demographic assumptions. When actual experience is not in line with the assumptions adopted a surplus or shortfall will emerge at the next actuarial assessment and will require a subsequent contribution adjustment to bring the funding back in line with the target. The last actuarial valuation was in March 2010. The next valuation will evaluate the impact of the recent economic crisis on the financial markets and pension funds’ overall investment performance.

The fund will have an investment strategy together with an aim to generate returns to meet future pension liabilities and contribute towards repaying the current deficit. Ideally, the return on the investments within the fund would fund a significant proportion of the pension liabilities, rather than the employee and employer contributions.

Deficit Recovery Plan

Where the assets of the scheme relating to an employer are less than the funding target at the actuarial valuation date, a recovery plan is put in place, which requires increased contributions from the employer to meet the shortfall.

The following factors may determine the actual recovery period to apply for any particular employer:

- The size of the funding shortfall (proportionate to employers’ payroll).
- The business plan of the employer (quality of MTFP and business prospects).
- The security of future income streams (certain for tax raising bodies).
- Any contingent security (e.g. guarantee or bond).
- Length of expected period of participation in the fund (demographic profile of staff and HR policies).

RSEIS Delivery Model

APPENDIX 7

| | Days |
|---|---------------|
| School Visits (all schools – 466 inc N, P, Sec, Spe) 6 days allocation per school: 3 regular visits 3 days planning and preparation (including Performance Management) | 2796 |
| Schools Requiring Additional Support * | |
| - Targeted Support (based on pro-active school profiling) : 388 schools 20% = 10 days x 78 schools = 780 19% = 6 days x 74 schools = 444 6% = 16 days x 23 schools = 368 | 1592 |
| - Post Inspection : Estyn Monitoring = 16 x 10 days (160 days) LA Monitoring = 15x 6 days (90 days) Significant Improvement/Special Measures = 5 x 32 days (160 days) | 410 |
| Pre-Inspection Review (inc. pre-inspection report) * 9 Secondary schools x 10 'person' days (90 days) 67 Primary schools x 3 'person' days (201 days) 2 Special schools x 10 'person' days (20 days) | 311 |
| Total Days Support Required from the RSEIS | 5109 |
| School Contact Days Based on 195 school days (inc training days) Minus 20 days (accumulative) to account for 5 days each side of the summer and Christmas holidays Minus an average of 3 days sickness leave | 172 |
| Number of System Leaders Required for the RSEIS | 30 FTE |

* Number of days is an average requirement, allowing flexibility for more or less as required

Notes:

- 1 Based on the ESTYN 6 year rolling programme, 466 total NW schools / 6 = an average 78 schools each year will be inspected.
- 2 During the period September 2010 (start of the new ESTYN arrangements) to October 2011.
 - 20% (or 13 schools) were in the category of ESTYN Monitoring
 - 19% (or 12 schools) were in the category of Local Authority Monitoring
 - 6% (or 4 schools) were in the category of Significant Improvement (3) or Special Measures(1)
- 3 Based on the one year snap shot (Note 2) and the estimated 78 schools inspected in one year (Note 1)
 - 20% (or 16 schools) may be in the category of ESTYN Monitoring
 - 19% (or 15 schools) may be in the category of Local Authority Monitoring
 - 6% (5 schools) may be in the category of Significant Improvement or Special Measures
- 4 The number of 'person' days support required in one year allocated to each category is based on LA experience
 - Estyn Monitoring = 10 days
 - LA Monitoring = 6 days
 - Significant Improvement / Special Measures = 16 days x 2 (schools remain in this category for a period of 2 years)
- 5 In this period a total of 64 schools were inspected out of a total of 466 (N, P, Sec, Spe)
 - 2 Nursery
 - 399 Primary
 - 55 Secondary
 - 10 Special
- 6 Based on Note 1 - this leaves 388 schools, of which it is anticipated that
 - 20% will require additional support to address issues equivalent to the level of Estyn Monitoring follow up,
 - 19% will require additional support to address issues equivalent to the level of LA Monitoring follow up,
 - 6% will require additional support to address issues equivalent to the level of Significant Improvement / Special Measures follow up.

APPENDIX 8

Cost of Tier 2 - RSEIS

| Employee Costs | Chief Officer | Snr System Leader | System Leader (SL) | Translator | Admin | Business manager | Total |
|---|----------------|-------------------|--------------------|----------------|----------------|------------------|------------------|
| 1 Number of posts | 1 | 4 | 26 | 2 | 7 | 1 | 41 |
| 2 Employee Cost - Salary | 86,000 | 60,609 | 56,000 | 29,470 | 22,094 | 42,890 | 297,063 |
| 3 Salary On-cost | 0.417 | 35,862 | 25,274 | 12,289 | 9,213 | 17,885 | 123,875 |
| 4 Employee Cost | 121,862 | 85,883 | 79,352 | 41,759 | 31,307 | 60,775 | 420,938 |
| 5 Total Employee Cost | 121,862 | 343,532 | 2,063,152 | 83,518 | 219,150 | 60,775 | 2,891,989 |
| Employee Related Costs | per employee | per SL | per premises | per service | | | |
| 6 Training | 100 | 300 | | | | | 13,100 |
| 7 Broadband Allowance | | 332 | | | | | 9,960 |
| 8 Medical | 20 | | | | | | 820 |
| 9 Insurance | 20 | | | | | | 820 |
| 10 Total Employee Related | 140 | 632 | - | - | | | 24,700 |
| Premises Related Costs | per employee | per SL | per premises | per service | | | |
| 11 Number of Premises | | | 1 | | | | |
| 12 Repair & Maintenance | | | 500 | 2,000 | | | 2,500 |
| 13 Rent | | | 5,000 | 22,000 | | | 27,000 |
| 14 NNDR (Business Rates) | | | 1,000 | 7,000 | | | 8,000 |
| 15 Utilities: Water | | | 400 | 1,600 | | | 2,000 |
| 16 Utilities: Electricity/Gas | | | 900 | 4,800 | | | 5,700 |
| 17 Building Cleaning | | | 500 | 2,500 | | | 3,000 |
| 18 Window Cleaning | | | 100 | 100 | | | 200 |
| 19 Waste Removal | | | 100 | 200 | | | 300 |
| 20 Insurance | | | 100 | 800 | | | 900 |
| 21 Total Premises costs | - | - | 8,600 | 41,000 | | | 49,600 |
| Transport Related Costs | per employee | per SL | per premises | per service | | | |
| 22 Essential User Posts | | 1,239 | | | | | 37,170 |
| 23 Essential Mileage | | 3,700 | | | | | 111,000 |
| 24 Casual Mileage | 1,000 | | | | | | 41,000 |
| 25 Allowances for Board Members | | | | 1,200 | | | 1,200 |
| 26 Total Transport Costs | 1,000 | 4,939 | - | 1,200 | | | 190,370 |
| Supplies & Services | per employee | per SL | per premises | per service | | | |
| 27 Office: Equipment & Furniture | 50 | | 500 | | | | 2,550 |
| 28 Office: Printing & Photocopying | 50 | | 2,500 | | | | 4,550 |
| 29 Office: Stationery | 50 | | | | | | 2,050 |
| 30 Comms: Postage | 50 | | | | | | 2,050 |
| 31 Comms: Phones | 25 | | | | | | 1,025 |
| 32 Comms: IT | 500 | | 7,000 | 13,500 | | | 41,000 |
| 33 Expenses: Professional Subscriptions | | 100 | | | | | 3,000 |
| 34 Expenses: Subsistence | | 50 | | | | | 1,500 |
| 35 Total Supplies & Services | 725 | 150 | 10,000 | 13,500 | | | 57,725 |
| Brokerage | per employee | per SL | per premises | per service | | | |
| 36 Commissioning Budget used by SL | | | | 250,000 | | | 250,000 |
| Total Commissioning Budget | - | - | - | 250,000 | | | 250,000 |
| Support Services Costs | per employee | per SL | per premises | per service | | | |
| 37 Legal | | | | 5,000 | | | 5,000 |
| 38 HR | 148 | | | 2,500 | | | 8,572 |
| 39 Finance | 75 | | | 34,000 | | | 37,075 |
| 40 IT (see Supplies & Services) | | | | | | | - |
| 41 Total Support Services Costs | 223 | - | - | 41,500 | | | 50,647 |
| Total Annual Revenue Cost | per employee | per SL | per premises | per service | | | |
| 42 Total Annual Revenue Cost | 2,088 | 5,721 | 18,600 | 347,200 | | | 3,515,031 |
| 43 Total cost of new Service | | | | | | | 3,520,000 |

| Notes: | |
|------------------------------------|---|
| 1 Number of posts | Based on the delivery model with 30 System Leaders. |
| 2 Employee Cost - Salary | Salaries are based on a benchmarking exercise by Hay Job Evaluation Services. All the posts will be subject to the host Authority Job evaluation schemes. |
| 3 Salary On-cost | Includes an estimate for both National Insurance and pension contributions. |
| 4 Employee Cost | Cost of basic salary and on-cost per post. |
| 5 Total Employee Cost | Total costs dependant on the number of posts. |
| 10 Total Employee Related | Includes estimates for training, web access, medical costs and insurance charges. |
| 11 Number of Premises | The total cost of the new service is based 1 location. The model identifies the additional costs per location. |
| 21 Total Premises costs | Based on a comparison with similar sized services's accomodation costs in Conwy and Wrexham. |
| 26 Total Transport Costs | Based on the current level of transportation costs by staff in-scope. Albeit the new service will have fewer staff it is not anticipated that transport costs can be reduced comparatively. |
| 35 Total Supplies & Services | Includes office costs, communication and expenses. An additional cost of £10k is identified for photocopying and ICT per location. |
| 36 Commissioning Budget used by SL | Estimate of budget required for brokering additional support for LAs and Schools. |
| 41 Total Support Services Costs | Includes estimates for legal, HR and Finance services. |
| 42 Total Annual Revenue Cost | Total cost of the new service, identifying an estimated increase of £19k per additional premises. |
| 43 Total cost of new Service | Total cost rounded up to be recharged, by an agreed charging methodology , to the 6 LAs. |

NW RSEIS - Full Breakdown of Implementation Costs

APPENDIX 9

| | Capital Cost £ | Revenue Cost £ | |
|---|-------------------|-------------------|---|
| <i>Redundancy Costs</i> | | | |
| Advisory Staff | | 867,000 | Based a harmonised policy on the most favourable terms |
| Support Staff | | 160,000 | |
| | | <u>1,027,000</u> | |
| <i>Staff Transfer / Recruitment</i> | | | |
| Assessment Centre Costs for New Service posts | | 21,000 | Figures based on 62 SEPO/advisors and 50 Administrators being in scope with assesemnt centre costs based on daily rate for CO post and inclusive of OPQ and leadership tests. |
| Training needs analysis | | 3,000 | Based on 31 SL and 6 administrators and 3 snr management team 40 staff estimate of 4 focus groups/workshops based on previous collaboration work based on two day programme with two facilitators |
| Team Building & Cultural Alignment | | 8,000 | |
| Induction | | 2,000 | |
| | | <u>34,000</u> | |
| <i>Office Costs - assuming good decorative and carpet condition</i> | | | |
| Curved desk (1600mm) | 202 | | DESK CENTRE (All Wales Framework - pre-tendered) |
| Operator chair (with arms) | 150 | | |
| Desk high pedestal (600mm, 3 drawer) | 58 | | |
| Filing cabinet (4 drawer) | 85 | | |
| Open front bookcase (2004mm) 5 shelf | 86 | | |
| Whiteboard (900mm x 600mm) | 23 | | |
| A4 lever arch files x20 | | 8 | |
| Suspended filing wallets x200 | | 93 | |
| Desk trays (3 tiers incl risers) | | 8 | |
| Cost for Service (based on 40 staff) | <u>24,200</u> | <u>4,300</u> | |
| Window blinds (average per 4 staff) | 250 | | estimate based on Aberconwy Blinds Ltd Blinds cost multiplied by 10 (apx) |
| Cost for Service (based on 40 staff) | <u>2,500</u> | | |
| <i>ICT Costs</i> | | | |
| Infrastructure | 89,000 | | Inc. Data Centre, Cabling, Servers, Comms, Security & Resilience, Desktop Hardware, Phones, Printers, Blackberries |
| Information Systems | 10,000 | | Inc. Migration, Consolidation and Procurement of New Systems - Finance, HR, Email, EDRMS, Web, GIS, CRM |
| Support & Consultancy | 8,000 | | Inc. ICT Staff Costs, Skills Training, Technical & Consultancy Services |
| | <u>107,000</u> | | |
| TOTALS | 133,700 | 1,065,300 | |
| Total Capital and Revenue £1.2m | 1,199,000 | | |

RSEIS - Financial Report on Potential Leaving Costs

1. Introduction

The six North Wales Authorities(LAs) are Ynys Mon, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham.

Each LA provided information against a criteria for identifying the percentage of time staff spend on the school improvement functions (statutory and curriculum specific), as defined in Appendix A. In addition to identifying the staff contributing to these functions, LAs were also requested to consider the full time equivalent(FTE) contribution for administrative support, including translation staff.

2. Refining Staff In-scope

For the purpose of this exercise, the NW ADEW Directors agreed that if a member of staff spends equal to, or more than, 60% of their time on the identified functions, they are considered 'in-scope'.

There are 112 members of staff in-scope across the six LAs and Cynnal, 72 directly delivering 60% of more of the identified school improvement functions, and 40 administrative staff (including translation staff) delivering 27 FTE contribution on these activities.

Of the 72 advisory members of staff in scope, 1 post is due to become vacant and 16 are currently seconded and will revert to their previous permanent posts when the new regional service is operational. The LAs have identified a requirement for 8 posts in their Home Team to support those functions that are not covered by the RSEIS nor the other 'LA School Improvement Teams'. The remaining 47 will transfer to the new service.

Of the 40 administrative staff identified, as supporting advisory staff delivering the in-scope functions, the total percentage of their time spent on this activity is rounded to 27 FTEs. Therefore, for the purpose of identifying potential leaving costs associated with administrative staff, the average salary for all 40 staff will be multiplied by the 27 FTE posts.

The total number of advisory and administrative staff in scope is 74.

3. Regional Service – Potential Staffing Requirement

The Full Business Case (FBC) is based on a service delivery, which requires 30 System Leaders and 9 support posts.

When we consider the 47 advisory posts in-scope against the potential requirement for 30 system leaders in the new service, and assuming all 47 staff will have the right to transfer to the new service under TUPE, there is an estimated surplus requirement of 17 staff. Based on their current salaries, and calculated as an average, this totals an estimated £705k under local policies and £867k under a harmonised policy (see Fig 1).

The new service anticipates administrative support to a ratio of 1:5, which may provide 9 administrative posts (including translation). As there are 27 FTEs identified in the current arrangements, there is potentially a surplus of 18 posts. Based on their current salaries, and calculated as an average, this totals an estimated £141k under local policies and £160k under a harmonised policy (see Fig 1).

The total potential leaving costs for advisory and administrative staff is **£1m**, based on harmonised terms and conditions.

This figure will contribute to the overall set-up costs for the project, currently in the region of £1.2m

4. Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

Members of staff who are currently engaged in delivering the school improvement 'in-scope' functions through their individual organisations, may have a right to transfer to the new organisation, which will be providing that function on a shared service basis. This transfer would be subject to TUPE regulations. Under these regulations, members of staff will transfer with at least their existing statutory employment rights and contractual entitlements.

Any resulting redundancies would be the responsibility of the new organisation.

The project is trying to secure WG funds to cover all implementation costs, including redundancy costs.

5. Contributing Factors

5.1 Secondments

As previously stated, it is expected that any officers on seconded posts will return to their permanent posts at no additional cost to the authority.

5.2 Redeployment

There may be opportunities for redeployment with the existing employer for some of the staff in-scope.

Some of the members of staff in-scope currently work on other functions as well as school improvement functions (6.32 FTE over all current employers). Each employer will need to review these other functions to consider whether the work can be absorbed by other officers, or if new posts will need to be developed. Employers will need to be aware of the timescales to consider whether any posts need to be advertised locally prior to the TUPE negotiations with staff.

Conversely, across all the current employers there will be approximately 12.56 FTE capacity in relation to officers' work, who are not considered to be in scope, that will be transferred to the new service.

If there is redeployment, each employer will need to be aware of any local policies for the payment of 'protected pay'. This cost will be incurred by each individual employer.

5.3 Retirement Options

There are a number of retirement options which may be available to members of staff. The amount of leaving costs has been calculated on the basis of redundancy payments only, as potentially the most expensive option for the organisation.

5.4 Redundancy Payments

The cost of redundancy payments has been calculated on the basis of (i) each employer's current policy and (ii) a potential harmonised policy with harmonisation at the most favourable policy to the employee.

Fig 1.

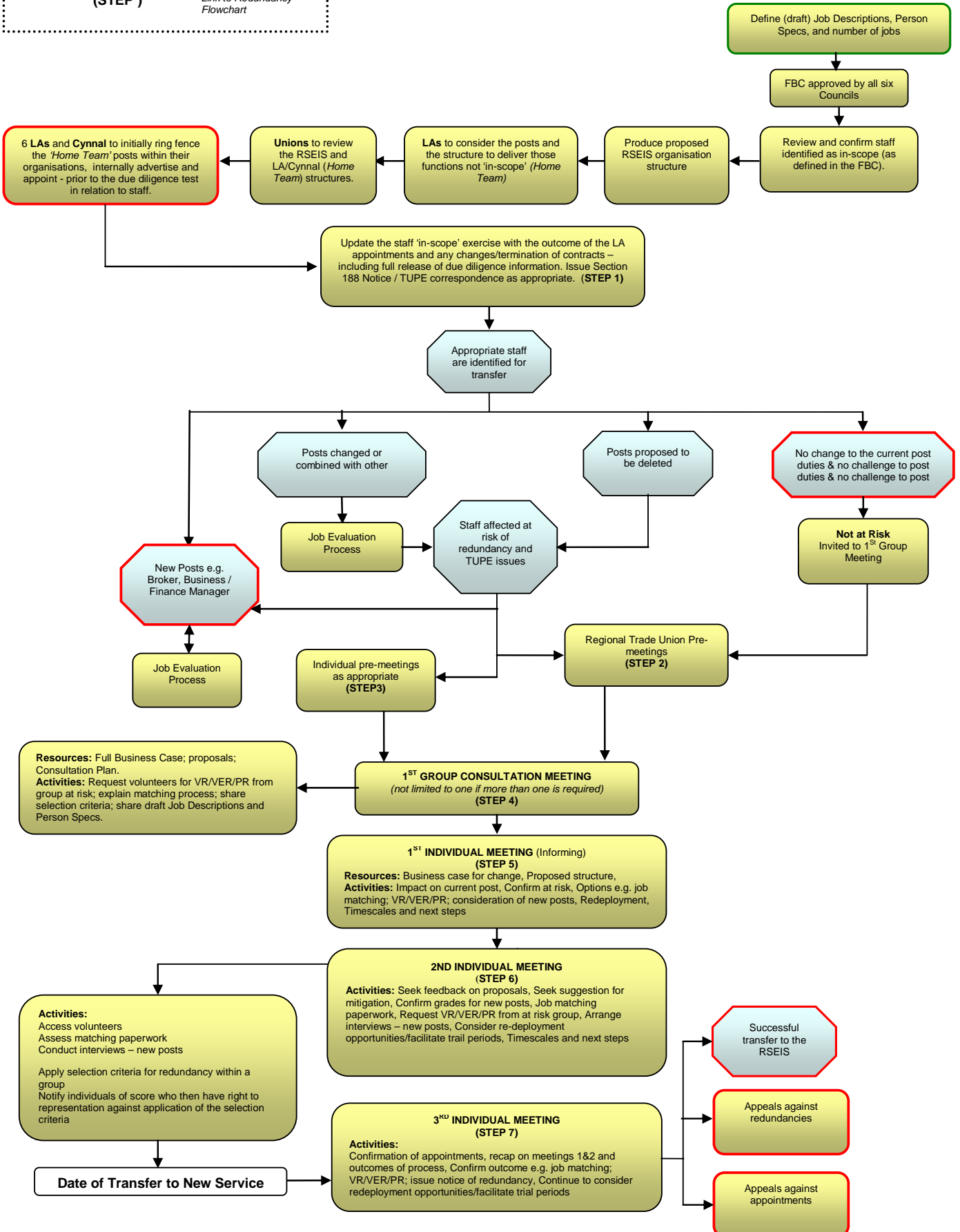
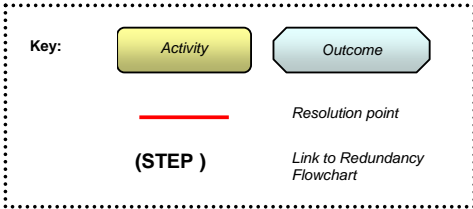
Summary of Potential Leaving Costs

| Current Advisory Staff | Advisors | Redundancy Payment | | |
|--|-----------|--------------------|------------------|-------------------|
| | | Total | Local Policy | Harmonised Policy |
| Cynnal | 20 | | 1,204,342 | 1,204,342 |
| Ynys Mon | 0 | | - | - |
| Gwynedd | 0 | | - | - |
| Conwy | 10 | | 133,856 | 461,693 |
| Denbighshire | 8 | | 332,217 | 403,089 |
| Flintshire | 12 | | 386,476 | 465,969 |
| Wrexham | 5 | | 222,873 | 270,600 |
| Total Current Staff | 55 | | 2,279,764 | 2,805,693 |
| RSEIS requirement | 30 | | | |
| Anticipated Home Team requirement | 8 | | | |
| Redundancy Payment based on average | 17 | 17 | 705,000 | 867,000 |

| Current Staff | All Support | | Redundancy Payment | |
|--|-------------|-----------|--------------------|-------------------|
| | Staff | Total | Local Policy | Harmonised Policy |
| Cynnal | 13 | | 95,284 | 95,284 |
| Ynys Mon | 0 | | - | - |
| Gwynedd | 0 | | - | - |
| Conwy | 6 | | 41,123 | 82,179 |
| Denbighshire | 6 | | 46,600 | 46,600 |
| Flintshire | 7 | | 56,327 | 56,635 |
| Wrexham | 8 | | 73,267 | 75,789 |
| Total Number of employees | 40 | | 312,601 | 356,488 |
| Total Current FTE | 27 | | 211,000 | 241,000 |
| RSEIS requirement | 9 | | | |
| Redundancy Payment based on average for FTE | 18 | 18 | 141,000 | 160,000 |

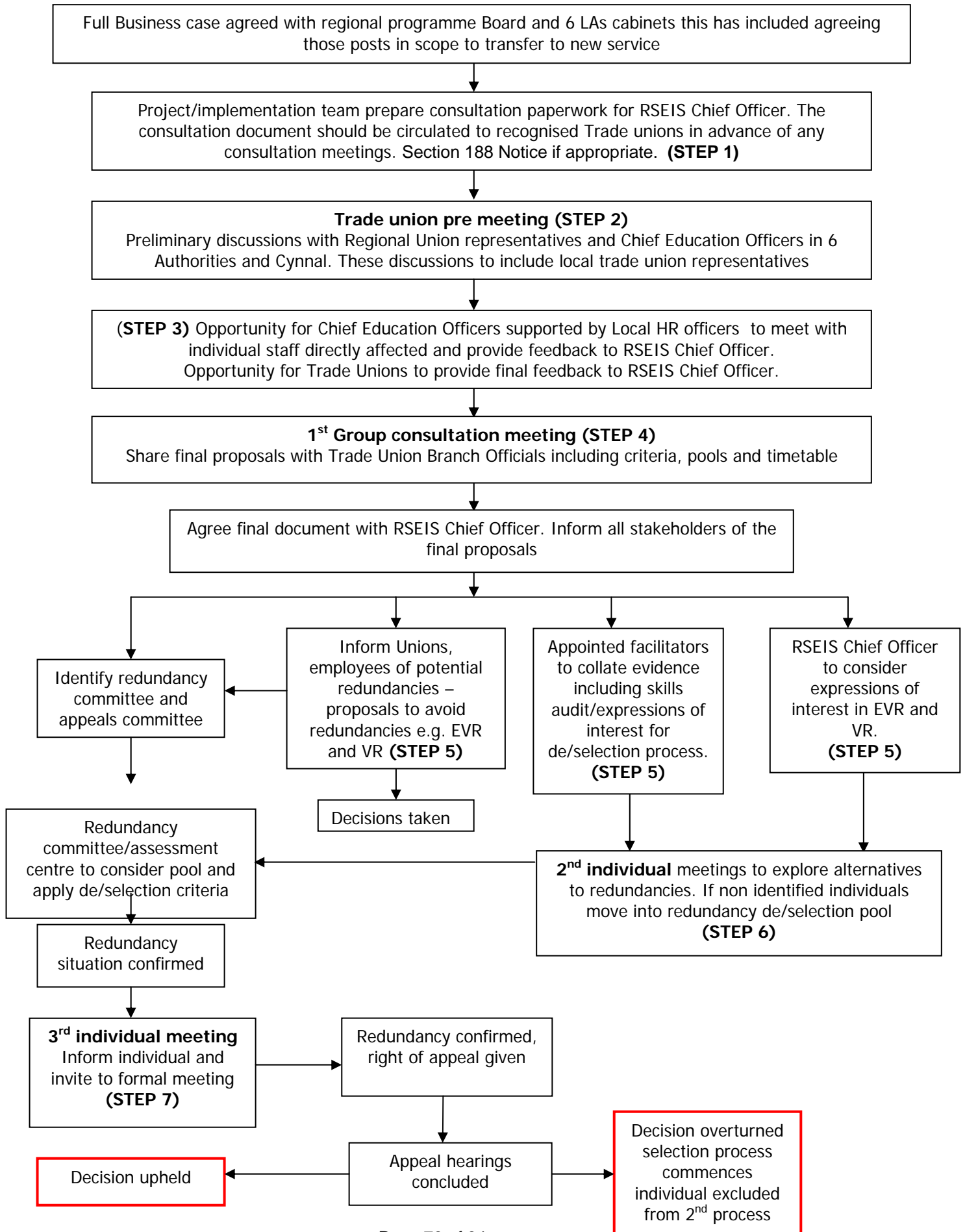
| | | | | | |
|-------------------------------------|-----------|-----------|-----------|----------------|------------------|
| Potential Redundancy Payment | 17 | 18 | 35 | 846,000 | 1,027,000 |
|-------------------------------------|-----------|-----------|-----------|----------------|------------------|

PROCESS: Planning for Change (Staff)
 Organisation Structure Change Process
 (process for both incoming and outgoing organisations)



Redundancy Flowchart

The flowchart outlines the steps the new service proposes to take once the FBC has been approved. LAs must ensure that they follow their own local arrangements.



DRAFT Job Description

JOB TITLE: **TEAM LEADER/SYSTEM LEADER**

Please note: items highlighted in grey are specific to the role of Team Leader

SERVICE: SCHOOL IMPROVEMENT AND INCLUSION

GRADE: 49,792- 60,609(INDICATIVE)

Key Relationships/Liaison

All Officers and consultants within the Regional Service, relevant Officers within Authorities, schools including Governors and external agencies.

Overall Job Purpose

The team leader will have responsibility for the day to day management of a small team of system leaders. The System Leader will bring levels of knowledge and experience that quickly and decisively analyse and offer solutions to problems of underperformance and support for higher achievement. Specific allocation of time will be determined by the formula agreed in the FBC. The role will need to secure consistent and suitably challenging targets and improved performance across schools in the consortia. With responsibility for a designated number of schools, you will be expected to work within the context of the strategic values and aims of the Regional Service and the National Standards for School Improvement / Effectiveness Professionals in Wales in order to:

- to function as Line Manager and Performance Manager for finance and administration staff ;
- contribute directly, or by supporting the commissioning of additional support as appropriate, to the resolution of specific issues and thereby support whole school improvement. This will include agreeing commissioning strategies for the school;
- monitor and challenge resource management in the school to ensure that financial and human resources are directed at securing improved pupil outcomes;
- use support and challenge, along with development of professional learning communities, to enable schools to build and sustain capacity for improvement;
- represent the consortium strongly and directly in the appointment of head teachers, their performance management, mentoring and other areas of professional development;
- lead on post inspection activities; and
- ensure that appropriate measures are in place to enable school Governors to play an appropriately strong challenging role in terms of the school, and to ensure that performance data is presented and used by Governors.

Specific Duties and Responsibilities

Leadership

- To manage and develop System Leaders in the designated team and to implement changes and manage activities as indicated through any service review and support career programme opportunities for the designated group of staff.
- Providing support and guidance to ensure that the school's vision, ethos and moral purpose is shared by all staff and stakeholders.
- Providing support and challenge to improve the practice of effective self- evaluation and school improvement planning.

- Providing support and guidance to ensure that leaders and managers to make best use of their expertise to improve their effectiveness.
- Providing a level of challenge by evaluating provision objectively, gathering valid and reliable evidence from a range of sources both within the organisation and beyond.
- Understanding comparative and value-added data and use it to identify high performance and underperformance of pupils, schools and subject areas/departments.
- Analysing and use data to judge the performance and challenge underachievement of groups of learners by gender, ethnicity, special educational needs and prior attainment.
- Challenging the school to set ambitious but realistic targets.
- Using an appropriate range of quantitative and qualitative data to synthesise a wide range of information to formulate hypotheses.
- Providing constructive feedback that forms the basis for future improvement.
- Being able to build the capacity of others to carry out self-evaluation.

Teaching and Learning (Pedagogy)

- Providing support and advice on teaching and learning styles and on evaluating the quality of teaching and learning.
- Providing guidance on the rigorous use of formative and summative assessment and on their use to improve learners' work.
- Promoting and support the development of networks of professional practice.
- Identifying effective teaching and learning practice which can be shared within and across networks.
- Ensuring all schools adequately develop the skills agenda, particularly in literacy and numeracy.

Developing People and the Organisation

- Initiating and support action research into effective practice.
- Providing advice on how development needs might be met by referring to examples of good CPD practice.
- Facilitating the development of networks of professional practice.
- Providing advice and guidance on procedures, to evaluate the effectiveness of CPD and the impact of networks of professional practice.

Curriculum

- Providing support and challenge for curriculum development.
- Providing support in developing a curriculum which is relevant, personalised, promotes engagement with learning and reflects the ethnic, cultural and linguistic diversity of the school.
- Providing support and guidance on curriculum planning and the development of effective schemes of work, short term plans and planning for assessment for learning.

Student Attitudes

- Identifying other agencies working with the setting and the nature and scope of their involvement.
- Supporting the school in its attempts to gather the views of parents, children and young people and how these are acted upon.
- Providing guidance on promoting an inclusive ethos and maximising opportunities for children and young people to benefit from links with other agencies.

Internal Accountability

- Providing guidance and support to evaluate classroom practice against specific and rigorous criteria so that staff know and understand the characteristics of high-quality learning and teaching, recognise and analyse aspects of good practice which will transfer

to other learning contexts, provide constructive feedback that forms the basis for future improvement.

- Providing guidance and support to establish robust performance management systems that make effective use of attainment data.
- Developing criteria which trigger intervention procedures at whole school and departmental level.

Partnership Beyond the School

- Supporting a multi-agency approach based on the needs of the local learning community or family of schools.
- Identifying other agencies working with the setting and the nature and scope of their involvement:
 - undertake work as a School Effectiveness Performance Officer with a designated group of primary or secondary schools;
 - develop and implement the role of the LEA in raising standards by challenging and identifying areas for development and intervention and support schools in accordance with the Partnership Agreement;
 - monitor continually the performance of schools and pupil groups on behalf of the Council to fulfil its School Improvement obligations;
 - develop a lead area of responsibility;
 - contribute to the development of the Council's success in meeting its corporate priorities;
 - liaise with other Departments and Council colleagues in order to fulfil the Council's corporate aims; and
 - manage and oversee projects, strategies and responsibilities.

Additional Factors

- The nature of the work may involve the post holder carrying out work outside of normal working hours.
- The post holder may be required to attend, from time to time, training courses, conferences, seminars or other meetings as required by his or her own training needs and the needs of the Service.
- Expenses will be paid in accordance with local conditions of service.
- This post is subject to a check being carried out at an Enhanced level by the Criminal Records Bureau regarding any previous criminal record.
- Essential Car User status in accordance with Council policy.

N.B. This job description sets out the duties and responsibilities of the post at the time when it was drawn up. Such duties and responsibilities may vary from time to time without changing the general character of the duties or the level of responsibility entailed. Such variations are a common occurrence and cannot justify a reconsideration of the grading of the post.

Person Specification : Team Leader / System Leader

| <u>CRITERIA</u> | <u>ESSENTIAL</u> | <u>Method of Assessment</u> |
|----------------------------------|---|------------------------------------|
| <u>Qualifications</u> | <p>Qualified teacher</p> <p>Able to show evidence of further study e.g. post graduate Management Qualification</p> | |
| <u>Experience</u> | <p>Experience of directly leading and managing a small team</p> <p>Proven track record of significantly improving school performance (in a leadership position in a school or professional in a local authority)</p> <p>Have made a wider contribution to educational developments which have contributed to significant sustainable improvement Proven track record of managing school interventions successfully</p> <p>Be able to demonstrate effective leadership and management in their current role</p> <p>Be able to demonstrate strategies used to ensure high levels of consistency in the quality of teaching and learning.</p> <p>Experience of influencing , thinking, policy and practice for positive impact on learning outcomes and life chances for children and young people</p> <p>Experience of budget management</p> <p>Experience as an effective per mentor and/or coach</p> | |
| <u>Knowledge</u> | <p>Knowledge and understanding of implications of current educational legislation and frameworks</p> <p>Show a commitment to their own CPD</p> <p>Knowledgeable about improving schools facing difficulties</p> | |
| <u>Values and beliefs</u> | <p>Appreciate the central importance if the learner in education</p> | |
| <u>Skills/Attributes</u> | <p>To be able to demonstrate the ability to work sensitively and collaboratively with a range of partners and stakeholders to bring about positive change</p> <p>Demonstrate emotional intelligence skills to support effective working with underachieving schools and partners</p> <p>Skilled communicator , both written and oral</p> <p>Ability to identify key issues and provide accurate and meaningful feedback both oral and written</p> <p>Able to manage time effectively, use initiative and prioritise tasks</p> <p>Skilled at analysing and evaluating performance indicators, accurately and quickly and probe explanations of root causes and apparent inconsistencies</p> <p>Demonstrate the ability to understand and implement the principles of quality assurance systems</p> <p>Able to understand equal opportunities legislation and the issues</p> | |

| | | |
|--|--|--|
| | <p>surrounding the achievement of different groups of pupils</p> <p>Proven leadership skills, with the ability to be self motivating and also to motivate others</p> <p>Is able to work effectively as a team member and show a willingness to share skills, expertise, knowledge and ability to encourage others to follow suit</p> <p>Is able to think and work innovatively, independently and strategically</p> <p>Can demonstrate a commitment to school effectiveness through an open, shared and flexible approach</p> <p>Skilled and is able to demonstrate successful experience of promoting initiatives and sustaining and managing change</p> <p>Strong collaborative skills with the ability to demonstrate successful partnerships and collaborative working</p> <p>Has a commitment to the language, culture and context of Wales.</p> <p>In order to secure a linguistic balance some of the posts will be designated as Welsh essential roles.</p> <p>Decisive in identifying key performance issues and capable of managing LA School Interventions including the ability to make accurate, judgements on schools' leadership and management.</p> <p>Ability to distinguish between operational and strategic leadership responsibilities</p> <p>Good understanding of ICT and its applications</p> <p>Able to work under pressure and meet deadlines</p> <p>Willing to work outside normal working hours when necessary</p> <p>Car driver</p> | |
|--|--|--|

Support Staff DRAFT Job Descriptions and Person Specifications

DRAFT Job Description**JOB TITLE: FINANCE AND BUSINESS MANAGER****ORGANISATION: RSEIS****REPORTS TO: CHIEF OFFICER****GRADE: 34,569-42,890(indicative)****1. Job Purpose**

- 1.1 To support the production, development and submission of appropriate strategic and business plans within relevant timescales.
- 1.2 Act on behalf of the RSEIS Chief Officer in issues relating to business administration of the department.
- 1.3 To promote and develop high quality services, ensuring service user satisfaction and that achievement performances meet Service standards.
- 1.4 To develop and maintain effective and innovative communication processes with all Local Authorities, Schools and partner organisations e.g. colleges and work based service providers.
- 1.5 To contribute to the overall management of the School Effectiveness and Improvement Service through the membership of the Senior Team.
- 1.6 To function as Line Manager and Performance Manager for all translation and administration staff, and to support career programme opportunities for these staff.
- 1.7 To manage and develop Administrative and Translation Services and their staff; to implement changes and manage activities as indicated through any administration review.

2. Principal Responsibilities

- 2.1 Being responsible for the planning, management, development and delivery of the administration and translation services to meet the needs of the service. This is to include maintaining adequate networking and liaison arrangements concerning administration matters across the service, to ensure the development and implementation of cohesive regional working arrangements and standards as required.
- 2.2 Being responsible for the quality assurance of areas of responsibility and for ensuring the adequate audit and checking of necessary documents and processes to effectively deliver within the RSEIS.
- 2.3 Participating in key groups to ensure the business meets local, regional and national requirements and priorities, with those priorities reflected in the necessary key strategic plans as required.

- 2.4 Drawing on the support of the Host Authority, prepare detailed budgets that show the forecast budget position for the Service, based on the service business plan link with the priorities identified in the business development plans.
- 2.5 Prepare budget monitoring reports for presentation to the Joint Committee and management team of the new service. This includes monitoring income and expenditure throughout the year and providing advice and recommendations to ensure expenditure stays within the cash limited budget.
- 2.6 Work proactively to identify new ways of working and challenge the existing methods of service provision in order to reduce future cost pressures and support potential fluctuations.
- 2.7 Develop a RSEIS performance management framework that incorporates, and complies with organisational and legislative requirements and includes a comprehensive analysis and quality monitoring framework within School Improvements. Advise the Chief Officer and the Joint Committee on the best use of resources that will facilitate the raising and monitoring of performance as well as the measurement of accurate and timely performance targets.
- 2.8 Oversee the financial management of external funding streams (administered by the Host Authority) by providing timely and accurate information on grants to the Services management team and Joint Committee and ensure that robust arrangements are in place that adhere to financial rules and regulations.
- 2.9 Work with the Host Authority to implement the closure of accounts at year end in accordance with Financial Regulations and professional accounting standards
- 2.10 Identifying and reporting current and future resource requirements.
- 2.11 Maintain and develop an effective communication network through the medium of display, publications and documents and through electronic means including the appropriate websites and databases to develop an approach to consultation where necessary.
- 2.12 Ensure the workforce, training and staff development priorities of the School Improvement service are identified and incorporated into the workforce strategy for the service.
- 2.13 To responsible for the facilities management of the Service negotiating, managing and monitoring contracts, procurement, tenders and agreements for the provision of services to the Service, and ensure the buildings are maintained and operated in accordance with emergency procedures and Health and Safety requirements Ensure effective use of accommodation through a premises development plan
- 2.14 Monitoring, managing and reviewing implementation and compliance with the organisations policies and procedures to ensure services are delivered in the most effective manner incorporate good practice and comply with legislative requirements..
- 2.15 To identify and support the provision of in service training opportunity for all staff in order to improve service delivery.
- 2.16 To play a central role in the strategic leadership and vision of the Service.
- 2.17 To advise the Senior Management Team on matters relating to Finance, Premises and Staff Issues and to provide a link to HR.
- 2.18 Co-ordinating of business planning bids.
- 2.19 Ensuring the provision of ICT resources and ICT support to meet the needs of the department.

3. Vision/Context

3.1 This post aims to achieve coherent financial, business and administrative management to shape and support and communicate business planning, performance management and effective quality service delivery within the service.

3.2 This post will manage staff responsible for administration, quality control and business planning.

4. Contacts

4.1 Regional Board, ADEW Consortium ,service providers, contractors, head teachers and governing bodies other external agencies include GTCW and WAG.

5. Dimensions

5.1 Financial: TBC

5.2 Staffing: TBC

5.3 Statistics: TBC

6. Span of control

TBC

Person Specification : Finance and Business Manager

| Criteria | Essential | Desirable | Method of Assessment |
|---|---|---|----------------------|
| Education & Qualifications. | Educated to degree standard or equivalent – Qualified CCAB accountant (or equivalent) | Minimum qualification of NVQ level 4 (ideally AAT) | |
| | Hold a degree/ professional qualification in a business related discipline, together with an appropriate management qualification. | | |
| Relevant Experience. | Significant strategic and complex financial experience in a Finance and /or Business related discipline. | Knowledge, experience and understanding of issues relating to Education | |
| Job Related Knowledge & Skills | Effective performance management skills and excellent interpersonal skills | The ability to operate through the medium of Welsh and English is highly desirable. | |
| | Budget and Business management, knowledge, skills and ability along with effective presentation, writing and reporting skills | | |
| | Ability to influence the attitude and opinions of others to achieve agreement, using active co-operation, persuasion, influential and negotiating skills to develop ideas and proposals linked to management, service delivery and quality assurance activities | | |
| | Ability to interpret data in order to draw conclusions and make appropriate recommendations. | | |
| | The post holder will have experience of supervising staff and allocating workloads effectively | | |
| | Excellent ICT skills | | |
| Personal Qualities. | Personal kudos, drive and energy, combined with self motivation and an ability to manage and direct own workload with minimum intervention. | | |
| | Commitment to equal opportunities, corporate, directorate and departmental policies and procedures. | | |

DRAFT Job Description

JOB TITLE: TRANSLATOR
ORGANISATION: RSEIS
GRADE: 23,583- 29,470 (INDICATIVE)

Overall Job Purpose

To translate all variety of documents into English and Welsh. To provide a simultaneous translation service from Welsh into English at meetings across the North Wales region.

Principal Accountabilities / Key Tasks

1. To provide a simultaneous translation service at meetings across the North Wales region. This is a service from Welsh into English only.
2. To provide the above service as required by the RSEIS in the event of meetings being held jointly with other organisations.
3. To ensure that the translation equipment is in good working order at all times.
4. To translate a variety of documents into English and Welsh.
5. To commission work from external translators (individuals and companies), as required.
6. To oversee the quality of the translation work by external organisations.
7. To support the development of the service and its delivery through business planning, target setting, appraisals, training needs, benchmarking and the preparation, publication and regular review of appropriate performance data.
8. To support the development of the service through joint and collaborative working with other public sector organisations and, where appropriate private sector organisations.
9. Consultation with internal and external agencies to formulate an effective translation service linked with the Welsh Language Policy.

Demands Within the Job

Physical demands

- *Carrying heavy and awkward translation equipment periodically for use in meetings outside the Council's main headquarters.*
- *The ability to operate technical translation equipment and record meetings and resolve any technical difficulties.*

Mental demands

- *Sustaining periods of intense concentration in a pressurised environment to provide a prompt and accurate simultaneous translation service for service users.*
- *Working under pressure to meet strict deadlines and completing tasks quickly and accurately with the ability to prioritise as required.*

Emotional demands

- Translating in difficult and sensitive conditions for vulnerable clients e.g. child protection case conferences.

Work Arrangements

Working week:

- [TBC] hours per week (Monday – Friday).

Location:

- [TBC] You may, however, be required or permitted to work anywhere with the Council's area, on a permanent or temporary bases, without additional time or payment for doing so.

Bilingual Requirement (Welsh & English):

- ESSENTIAL

Flexibility

Your attention is drawn to the fact that in some cases, particular duties and responsibilities are difficult to define in detail and may vary from time to time without changing the general character of the duties and level of responsibilities entailed. In addition, it is a requirement of all employees that they accept levels of flexibility in duties and responsibilities and when necessary, interchange within the organisation which will meet the changing needs and demands of the service. Such a requirement will enable the particular expertise of the post-holder to be developed and maximised to the mutual benefit of both employer and employee.

Person Specification: Translator

| Criteria | Essential: | Desirable |
|--|--|--|
| Education & Training | A degree in Welsh or any other relevant subject. | Membership of the Association of Welsh Translators and Interpreters. |
| Experience | Proven skills in translating reports and documents | |
| Key Qualities | <p>The ability to communicate/ engage with officers and members.</p> <p>A commitment to oral and written bilingualism.</p> <p>An appreciation of the function and importance of bilingualism in the administration and the politics of local government.</p> <p>Knowledge of the County Council's procedures generally – specifically the provisions safeguarding bilingualism.</p> <p>The ability to respond flexibly and creatively to any new circumstances that may arise in future.</p> | |
| Job specific knowledge and skills | <p>A willingness to seek advice in the context of legal issues which may arise and to clarify any occasional financial issues, but particularly in order to receive technical assistance</p> <p>The ability to deal with a substantial written workload and to provide translations in a timely fashion to meet strict deadlines and to accomplish tasks through prioritisation.</p> <p>Good communication skills - written and oral.</p> <p>An appreciation of the need to respect confidentiality in dealing with sensitive information.</p> <p>Good problem solving skills.</p> <p>The ability to concentrate for prolonged periods under considerable pressure.</p> <p>The ability to collate statistical information as evidence of compliance with key performance indicators.</p> | <p>Attention to detail, accuracy and quality</p> <p>The ability to work to a work programme with strict deadlines/closing dates.</p> <p>The ability to prioritise work.</p> <p>The ability to deal with staff and service users in a courteous, professional and effective manner.</p> |
| Personal Attributes | <p>A valid driving licence and access to transport.</p> <p>The ability to work evenings</p> | |

DRAFT Job Description

JOB TITLE: ADMINISTRATION SUPPORT OFFICER
ORGANISATION: RSEIS
REPORTING TO: FINANCE AND BUSINESS MANAGER
GRADE: 17,213-22,094 (INDICATIVE)

JOB PURPOSE

Under the instruction/guidance of senior staff, and utilising a variety of ICT packages, provide general clerical/administrative support to the RSEIS.

PRINCIPLE RESPONSIBILITIES

1. Undertake reception duties, answering general telephone and face to face enquiries.
2. Provide general clerical/administrative support e.g. photocopying, filing, faxing, complete standard forms, respond to routine correspondence from Local Authorities, Schools, Governors, Councillors, Parents/Guardians and other organisations.
3. Validate and maintain manual and computerised records/management information systems.
4. Utilise ICT packages (e.g. Outlook, Word, Excel spreadsheets, Access Databases, Internet, SIMS, ONE) and produce lists/information/data as required.
5. Organise meetings and undertake note-taking at meetings.
6. Participate in training and other learning activities and performance development as required.
7. Provide appropriate cover for colleagues on same grade (or above) during periods of holidays, sickness and other unforeseen events.
8. Undertake other relevant duties as directed by Line Manager within post-holders' remit.

Person Specification: RSEIS Administrative Support Officer

| CRITERIA | ESSENTIAL | DESIRABLE | METHOD OF ASSESSMENT |
|---|---|---|---|
| EDUCATION & QUALIFICATIONS | NVQ level 3 or equivalent qualification | Recognised qualification in business or administration | Application form |
| | Recognised qualification in IT with a word processing element | Recognised qualification in word processing and typing | |
| EXPERIENCE | Some experience of administration in a busy office environment | Use of a content management system to maintain a website | Application Form |
| | Experience of arranging meetings and seminars | Experience in processing orders and invoices | |
| | | Experience of minute taking | |
| JOB RELATED KNOWLEDGE AND SKILLS | Effective use of ICT packages. Use of relevant equipment/resources. Good Communication Skills Good keyboard skills High level of competency in word processing (speed and accuracy) | Awareness of Data Protection and Freedom of Information Act | Application Form Exercise Interview |
| | Extensive use of Microsoft applications | inventive use of spreadsheets and presentation software | |
| | Ability to use creativity in the production and presentation of documents | Understanding of the Council's policies, procedures and standards | |
| | | | |
| PERSONAL QUALITIES | Excellent communication skills with ability to communicate effectively with people at all levels within the council | | Application Form Interview |
| | The ability to deal tactfully and diplomatically with people at all levels | | |
| | Ability to work on own initiative | | |
| | Highly organised | | |
| | Ability to work under pressure to tight deadlines | | |
| | Enthusiastic and conscientious viewing challenges with a positive attitude | | |

| CRITERIA | ESSENTIAL | DESIRABLE | METHOD OF ASSESSMENT |
|---------------------------|---|---|-------------------------------|
| | Ability to maintain confidentiality at all times | | |
| OTHER REQUIREMENTS | <p>Work constructively as part of a team, understanding roles & responsibilities and your own position within these.</p> <p>Empathy with the welsh language and culture</p> | Confidence to communicate fluently in Welsh verbally and in writing | Application Form Interview |



North Wales Regional School Effectiveness and Improvement Service (RSEIS)

Full Business Case (FBC) Overview

The RSEIS will be central to school improvement in North Wales. It will be a powerhouse to drive good practice across the region. It will ensure a consistency of challenge and support for schools across the six counties leading to our children and young people fulfilling their potential.

Background

In September 2011, the draft OBC was presented to all six Executive Boards who resolved that the OBC should be widely consulted upon with stakeholders from October 2011.

Key Developments for the FBC

The FBC takes account of the issues highlighted by the six North Wales Cabinets / Executive Boards when approving the OBC for consultation and by the stakeholders during the consultation.

- * A clear vision has been developed in consultation with stakeholders.
- * The current position in respect of Standards, Welsh Language, Population and Schools is clearly explained.
- * The educational (standards agenda) and financial (current spend) case for change is clearly explained.
- * The governance arrangements for the new service are recommended as a Joint Committee with a Host Authority.
- * In order to deliver the six key functions, the FBC explains that programme will be delivered in four inter-dependant tiers:
 - Tier 1 will deliver the NW regional strategy for raising standards to meet the national School Effectiveness Framework.
 - **Tier 2 (the focus of this FBC) will deliver the new NW RSEIS** to support Tier 1.
 - Tier 3 will deliver the MIS Structure (Capita ONE) to support Tiers 1 and 2.
 - Tier 4 will deliver the 'Support Functions' to support Tiers 1 and 2 (Host Authority).
- * The FBC explains how the new service will meet the linguistic and local needs of the schools and LAs.
- * The full financial model has been developed which includes; the Cost of the RSEIS, Implementation Costs of the New Service, Leaving Costs, Cost per Local Authority.
- * A HR model has been developed and set out in the FBC which includes; Key HR Timescale, Planning for Change, Roles available in the new RSEIS, TUPE Arrangements, Salary Ranges, Policies and Procedures.

Staffing the RSEIS

- * The RSEIS will be managed by a Chief Officer.
- * The role of the System Leader will have a clear focus on leadership and management, and provide strategic leadership and management in Literacy & Numeracy and Curriculum (subject) areas.
- * It is anticipated that there will be a requirement for 30 FTE System Leaders within the North Wales region.
- * There will be a number of additional posts that will be available according to:
 - i. the number of staff (Home Team) each LA will require to support those functions that are not covered by the RSEIS nor the other 'LA School Improvement Teams'; and
 - ii. additional commissioning from the RSEIS for System Leaders from either the LA or schools, through budgets or grants.
- * The RSEIS will provide professional opportunities for Headteachers to be seconded for short-term periods, ensuring that the Service can draw on the best practice from schools across the region.
- * Schools will have the opportunity to strengthen and extend collaborative working across the region to collectively commission targeted support and share good practice.
- * The Support Staff requirement will be 1 Business/ Finance Manager, 7 Administrative Staff and 2 Translators.

Cost of the RSEIS

The cost of the new RSEIS is £3.5m, equating to an average cost per pupil of £35 (compared to £51 currently).

The RSEIS can achieve a potential overall regional saving of £882k (20%), which can be re-invested in Education, or released as a cashable saving, depending on the needs of each local authority.

Timescale for the RSEIS (2012/13)

| | |
|-----------|--|
| Feb / Mar | - FBC to Cabinets / Executive Boards |
| Mar | - Host Authority for the RSEIS agreed |
| Apr | - Appointment of the Chief Officer |
| Sept | - Appointment of the System Leaders and Support Staff - Joint Committee established |
| Nov - Mar | - Team, cultural, induction, skills training for the staff appointed to the RSEIS . |
| Apr | - Staff transfer to the RSEIS, employed by the Host Authority |

Feedback from the Consultation on the Outline Business Case (OBC)

Consultation on the OBC was carried out with stakeholders across the six authorities during October and November 2011.

Key Findings from the Consultation on the Delivery Model:

Core Team

- The number of Systems Leaders will need to be more than 31.
- 3 visits per schools per year is not enough.
- 'Additional Support' should be available to all schools to drive rising standards.
- Schools want System Leaders that have local knowledge of their schools.
- Need to clearly define the Vision for the RSEIS in the FBC.
- Geographical issues will need to be identified and addressed.
- The Core Team will require data stream / analysis (ICT).

Subject Specialists Extended Team

- Concern that Curriculum Specialists are in the RSEIS Extended Team (not permanent posts).

Secondments

- Whilst it is recognised that a secondment is good opportunity for staff development, schools are finding it increasingly difficult and impractical to release good staff.

LA Based Officers

- Need to further define the Home Team, its responsibilities and its relationship with the RSEIS.

Standards / Quality

- Need to show how the RSEIS will improve standards, delivering at least, if not more, than what is currently in place.

Welsh Language / Bilingualism

- The RSEIS must be a bilingual service.
- All staff employed by the RSEIS do not have to be bilingual in order to ensure a bilingual service.

Costings / Savings/ Delegation

- Concerns that, whilst increased delegation is welcome, there will not be enough money delegated for schools to buy in the extended team provision.

How these Findings have influenced the FBC Delivery Model :

Core Team

- The FBC delivery model was built identifying the needs of schools in the North Wales, which resulted in a requirement for 30 FTE System Leaders. This new delivery model; increases the number of days allocated to each school to 6, targets support based on pro-active school profiling, provides post inspection support and allows for pre-inspection reviews. Schools and LAs will be able to commission additional 'System Leader' support (RSEIS secondments).
- The model allows for RSEIS System Leaders to have a local presence in LAs to ensure local knowledge.
- The vision has been developed for the FBC in consultation with stakeholders.
- The geographical location of the RSEIS and its staff will be considered by the Chief Officer once in post.

Subject Specialists Extended Team

- The role of the System Leader has been redefined to have a clear focus on leadership and management, and provide strategic leadership and management in Literacy & Numeracy and Curriculum (subject) areas.

Secondments

- The RSEIS will provide professional opportunities for Headteachers and Teachers to be seconded for short-term periods, ensuring that the Service can draw on the best practice from schools across the region.

LA Based Officers

- In addition to the RSEIS System Leaders there will be a number of additional posts employed by the LA (Home Team) that will cover duties not undertaken by the RSEIS, nor the other teams in the LA.

Standards / Quality

- When established, the RSEIS will increase the pace of meeting the aspirations and outcomes for driving standards agreed by the 6 NW LAs in the vision.

Welsh Language / Bilingualism

- The RSEIS will be a bilingual service that can fully provide Welsh medium support across the region, an underpinning feature of the new Service. Whilst it will not be a requirement for all staff to be able to work bilingually, in order to secure a linguistic balance some of the posts will be designated as Welsh essential roles. The balance will be a matter for the RSEIS Chief Officer to address once in post, and may vary on further consultation with schools.

Costings / Savings/ Delegation

- The RSEIS can achieve a potential overall regional saving of £882k, which can be re-invested in Education (e.g. delegation to schools), or released as a cashable saving, depending on the needs of each local authority.

A copy of the full analysis of the consultation responses is available at www.consortium.org, or alternatively e-mail danielle.edwards@conwy.gov.uk

Appendix 3 - Project Guidance

Governance Arrangements

Based on the findings of the option appraisal, the recommendation by the Education and Other Related Services Board is that a 'Joint Committee with a Host Authority' is adopted as the governance model for the Regional School Effectiveness and Improvement Service, with the expectation that the model is reviewed as part of the post implementation review.

In the context of the regional service being developed, the main disadvantages (scoring 0 - does not meet the criteria) associated with a 'Company' model are in relation to:

- the pensions deficit - whilst both options will have a pensions deficit evaluation which will need to be paid back over a number of years, the contribution rate towards the past service deficit may be unaffordable due to a more restrictive pay-back arrangement as a company in its own right (based on an actuarial evaluation on estimated data); and
- the ability to take advantage of VAT exemption - with a company limited by guarantee in this context, because the majority of its income will come from the provision of education and closely related services (exempt from VAT), it is not permitted to recover VAT on any purchases/overheads which relate to those services.

It was also recognised that:

- the initial set-up and ongoing costs relating to ICT for the service under a company model would be double that of a Joint Committee with a Host authority, requiring support to be procured in the private sector (there being a conflict of interest in the case of an LA providing this support);
- political buy-in would be more unlikely in the Company model when considering the potential personal liability for Directors of the company (although insurance should be taken out and indemnities given), and the potential conflict of interest between Members sitting as Directors versus Members sitting as Councillors; and
- staff buy-in would be more unlikely in the Company model with staff preferring an option where they remain employed by the local authority and remain in the Local Government Pension Scheme (LGPS), and likely to result in opposition from staff and their unions due to perceived worries about pay, conditions, pensions etc.

Host Authority for Support Arrangements

In order to employ staff under the Joint Committee, the new RSEIS will need to use a Host Authority. The Host Authority will be limited to employment and responsibility for providing HR, Finance and Legal support to the staff and the new service (Tier 2). The host authority will not determine the delivery of the service. The policy and practice of the service are the responsibility of the Joint Committee.

The North Wales Chief Executives Group are by majority decision recommending Gwynedd as the RSEIS Host Authority.

Pension Deficit

Based on the recommendation of a 'Joint Committee with a Host Authority', the options for the *treatment* of the pension deficit evaluated for the regional service are:

Option 1: Fully Funded Approach (the pension deficit remain with the current employer)

The overall pension deficit for the employer would remain unchanged. Existing employer could voluntarily pay amount of the pension deficit to the pension fund and crystallise the amount within the authority accounts, with regard to the staff transferring.

If the existing employer chooses not to crystallise the amount this would be reflected within the next valuation of the pension fund. There would be fewer staff from which to recoup the deficit in contributions which could lead to a higher contribution rate for the employer.

Option 2: Share of Deficit Approach (the pension deficit transfers to the new regional service)

The actuary for the pension fund would make a valuation with regard to the regional body to assess the required contribution rate to reflect both the future service contribution and the past service deficit

It is anticipated that all collaborative arrangements will use Option 2, and in this particular case Option 1 is not a viable option when we take account of the company Cynnal, who with Company status, has no obligation to retain the pensions deficit for staff transferring to a new service.

Therefore, the financial modelling for RSEIS has included the estimates on the basis of Option 2 with a 'Share of Deficit Approach', based on the spreading period normally allowed for a Local Authority (past service adjustment 'spread' over 20 years).

Staffing the RSEIS

The RSEIS will be managed by a Chief Officer. The staff will be a mix of permanent and seconded experienced school leaders known as 'System Leaders'.

The role of the System Leader will have a clear focus on leadership and management, and provide strategic leadership and management in Literacy & Numeracy and Curriculum (subject) areas.

It is anticipated that there will be a requirement for 30 FTE System Leaders within the North Wales region. There will be a number of additional posts that will be available according to:

- the number of staff (Home Team) each local authority will require to support those functions that are not covered by the RSEIS nor the other 'LA School Improvement Teams'; and
- additional commissioning from the RSEIS for System Leaders from either the LA or schools, through budgets or grants.

The RSEIS will provide professional opportunities for Headteachers and Teachers to be seconded for short-term periods, ensuring that the Service can draw on the best practice from schools across the region.

Schools will have the opportunity to strengthen and extend collaborative working across the region to collectively commission targeted support and share good practice.

The Support Staff requirement will be 1 Business/Finance Manager, 7 Administrative Staff and 2 Translators.

Staffing the Home Team

The County Council's 'Home Team' will comprise of senior school improvement professionals whose role will be to act as 'client' to the regional service and provide management and pastoral advice to local schools.

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 6

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **A COMPACT FOR CHANGE BETWEEN THE WELSH
GOVERNMENT AND WELSH LOCAL GOVERNMENT**

1.00 PURPOSE OF REPORT

- 1.01 To recommend the adoption of the Compact between the Welsh Government and Welsh Local Government for referral to and adoption by Council.

2.00 BACKGROUND

- 2.01 In the first quarter of 2011, the Welsh Government published the *Local, Regional and National: What services are best delivered where?* report (The Simpson Review) along with national reports on the delivery of education (Thomas Review) and social services (Sustainable Social Services). A key recommendation of the Simpson report was that:

"A Compact detailing the development of collaborative and national service delivery will be agreed by the Assembly Government and the Welsh Local Government Association (WLGA). This Compact will set down a realistic but challenging timeline for dealing with our recommendations."

- 2.02 On 5th December 2011, the Welsh Government and the WLGA signed a Compact (copy attached as appendix 1). The Compact is an agreement between the Welsh Government and the WLGA, and both have requested that each local authority 'sign up' to demonstrate their commitment to collaboration and national policy. The Compact reflects progress and ambition for collaboration; discussions with the Welsh Government and the WLGA have emphasised that its delivery will help to strengthen the case for investment in Councils ahead of the next spending review. Also attached as appendix 2 is a letter from Carl Sergeant AM, the Minister for Local Government and Communities to Welsh Council Leaders, which he had asked be shared with all Members at the earliest opportunity.
- 2.03 There are three Implementation 'Contracts', which underpin the Compact based around (1) Education (2) Social Services and (3) other services. These 'contracts' set out actions and outline time tables for the collaborative work.
- 2.04 Flintshire has already committed to working in collaboration on a number of projects and service areas, not only with local authorities but across all public sector organisations. There are a number of significant collaboration programmes which are already underway in the region, for example:

- Residual and food waste
- School improvement
- Transport
- Social Services Commissioning
- Planning: minerals and waste
- ICT infrastructure

2.05 The Compact is consistent with the approach to collaboration which Flintshire is following and is broadly in partnership under the North Wales Regional Programmes.

2.06 An earlier version of this report was considered by the Corporate Resources O&S Committee at its meeting on 19th January. In inviting that Committee to consider the Compact, the potential risks and benefits for Flintshire were explored.

2.07 Within the Compact it is emphasised that:

'Transparent performance management and governance arrangements which allow councillors continued engagement in service scrutiny are prerequisites for effective collaboration. Increasingly councillors will also have to give due consideration to their role as community leaders and engage positively in the reform process, recognising that their role extends beyond their own borders.' and that

'There may be occasions when the case for change may be less strong or broadly neutral for one partner in collaboration than another. Relative scale of benefits should not be a reason to avoid working together where the outcome for public services will meet the criteria outlined above' (relating to greater good)

2.08 Corporate Resources Overview & Scrutiny resolved:

"That having considered the contents and the implications of the Compact, both for Flintshire and the wider Local Government family and its relationship with the Welsh Government, the Committee recommends that Flintshire should be a signatory, with the following caveat "that this Council's commitment to collaboration with other local authorities and public bodies be re-affirmed, whenever this can either provide existing services more efficiently and/or provide better services at no additional cost, as long as a business case is provided and local sovereignty is protected through appropriate levels of democratic input and scrutiny".

3.00 CONSIDERATIONS

3.01 Following assurances sought by Scrutiny and Audit Committee members to directly address the governance of collaboration and performance monitoring arrangements to protect the interests of Flintshire, the protocol outlined below, based on current practice, is proposed to strengthen the Compact:

- 1. For new collaborations** - the appropriate Overview & Scrutiny Committee will have a full report at the three stages of inception, outline

business case (OBC) and final business case (FBC) for major projects and that Committee's full input will be presented to Executive as part of the formal decision-making process;

- 2. Post-implementation of new collaborations** - the appropriate Overview & Scrutiny Committee will receive regular post-implementation performance reports (*at intervals to be agreed, for example, quarterly*) for the first 12 months following implementation and thereafter mainstreamed reporting in our local performance reporting;
- 3. Members information on service changes** - bearing in mind the recent lessons learnt , the protocol for transition discussed at the Audit Committee at its meeting on 30th January 2012 will include the above and prior detailed notice to all Members over operational changes (e.g contacts, performance standards, service failure remedy routes etc); and
- 4. Regional scrutiny post implementation** - arrangements will be considered over and above the local arrangements on key collaborations e.g school improvement. This could have the shape, for example and using the same example, of the six local respective scrutiny chairs meeting to oversee implementation and to ensure thorough and timely reporting to their constituent authorities.

4.00 RECOMMENDATIONS

- 4.01 That the Executive recommend to Council that Flintshire become a signatory to the Compact subject to sufficient governance arrangements being in place (as set out in 3.01 above).
- 4.02 The Council reaffirm its commitment to collaboration with other local authorities and public bodies where the interests of Flintshire to protect/improve public services and to achieve efficiencies can be met.

5.00 FINANCIAL IMPLICATIONS

- 5.01 There should be no additional financial implications arising from this report as the financial implications of each project are carefully examined.

6.00 ANTI POVERTY IMPACT

- 6.01 Each of the three implementation contracts have a positive anti-poverty impact.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None arising directly from this report but to be considered within individual projects.

8.00 EQUALITIES IMPACT

8.01 Each of the three implementation contracts have a positive equalities impact.

9.00 PERSONNEL IMPLICATIONS

9.01 None arising directly from this report.

10.00 CONSULTATION REQUIRED

10.01 Publication of this report constitutes consultation.

11.00 CONSULTATION UNDERTAKEN

11.01 Publication of this report constitutes consultation.

12.00 APPENDICES

12.01 A Compact for Change between the Welsh Government and Welsh local government

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Report to Corporate Resources O&SC, 19th January 2012 together with resultant minute

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Telephone: 01352 702320
E-Mail: robert_robins@flintshire.gov.uk

A Compact for Change between the Welsh Government and Welsh local government

Introduction

This Compact sets out the terms of a new relationship between the Welsh Government and local government, based on mutual respect and partnership. Its provisions and their delivery underpin the funding to be provided to local government over the period 2012 – 2014 and set the framework and realistic milestones for reform. Ultimately these reforms are intended to improve performance, efficiency and outcomes for the people of Wales.

Context

Public service delivery is at the heart of the Welsh Government's Programme for Government. Local government is a major service provider in Wales accounting for £5 billion of the Welsh Government budget. Welsh Ministers and locally elected councillors are committed to working in partnership to secure significant service improvement and greater efficiency by increasing the pace of public service reform. Strong collaborative leadership is critical to deliver that reform.

This Compact represents a clear statement of commitment by the Welsh Government and local government to prioritise actions that form the bedrock of substantial service reform and change in local government, bringing together the implementation of two major reviews and a Government policy statement that were published in the spring of 2011¹.

While this agreement is between the Welsh Government and local government, the Welsh Government is seeking more widely to achieve effective, locally-responsive services through collaborations across public service organisations as a part of the overall public service reform agenda.

The Compact provides clarification on timelines and accountability for delivering the necessary reforms and a robust monitoring and reporting framework will be established to support its implementation. A reformed Partnership Council will be responsible for monitoring progress.

Public Service Reform

Strengthening democratic accountability is a key commitment within the Welsh Government's Programme for Government. Decisions about how public services are planned and managed need to be taken through local democratic frameworks. Welsh Government and the 22 Welsh councils are committed to the local government model of democratically accountable unitary authorities close to their communities. Nevertheless, it is clear at a practical level that the harsh economic climate and increasing service

¹ The Simpson Review '*Local, Regional, National: What Services are Delivered Where*'; The Vivian Thomas Review: '*The Structure of Education Services in Wales*'; and '*Sustainable Social Services for Wales, A Framework for Action*'

demands have led to significant challenges in relation to performance. Collaboration is one of the key tools in dealing with the challenges of variable service quality, fragmented delivery, duplication of effort and inefficiency.

The Compact is based on the development of voluntary collaborations between councils. The 2009 Local Government Measure provides vital enabling power to remove any statutory or other obstacles to councils collaborating to secure their duty towards continuous improvement and meet their improvement objectives. There should therefore be few if any legal barriers remaining. The 2009 Measure gives Welsh Ministers reserve powers to direct collaboration and they would be obliged to consider the use of these powers in the face of evidence that a collaborative opportunity had not been taken where there was a clear business case.

The purpose of this Compact is to deliver resource savings and demonstrable improvements in service delivery for the people of Wales. The case for change must be evidenced against these criteria. Where there is a transparent case for change with demonstrable service or resource benefits collaboration is expected to proceed. There may be occasions when the case for change may be less strong or broadly neutral for one partner in collaboration than another. Relative scale of benefits should not be a reason to avoid working together where the outcome for public services will meet the criteria outlined above.

The Welsh Government's established Collaborative Footprint for Public Services² provides clarity around regional areas based on the Local Health Board and police authority boundaries to provide a stable and coherent framework that supports collaborative relationships. There is a shared expectation that future collaborative working will be aligned to this footprint, including aggregation of these areas where larger scale regional delivery of services is required or appropriate.

The Role of the Welsh Government

The Welsh Government will continue to ensure that local government in Wales receives an appropriate settlement to help them to protect vital services in the face of severe funding pressures and plan and implement reform in a coherent and strategic way.

Following discussions with the WLGA the Welsh Government undertakes to help local authorities meet increasing revenue pressures, while optimising levels of unsupported borrowing in support of shared infrastructure priorities. In particular, this help would take the form of ongoing funding to address revenue pressures, allowing local authorities to switch resources into capital investment programmes. The funding would be available over an agreed period. In return, local government undertakes to ensure that capital

2

<http://wales.gov.uk/topics/localgovernment/partnership/council/agendas/37thmeeting/?lang=en>

investment programmes financed with newly released funds are additional to planned capital investment, and would be used to finance shared and mutually agreed capital investment priorities.

To support the implementation of the Compact the Welsh Government will:

- support the principles of this Compact for the period of this Government, reviewing the achievements and future ambitions through the Partnership Council;
- foster an environment to support delivery and address barriers and issues which lie outside the control of Local Government;
- simplify the constraints and requirements within which Local Government plan;
- support the development of single integrated plans in an area to help to ensure that Local Government and public services are designed and delivered collaboratively according to community need;
- continue to work closely with local government to maximise investment under the National Infrastructure Plan;
- explore opportunities for strengthening the connection between the provision of funding and the delivery of outcomes; and
- seek to reduce the number of specific grants and hypothecated funding.

The Role of Local Government

Local Government will undertake to deliver the commitments set out in this Compact in partnership with Welsh Government. For local councillors, hand in hand with their responsibility to voice the needs and aspirations of their communities, is a growing role in supporting collaborative activity in pursuit of securing service or efficiency improvements. Given their engagement with local issues councillors are well placed to identify the need for services across areas and to rigorously challenge and scrutinise service design and delivery. The Compact fully recognises the vital role that local councillors undertake. To sustain services councillors will need to encourage and support collaborative arrangements when they reduce cost and / or improve services.

Transparent performance management and governance arrangements which allow councillors continued engagement in service scrutiny are prerequisites for effective collaboration. Increasingly Councillors will also have to give due consideration to their role as community leaders and engage positively in the reform process, recognising that their role extends beyond their own borders.

Governance

A robust monitoring and reporting framework will be established to support the implementation of the Compact and this responsibility will lie with a reformed Partnership Council for Wales.

Supporting the Partnership Council in monitoring public service improvement will be the Public Service Leadership Group (PSLG). The Organisational

Development and Simpson Implementation national work programme of the PSLG will act as the Programme Board for the implementation of the Simpson Review. Within the Implementation Contracts there are specific commitments in the areas of education and social services, which will be monitored through existing Ministerial governance arrangements. Where appropriate, issues will be taken to other fora, such as the Workforce Partnership Council and the Third Sector Partnership Council for consideration or agreement.

Supporting the Delivery of the Compact

There will be instances when greater collaboration will bring financial benefits to a group of organisations but there will be a range of benefits accruing to the participants and for some the initial investment costs may reduce the attractiveness of the proposition. Schemes such as Invest to Save and the European Social Fund can play an important role as well as other transitional or transformative funding in supporting projects where the initial investment costs are a significant inhibitor to change.

The successful delivery of change also requires significant investment in change management and organisational development, to effectively support the various important staffing issues that will ensue. The Workforce Partnership Council will be responsible for supporting the workforce through the necessary changes to service delivery. The WLGA will continue to facilitate relevant trade unions consultation on a regional basis in line with the Joint Council for Wales' revised 'Managing Change in Partnership Position Statement'. At the heart of this commitment is the value and emphasis we place on supporting and developing the public service workforce.

Consequences

The three Implementation Contracts that make up this Compact set out agreed actions and timelines for the delivery of change in the way services are delivered by local government. These milestones and deadlines are realistic but challenging. Both the Welsh Government and local government are agreeing this Compact in expectation that it will be delivered.

Delivery of the Compact by local government will help to strengthen the case for investment in councils ahead of the next spending review. The key features contained in the three Implementation Contracts have been subject to extensive negotiations between Welsh Government and local government. The clear expectation is that local government will now fully deliver on these commitments and that Welsh Government will support them in this undertaking.

Local government accepts that in light of such agreements that non delivery would see recourse to a range of legislative and other options by Welsh Government to determine the future structure and direction of services. This applies in particular in the critical areas of the education and social care implementation contracts.

Conclusion

This Compact is a very significant agreement. For the first time the Welsh Government and local government have an agreed programme of change. This sits within and supports a clear framework of national policies and priorities for delivery set out in the Programme for Government. Both the Welsh Government and local government accept that the delivery of this programme will require clarity and support from the Welsh Government as well as strong leadership at a local level to consider the benefits to services and citizens more widely.

The financial challenges for the public sector are unlikely to ease in the next spending review period. Making these fundamental changes quickly is therefore critically important to protecting and improving public services. This Compact is a visible symbol of the commitment of the Welsh Government and local government to work together in partnership to tackle the challenges we face to support communities and people across Wales.

On behalf of the



Welsh Government



Welsh Local Government Association

Leighton Andrews, AM

Minister for Education and Skills

Cllr Meryl Gravell MBE

Presiding Officer, WLGA

Implementation Contracts

The following three sections of the Compact are specific Implementation Contracts with local government. They address education, social services and the recommendations of the Simpson Report.

Of the 21 recommendations of the Simpson Report recommendations 4 & 5 are addressed in the Education Contract; recommendations 6 & 7 are addressed in the social service contract; and recommendations 8 -19 are contained within the Simpson Implementation Contract. Recommendations 1, 2,3,20 are addressed in the narrative of the Compact.

There are also a small number of commitments contained within the Contracts that have arisen as a consequence of the Simpson Review but were not explicit recommendations.

Whilst this agreement is primarily with local government there will be circumstances when the delivery and achievement of commitments can only be achieved through working with partners such as the Third Sector, Housing Associations, Emergency Services and others. We consider that the Third Sector should be engaged when seeking to deliver each of the commitments in the 'implementation contracts' where appropriate. It is for those identified as responsible to ensure appropriate engagement with the Third Sector.

Some actions have already been completed but they have been included in the contracts because of their importance to the overall package of public service reforms.

The Education Implementation Contract

| Commitment | Milestones | Responsibility |
|--|---|---|
| Local Government to meet the Welsh Government's 20 point Education Action Plan. | As specified in the Education Action Plan | Local Government |
| Local Government to work with the Welsh Government to deliver a new model for the delivery of school improvement in Wales and deliver the new model for school improvement via four regional areas. ³ | September 2012 | Local Government Minister for Education and Skills |
| Local Government to work with the Welsh Government to deliver a wider specific range of education services (to be agreed) on a regional basis. | September 2014 | Local Government Minister for Education and Skills |
| Local Government to increase schools' funding delegation rate: <ul style="list-style-type: none"> • Initially to 80%; and • then work towards 85%. | September 2012 September 2014 | Local Government |
| Welsh Government to work with Local Government to implement a new model for the delivery of student finance based on an all Wales service and ensure the continuity of service through the transition. | September 2016 | Minister for Education and Skills Local Government |
| Local Government and the Welsh Government's School Standards' Unit to implement a system of school banding. | September 2011 | Local Government Minister for Education and Skills |
| Local Government with the support of Welsh Government and the WLGA to implement a kite marked good practice initiative "Learning From Our Best". | March 2012 | Local Government Minister for Education and Skills |

³

SWAMWAC: Carmarthen, Pembrokeshire, Ceredigion, Neath Port Talbot, Swansea & Powys;
North Wales: Anglesey, Conwy, Gwynedd, Wrexham, Flintshire & Denbighshire;
South East: Caerphilly, Newport, Blaenau Gwent, Torfaen & Monmouth;
Central South: Vale, Cardiff, Merthyr, RCT & Bridgend.

| Commitment | Milestones | Responsibility |
|---|-------------------|---|
| Welsh Government to support Local Government in developing school federations and associated work on simplifying and speeding up the school reorganisation process. | March 2012 | Minister for Education and Skills Local Government |

The Social Services Implementation Contract

| Commitment | Milestones | Responsibility |
|---|----------------------|---|
| <p>Welsh Government and Local Government to set up and maintain new leadership arrangements for social services across Wales to drive forward the transformational change programme that is required.</p> | <p>October 2011</p> | <p>Deputy Minister for Social Services Local Government</p> |
| <p>Local Government to engage fully with the new leadership arrangements and provide leadership at regional and local level for implementation of change programme.</p> | <p>October 2011</p> | <p>Local Government</p> |
| <p>Local Government to provide a co-ordinated single response to the Deputy Minister for Children and Social Services to her letter of 23 March 2011 ensuring that the response:</p> <ul style="list-style-type: none"> • properly reflects the priorities of 'sustainable social services for Wales'; • reflects the regional footprint for public services announced by Welsh Government in July 2011; • sets out proposals for collaborative working at both a strategic and operational level which tackle complexity and duplication and how Local Government will use its capacity in a more efficient and effective way; and • sets out proposals for a more strategic approach to commissioning which includes regional and national proposals. | <p>December 2011</p> | <p>Local Government</p> |
| <p>Local Government to develop and agree an implementation programme to begin on 1 April 2012 for the changes flowing from the response to the Deputy Minister and bring to the Partnership Forum.</p> | <p>March 2012</p> | <p>Local Government</p> |

The Other Services Implementation Contract

| Commitment | Milestones | Responsibility |
|--|--|--|
| <p>Local Government, in line with the national policy of the Welsh Government, to deliver collaborative waste treatment infrastructure procurement:</p> <ul style="list-style-type: none"> • 18 LAs in 7 hubs for food waste • 21 LAs in 6 hubs for residual waste | <p>2012-2014 for food waste 2016-2018 for residual waste</p> <p>Phase 1 – April 2012 Phase 2 – April 2013 Phase 3 – April 2014</p> | <p>Local Government</p> |
| <p>Local Government with the support of Welsh Government to implement the collaborative change programme for all local authority waste management services.</p> | <p>June 2012</p> | <p>Local Government Minister for Environment and Sustainable Development</p> |
| <p>Local Government and Welsh Government to review the interface between the Trunk Road Agencies and the Regional Transport Consortia's constituent authorities and joint working between highway engineering services to support the planning, management and delivery of strategic highways services. Local Government with support of Welsh Government to identify and implement quick wins by Regional Transport Consortia. To develop a business case and implement change.</p> | <p>March 2013 March 2013 – March 2014</p> | <p>Minister for Local Government and Communities Regional Transport Consortia</p> |
| <p>Welsh Government, NHS and Local Government to complete the business case for the National Procurement Service.</p> | <p>June 2012</p> | <p>Minister for Finance and Leader of the House Minister for Local Government and Communities Public Service Leadership Group Local Government</p> |

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|---|------------------------------------|---|
| <p>Local Government with the support of Welsh Government to continue to implement the Public Services ICT Strategy, beginning with collaborative procurement frameworks for ICT hardware and shared ICT Infrastructure.</p> | <p>March 2012</p> | <p>Minister for Finance and Leader of the House Minister for Local Government and Communities Minister for Enterprise Technology & Science Public Service Leadership Group Local Government</p> |
| <p>Local Government to have completed their individual council business cases for xchangewales; and if adopting Local Government to have made their commitment by June 2012.</p> | <p>February 2012 June 2012</p> | <p>Local Government Minister for Finance and Leader of the House Minister for Local Government and Communities Public Service Leadership Group</p> |
| <p>Local Government to fully adopt the generic standard supplier qualification questions (SQUID).</p> | <p>March 2012</p> | <p>Minister for Finance and Leader of the House Minister for Local Government and Communities Public Service Leadership Group Local Government</p> |
| <p>Local Government with the support of Welsh Government to develop and implement a set of standard Contract Procedure Rules.</p> | <p>June 2012</p> | <p>Local Government Minister for Finance and Leader of the House Minister for Local Government and Communities Public Service Leadership Group</p> |
| <p>Local Government, supported by Welsh Government, to use Community Benefits clauses in contracts in excess of £2 million</p> | <p>March 2012</p> | <p>Local Government Minister for Finance and Leader of</p> |

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| where community benefits can be realised. | | the House Minister for Local Government and Communities Public Service Leadership Group |
| Local Government to work with Welsh Government to develop revised Guidance for the Supporting People Programme and the role and operation of regional committees. | March 2012 | Minister for Housing, Regeneration and Heritage Local Government |
| Local Government and service providers to establish Supporting People Regional Collaborative Committees in line with the revised guidance. | June 2012 | Local Government Providers of services (Registered Social Landlords and the third sector) |
| Welsh Government and Local Government to take forward collaboration in the delivery of planning services , including specialist services and the planning application process, informed by the Independent Advisory Panel established by the Minister for Environment and Sustainable Development. | September 2012 | Minister for Environment and Sustainable Development Local and National Park Authorities |
| Welsh Government with the support of Local Government and other parts of the public sector to review the scope for standard Contract Terms & Conditions across the public sector. | February 2012 | Minister of Finance and Leader of the House Minister for Local Government and Communities and the Public Service Leadership Group Local Government |
| Welsh Government and Local Government to regionalise the delivery of emergency planning services within 2 years and with other partners on a multi-agency basis within 4 years where practicable. | September 2013 September 2015 | First Minister Minister for Local Government and Communities Local Government Local Resilience Forums |
| Welsh Government and Local Government to review the scope for collaboration in the future delivery of support for listed and historic | September 2012 | Minister for Housing, Regeneration and Heritage |

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| buildings. | | Local planning authorities Historic environment sector, including third sector |
| Local Government to review the options for the administration and collection of local taxation (Council Tax and NNDR) in Wales at either a regional or national level. | June 2012 | Local Government Society of Welsh Treasurers |
| Local Government to review the organisation of the local authority pension funds in Wales considering the number of funds and their organisational structure. | October 2012 | Local Government Welsh Pension Funds |
| Local Government to review the scope for collaboration in the future delivery of a range of corporate services (to be agreed) such as payroll, legal services and human resources. | March 2013 | Local Government |
| Welsh Government and Local Government to review existing collaborative arrangements in the library services ; and agree an implementation plan for further collaborative arrangements. | September 2012 | Minister for Housing, Regeneration and Heritage Local Government |
| Welsh Government and Local Government to review the scope for collaboration in the future delivery of archive services . | November 2012 September 2012 | Minister for Housing, Regeneration and Heritage Local Government |
| Welsh Government and Local Government to review and prioritise the key areas for regional working in housing services and produce an action plan for implementation subject to evaluation. | March 2012 | Minister for Housing, Regeneration and Heritage Local Government |
| Local Government with the support of Welsh Government to review the scope for collaboration in the future delivery of culture and leisure services . | March 2012 | Local Government Minister for Housing, Regeneration and Heritage, |
| Welsh Government to confirm the policy intent for the future shape of Trading Standards services . Local Government and the Welsh Government to review the scope for collaborative service delivery in Trading Standards following confirmation. | March 2012 September 2012 | Minister for Local Government and Communities Local Government |

| | | |
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| <p>Local Government with the support of the Welsh Government to review the scope for collaboration in environmental health services.</p> | <p>December 2012</p> | <p>Local Government First Minister Minister for Local Government and Communities</p> |
| <p>Welsh Government with the support of Local Government to develop a full business case and, if appropriate, a subsequent implementation plan setting out agreed proposals for greater collaborative action in the delivery and procurement of Welsh translation services.</p> | <p>December 2012</p> | <p>Minister for Local Government and Communities Minister for Education and Skills Local Government</p> |
| <p>The Welsh Local Government Association to provide a report to the Partnership Council which clarifies its various roles and makes clear the separation between its service delivery and policy roles.</p> | <p>March 2012</p> | <p>Welsh Local Government Association</p> |

Carl Sargeant AC / AM
Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MB/CS/7852/11

January 2012

Dear Leader

I am writing to initiate a new dialogue with you as part of my commitment to building relationships between the Welsh Government and Local Government. Whilst sometimes we will have different views on specific issues, we have much common ground as well. In particular, we are all interested in protecting and improving the public services that people across Wales rely on in their daily lives.

Now is a good time to start that dialogue. As you may know, the Partnership Council for Wales is the statutory forum for Welsh Government and Local Government democratic engagement. At our meeting on 5 December a range of leaders from across Local Government met with Welsh Government Ministers and made progress on a number of key issues, notably agreeing the 'Compact for Change' between the Welsh Government and Local Government.

Our relationship is critical to successful delivery for the people of Wales in these challenging times and the Compact is a joint commitment to actions which together will achieve better services for people and lower costs while retaining and strengthening local democratic accountability. It will ensure an informed and constructive dialogue on how best a range of local government services is delivered and whether the services should be on a local, regional or national footprint. The Compact can be found using the weblink below¹ or can be obtained in hard copy from your member services.

Collaboration is one of our key tools to secure consistent high quality services against the background of the current harsh economic and financial climate, and increasing service demands. In order for greater collaboration to achieve its full potential there is the need for visionary leadership at all levels. Your strong political leadership is critical to this, as decisions about how public services are planned and managed will continue to be taken through local democratic frameworks.

¹ <http://wales.gov.uk/topics/improvingservices/publications/compact/?lang=en>

As community leaders, you can engage positively with this agenda by using transparent performance information and governance arrangements to continue to scrutinise service delivery – whether it is delivered locally, regionally or nationally. Together with the introduction of powers for joint scrutiny, the regional collaborative footprint should help here in bringing stability and clarity to the development of future collaborations. As I have said on a number of occasions, it is not intended to break up established successful partnerships, but the new arrangements provide strong foundations for future working and I am looking to local authorities to seize all opportunities to work on this basis.

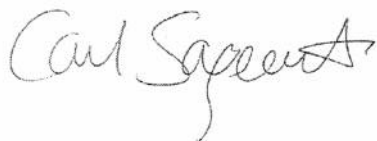
I was also pleased that the Partnership Council considered how it should itself be structured to ensure that it could reflect and challenge the cross public service nature of delivery for individuals in Wales. Proposals for the new Council include widening membership and placing local authority representation on a regional footprint.

The local government settlement which I announced on 7 December delivers a cash increase in revenue funding for local government in Wales. This is against a backdrop of reducing budgets in many other areas of public spending. Over the four-year spending review period, core funding for local government in Wales is due to increase whilst comparable funding in England is set to fall. I am distributing the whole RSG pot to local authorities, giving you the freedom to decide locally to freeze council tax if you so choose. I understand the difficult choices you will be making over the next few months as you consider your budgets.

The Partnership Council also noted the very positive progress on a new Local Government Borrowing initiative. This will provide up to £12m annually in revenue support to allow local authorities to release funds for capital investment in highways. That could mean over £170m of new investment to bring real benefits to local people as well as to the Welsh economy. There is still work to be done on the detail but I hope that this initiative can be taken forward very quickly in the New Year. This new funding initiative complements the Minister for Education and Skills' recent announcement of £1.4 billion of investment in the 21st Century Schools Programme.

I hope that this letter is useful in setting out key recent developments, and that you will support your Council in stepping up to the challenges ahead.

I am copying this to John Davies and Steve Thomas at the WLGA and would be grateful if you could share a copy of this letter with all the Councillors for your local authority at the earliest opportunity.



Carl Sargeant AC / AM

Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities

REPORT TO EXECUTIVE – 21 FEBRUARY 2012
NORTH WALES SAFER COMMUNITIES BOARD

REPORT TO: **TEMPLATE REPORT**

DATE:

REPORT BY:

SUBJECT: **North Wales Safer Communities Board**

1. PURPOSE OF REPORT

- 1.1 To present the recommendation of the North Wales Regional Leadership Board to form a Regional Safer Communities Board.
- 1.2 To present the underpinning Partnership Agreement for the Board.

2. BACKGROUND INFORMATION

- 2.1 In December 2010 it was agreed that as part of the North Wales Partnership Review a Regional Safer Communities Board for North Wales would be established by 2012.
- 2.2 This Board would take responsibility for the governance, regional commissioning and oversight of operational delivery arrangements of Community Safety Partnerships and Youth Justice Services. It would also influence Criminal Justice service provision and development.
- 2.3 The Board would be supported by sub-regional operational arrangements. These less formal partnerships would be operational with the county areas working in couplets, building on existing or developing partnership arrangements. They are as follows:
 - Anglesey/ Gwynedd
 - Conwy/ Denbighshire
 - Flintshire/ Wrexham
- 2.4 Sub-regional differences will be recognised and respected by the Board. There will be scope for different ways of working within each sub-region e.g. the extent of formal merging of the current operational teams. The priorities of the sub-regional groups would be guided by the Board to ensure greater consistency in the achievement of standards of performance and outcomes.

- 2.5 A further aim of setting up the Board is to lead the way for further regional 'strategic' partnerships where there is a good case. The creation of a Safer Communities Board will enable a regional approach to be tested for later applications to partnerships such as the Children and Young People's and Health, Social Care and Well Being.

The following recommendations of the Project Group, set up to propose a Safer Communities Board, were endorsed by the Regional Leadership Board for presentation to all partner organisations, which would all be a part of the new Board:

2.6 Statutory and Strategic Role of the North Wales Safer Communities Board

The Board will assume the regional statutory and strategic responsibilities currently held by local strategic or executive groups. It will:

- Develop and agree the vision for North Wales for Community Safety and Youth Justice.
- Assume accountability to the Home Office for the production of the Strategic Assessment and Community Safety Plan.
- Establish the broad strategic aims for the sub-regional operational partnerships to achieve the goals of the Community Safety Plan.
- Oversee and develop strategic planning with initial impacts in specific policy areas where performance across the region is inconsistent.
- Monitor performance, capture and commend good practice, and encourage continuous improvement and ensure compliance with the 'hallmarks of effective practice' as identified by statute.
- Direct and undertake needs assessments and public consultation as required.
- Promote the mainstreaming of community safety at a strategic level with partner organisations.
- Promote collaboration in the design and provision of local public services.
- Reduce the scale and cost of underpinning partnership arrangements at sub-regional and local level.

2.7 Governance

The Board will have formal Joint Committee status as defined by the Local Government Act 1972. A Partnership Agreement (attached) will set out:

- Membership
- Roles and responsibilities
- Term
- Reporting procedures
- Performance management
- Risk management

- Dispute resolution
- Protocol for Partnership review

Discussions have been opened with the Welsh Government, Home Office and other regulatory bodies on this new model of working. To date they have been supportive of the proposal.

2.8 Commissioning and resource allocation

In the short term the Board will be tasked with policy, strategic direction and overall priorities. A commissioning function would be incorporated at a time when partners are confident that the Board is mature enough to adopt these additional duties.

Ultimately the Board could assume responsibility for the commissioning of services funded through Home Office and Welsh Government grants and allocate resources to support the function of the sub-regional Community Safety and Youth Justice operational partnerships.

2.9 Forward work programme

The Board would have a formal work programme with priorities set for making an early impact. Priorities include a youth offending prevention strategy, a consistent approach to anti-social behaviour policy and a joint approach to addressing domestic homicide reviews.

3. KEY ACTIONS TO BE UNDERTAKEN AND PROGRESS MADE TO DATE

3.1 The Project Group supporting the work of the North Wales Safer Communities Board met for the third and final time on 6th December 2011. The preparatory work undertaken by the Group has provided a constructive framework for the Board. Key documents have been produced:

- (i) A Partnership Agreement, which sets out the remit and function of the Board (the draft Agreement accompanies this report).
- (ii) Initial work programme.
- (iii) Detailed papers which proposes the approach to the Board by the Community Safety Partnership and Youth Offending Services.

3.2 The Regional Leadership Board endorsed the proposal for presentation to County Council and other partner bodies at its January 2012 meeting.

3.3 The next step is for the formal member organisations of the Board, who are identified as the statutory partner agencies as defined by the Crime and Disorder Act 1998, to formally adopt the proposal and agree to nominate members for the new Municipal Year (May 2012 – May 2013).

- 3.4 The model that has been developed is being closely observed by the Home Office and Welsh Government. Both regulatory bodies have expressed their approval. Whilst it is a new way of working regionally, it allows for operational work to continue at a sub-regional level.
- 3.5 The first meeting of the North Wales Safer Communities Board would be held at the earliest opportunity in the new municipal year, and no later than July 2012.

4. RECOMMENDATIONS

- 4.1 That the proposal to create a Regional Safer Communities Board be approved and the organisation fully participate in the Board from July 2012 onwards.
- 4.2 To agree to appoint to the Board at the Annual General Meeting (if a Local Authority), or through other formal mechanisms if a partner organisation.
- 4.3 To endorse the Partnership Agreement which accompanies this report.

PARTNERSHIP AGREEMENT

North Wales Safer Communities Board

2011, Version 5

1. Introduction

- 1.1. This document is a partnership agreement for the North Wales Safer Communities Board. For the purpose of this document the North Wales Safer Communities Board will be referred to as the NWSCB hereafter.

2. Legislative Base

- 2.1. The purpose of the North Wales Safer Communities Board will be to provide strategic leadership to meet nationally and regionally driven priorities for community safety and to meet the priorities of the regionally/locally produced strategic needs assessments. . The NWSCB will have a threefold role and terms of reference: Community Safety; Youth Justice; Criminal Justice.
- 2.2. The formation of the NWSCB is supported by the Home Office, the Welsh Government and national partners. It originates from the Regional Partnership Review commissioned by the North Wales Regional Leadership Board. The NWSCB will oversee the strategic and commissioning duties of the local Community Safety Partnerships (CSPs) and Youth Justice Boards (YJBs).
- 2.3. A summary of the main duties and responsibilities that the NWSCB will be expected to fulfill, both statutory and non-statutory duties and responsibilities, are outlined in Appendix 1.¹

3. Term and Commencement

- 3.1. **Period of Appointment:** The purpose, remit and function of the Board will be reviewed on an annual basis, or as required should any changes to its constitution and terms of reference be required to comply with the wishes of its constituent bodies, national policy or legislation or the direction of regulatory bodies/ agencies.
- 3.2. **Commencement:** The first meeting of the NWSCB will be held at the earliest point during the new municipal year and no later July 2012.

4. Function of the NWSCB

- 4.1. The NWSCB will provide strategic direction for the exercise of the Community Safety and Youth Justice functions across the region. The NWSCB, whilst promoting consistency of policy objectives, consistently high performance, and the shared use of expertise and resources across the region; will recognise sub-regional and local differences in need and priorities as evidenced by regional strategic needs

¹ To be completed once the draft of the terms of reference are agreed.

5. Aims and Objectives

5.1. The aims of the NWSCB will be to promote consistency of outcomes across in the region; to promote consistency of policy and practice; to achieve consistently high standards of performance; and to promote the collaborative and shared use of expertise and resources across the region in the interests of efficiency, economy and effectiveness in the fields of Community Safety and Youth Justice. The NWSCB aims to influence the provision of Criminal Justice Services in North Wales.

5.2.

5.3. The objectives of the NWSCB will include:-

- Reducing bureaucracy and formality through streamlining strategic and operational functions.
- Identifying shared and/or common priorities
- Acting as a lobbying group to influence the Welsh Government, Home Office and Local Policing Body.
- Establishing a common and consistent framework for strategic, tactical and operational delivery at regional, sub-regional and local levels.
- Identifying and delegating functions to the sub-regions where necessary.
- Facilitating and encouraging regional working in the interests of public value.
- Providing a more efficient and consistent service in contributing to reducing crime and disorder and improving the criminal justice services in North Wales.

6. Partnership Principles / Procedure of Cooperation

6.1. The development of an effective and impacting NWSCB will require effective partnership working. Cross-agency communication and the full and ready involvement of the statutory agencies.

6.2. The principles to be set for the constituent bodies which will make up the partnership are:-

- **Commitment** - Of time, energy, influence, contacts and resources to support the work of Partnership. Putting the interests of the NWSCB before those of individual agencies.
- **Openness** - Transparency and openness.
- **Respect** - Recognition of the value that each partner brings to the Partnership
- **Equality** - Equality between partners and in services across the region.
- **Modernisation** - Openness to re-design and rationalise planning and service delivery.
- **Innovative** - Willingness to innovate and to be creative and risk-taking.
- **Flexibility** - Willingness and ability to understand others' perspectives and adapt current practice where there is mutual benefit.
- **Integration** - Avoid duplication of effort and work towards achieving

common aims and objectives.

- **Accountability** - Will be accountable to stakeholders within agreed procedures.
 - **Communication** - All partners recognise their responsibility for disseminating information from the NWSCB and feeding in views of their constituent organisations.
 - **Information Sharing** - Information will be readily shared in accordance with our agreed Information Sharing Protocol (refer to section 16 of this agreement).
 - **User Focussed** - The focus of services and activities will be primarily on responding to the needs of individuals and communities.
- 6.3. All members (and their organisation) of the Partnership should also sign up to the following:
- Be demonstrably committed to the Partnership.
 - Recognise and accept the need for Partnership.
 - Have a clear understanding of the role and responsibility of each agency.
 - Contribute to the development of a clear and explicit vision of working which is agreed by all partners and which has realistic, measurable and attainable outcome-based aims and objectives.
 - Have commitment to and ownership of a common strategic agenda.
 - Agree to equity and respect between partners to enable the creation and maintenance of Trust.
 - Contributes to the effective inter-agency Partnership Working arrangements.
 - Monitor, measure and learn from experience.

7. Governance

- 7.1. The Board will be appointed as a Joint Committee under section 102 of the Local Government Act 1972.
- 7.2. This will require formal agreement of all statutory partners to the Board (who will be divesting statutory roles and responsibilities in the Board) to the constitution, the terms of reference and the Partnership Agreement. The constituent bodies will make appointments to the Board (annually or for longer terms of office as desired) according to the constitutions. The constituent bodies will be invited to make appointments at the first annual general or other meeting from May 2012.
- 7.3. Provision will be made for Welsh language translation facilities at formal and public Board meetings. Documents and reports produced by the Board for the public domain will be bi-lingual.

8. Membership and Terms of Office

- 8.1. The NWCSB will be made up of agencies and organisations which provide services to community safety, youth justice and criminal justice partnerships in North Wales.
- 8.2. The Chair will be nominated and agreed by the Board and will be elected on an annual basis.
- 8.3. The membership of the Board will comprise the following:
 - i. Formal members: Formal members are defined as representatives from the statutory partner agencies, as listed in the Crime and Disorder Act 1998. Elected members appointed will be expected to have sufficient seniority and experience; officers appointed will be at an appropriate level of seniority to similarly make decisions on behalf of their organisations. Appointees, whether elected members or senior officers, will have full voting rights. The statutory organisations identified by the Crime and Disorder Act 1998 are:
 - Local Authorities Police
 - Police Authority
 - Probation Service
 - Fire Service
 - Local Health Board
 - ii. Standing Professional Advisors: Advisors will be identified to join the Board to provide specialist advice to members. They will not have full voting rights.
 - iii. Co-opted Members: Co-opted members will be appointed to the Board as required. They will have full speaking rights but not voting rights.
- 8.4. All constituent partner representatives should have sufficient seniority within their organisation to make necessary resource and policy commitments. This requirement is not intended to compromise the independence and decision-making processes of the partner organisations;
- 8.5. Representatives of statutory partners, as defined by the Crime and Disorder Act 1998, should be of sufficient seniority to ensure that their organisation fulfil their statutory responsibilities.
- 8.6. The Board will have the power to co-opt additional members as required, and should consider the representation of other major partnerships in the area.
- 8.7. Other partners may be involved from time to time on an ad hoc basis, by agreement of the Board. Such partners may take part in working arrangements, in subsidiary partnerships or provide advice. They are likely to have a degree of influence but will retain their independence.

9. Roles and Responsibilities

- 9.1. Members of the Board agree to discharge the statutory responsibilities as outlined in statutory guidance. They will share in decision-making processes and commit to contribute professional expertise, time, energy, influence (within own organisations and in other settings), contacts and resources. This includes adhering to partnership agreements and protocols.
- 9.2. The NWSCB will be responsible for the development and implementation of a North Wales Community Safety Plan in accordance with Home Office guidelines. In doing so, it will:
- Scrutinise, comment and make recommendations on relevant reports from partner organisations and plans from other strategic partnerships.
 - Commission research and request reports and information on relevant matters and produce its own reports and recommendations.
 - Where appropriate, establish strategic planning groups, ensuring a balance of membership, to consider specific issues and invite individuals with relevant skills, knowledge and experience to join such groups.
 - Nominate members to existing strategic planning groups, ensuring a balance of membership.
 - Commission advisors and experts to provide information, advice and guidance on issues.
 - Liaise and co-operate with other partnership groups in North Wales.
 - Make contact with peer organisations/partnerships in other counties (including England where appropriate).
- 9.3. The Board is responsible for co-ordinating strategic planning and commissioning (where appropriate) of the region's operational CSP's, and YJBs.

10. Reporting

- 10.1. The Board will formally report on progress to:
- The Police and Crime Commissioner, subject to guidance from the Home Office.
 - Home Office (as required);
 - Welsh Government (as required).
 - Youth Justice Board (as required).
 - Local Authority Overview and Scrutiny Committees
 - Statutory Regulators (as required)
- 10.2. The Board will report to the constituent partner organisations on a frequency to be agreed and at least annually. In addition Formal Board Members will report to their own appointing organisations using their own internal/local structures.
-
- 10.3. Reporting arrangements into the Board are described within the

adopted performance management framework. This outlines reporting frequency and type of information required.

11. Meetings and Secretariat

- 11.1. The NWCSB shall meet at least three times per municipal year. Where extraordinary or additional meetings are required these will be agreed by the Chair.
- 11.2. Board members are expected to contribute to meetings in line with the principles within the adopted “Procedure for Cooperation”.

Participation in meetings of the NWSCN will be restricted to Members of the Board and other invitees as appropriate. Meetings will be held in public unless exclusion of the press and public is deemed appropriate under the relevant local government legislation and agenda, reports and background papers will similarly be published and retained for public inspection.

- 11.3. Declarations of interest must be disclosed prior to each meeting.
- 11.4. Substitute members shall be appointed as named deputies by respective organisations.
- 11.5. The Quorum will represent xx per cent of the number of formal members (as set in 8.3 above) or nominated deputies.
- 11.6. A lead authority will be appointed by mutual agreement to service the NWSCB.
- 11.7. Responsibility for servicing meetings will be provided by a lead authority. This is to include production of notices of meetings, agendas, reports and minutes
- 11.8.

12. Forward Work Programming and Risk Management

- 12.1 A Forward Work Programme will be published by the NWSCB.

A risk register will be set and managed by the NWSCB.

13. Collaboration and Funding Opportunities

- 13.1 At an appropriate time, and once mature, the Board will fulfil a regional commissioning function. This will be agreed by the Board and constituent partners in due course.
- 13.2 At the appropriate time, Board members will agree the framework for the management of pooled funds and resources. This could include

consideration for the following:

- Process for commissioning services, including identification of lead authorities for different services.
- Method of pooled funding.
- Processes for financial control and monitoring within and between partnerships.
- Sharing of human and other resources to enable the partnership to operate effectively.
- Standing orders and financial regulations.
- Accountable structures for auditing.

14. Partnership Assessment and alteration of the Partnership Agreement

- 14.1. This Partnership Agreement will be reviewed at close of its first year (May 2013) and thereafter at the start of each strategic planning period (currently every 3 years).

15. Exiting of Involvement with the Partnership

- 14.1 No formal mechanism yet adopted. The NWSCB will need to specify the procedure, and consider the statutory requirements, if applicable.

16. Community Involvement and Equality

- 16.1. The North Wales Community Safety Strategic Plan should reflect the views, where possible, of stakeholders and the general public.
- 16.2. An Equality Impact Assessment will be undertaken during the process of developing the regional Community Safety Strategic Plan.

17. Information Sharing

- 17.1. All partners will adhere to the framework set out in the 'North Wales Community Safety Chief Officer Strategic Group Protocol and Procedure for the Exchange of Information', until such time as the NWSCB is in a position to develop its own protocol.²

² The purpose of the Protocol is to facilitate the exchange of information pursuant to the power contained in Section 115 of the Crime and Disorder Act 1998. Where certain conditions are satisfied, Section 115 enables any person to disclose information for the purposes of any provision of the Crime and Disorder Act 1998 to a relevant authority, or to a person acting on behalf of such an authority. Section 17A of the Police and Justice Bill 2007 strengthened the 1998 Act by placing a duty on responsible authorities within the CSP to share depersonalised aggregate data which would be in the interest of preventing crime, disorder, misuse of drugs, alcohol and other substances, anti-social behaviour and behaviour adversely affecting the environment. This duty will only apply to information already held by the responsible authority in a depersonalised and aggregate format

DRAFT

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 8

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT : **IMPROVEMENT PRIORITIES MID YEAR REVIEW**

1.00 PURPOSE OF REPORT

1.01 To present a mid year position of progress against our ten corporate Improvement Priorities including the development of Outcomes and Key Targets/Evidence.

2.00 BACKGROUND

2.01 It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and to publish an Improvement Plan.

2.02 The Improvement Objectives were endorsed as the set of Council Priorities within the Improvement Plan by Executive and County Council in June 2011.

3.00 CONSIDERATIONS

3.01 The Improvement Plan builds upon the Council Priorities and the underlying Directorate priorities and presents them in a single document.

3.02 The ten primary priorities are supported by the more detailed secondary priorities set out in the three Directorate plans for Community Services, Environment and Lifelong Learning and in the corporate governance plans. The corporate governance plans are the Improvement Plan, the Strategic Assessment of Risks and Challenges (SARC) and the four business plans for the corporate resources of the Asset Plan, the ICT and Customer Services Strategies, the Medium Term Financial Strategy and Plan and the People Strategy.

3.03 The secondary priorities have high level actions, milestones and targets which can be monitored over time. This mid-year assessment provides an overview of progress against scheduled activity for each of the secondary priorities. Progress has been categorised as:

- RED: Limited Progress - delay in scheduled activity; not on track
- AMBER: Satisfactory Progress - some delay in scheduled activity, but broadly on track
- GREEN: Good Progress - activities completed on schedule, on track

It also provides an assessment against our level of confidence at this point in time in achieving the outcome(s) for each secondary priority. Outcome has been categorised as:

- RED: Low - lower level of confidence in the achievement of the outcome(s)
- AMBER: Medium - uncertain level of confidence in the achievement of the outcome(s)
- GREEN: High - full confidence in the achievement of the outcome(s).

3.04 An assessment summary of the RAG status against progress and outcome was presented to the Executive meeting in January.

3.06 In addition to the RAG status, this fuller version now details four additional pieces of information:

- i) Progress to date - key areas of activity completed or underway
- ii) Further actions - key areas of activity scheduled
- iii) Outcomes - deliverables or 'results' of the priority
- iv) Key Targets/Evidence - shows how each of the Outcomes can be evidenced.

The complete set of priorities and their supporting information will be presented at Executive as 'work in progress'.

3.09 This fuller version has also taken into account changing circumstances and identifies a few priorities which need to be merged, deleted or refreshed. These final priorities will be referred to within the Improvement Plan for 2012/13 which will be endorsed by the County Council in June 2012.

4.00 RECOMMENDATIONS

4.01 That Executive endorse the mid year assessment of the Improvement Priorities noting the development of Outcomes and Key Targets/Evidence.

5.00 FINANCIAL IMPLICATIONS

5.01 None directly related to this report.

6.00 ANTI POVERTY IMPACT

6.01 None directly related to this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly related to this report.

8.00 EQUALITIES IMPACT

8.01 None directly related to this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly related to this report.

10.00 CONSULTATION REQUIRED

10.01 None

11.00 CONSULTATION UNDERTAKEN

11.01 The Improvement Plan and priorities have been available for public comment and feedback.

11.02 The Corporate Resources Overview and Scrutiny Committee (20 February 2012) have been provided with this report for their observations.

12.00 APPENDICES

12.01 Appendix 1: Improvement Priorities mid year review 2011/12
The latest version of the appendix will be presented at Executive as 'work in progress'.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Directorate Plans, SARC, Outcome Agreement

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 9

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE AND CHIEF EXECUTIVE**
SUBJECT : **COUNCIL FUND REVENUE BUDGET 2012/13**

1.00 PURPOSE OF REPORT

1.01 To propose (1) the Council Fund Revenue Budget for 2012/13 and (2) actions to close the previously reported budget 'gap', following consultation with all Overview & Scrutiny Committees.

2.00 BACKGROUND

2.01 A report was presented to Executive on 20 December 2011 which:-

- (1) Advised of the details of the Final Local Government Settlement for 2012/13
- (2) Sought endorsement of the Council's Medium Term Financial Strategy 2011/15, Medium Term Financial Plan 2012/15 and Budget Strategy for 2012/13
- (3) Presented initial detailed Council Fund revenue budget proposals for 2012/13

2.02 The initial budget proposals for 2012/13 were referred on to all Overview and Scrutiny Committees for consideration. Meetings of the individual Overview and Scrutiny Committee took place between 16 and 23 January 2012. At the Corporate Resources Overview and Scrutiny Committee on 24 January 2012, which was open to all Members, it was reported that the projected shortfall had been reduced, at that point, from the £1.718m reported to Executive in December to £0.135m.

2.03 The budget strategy and the implications for school budgets were discussed with the School Budget Forum on 8th November 2011 and a further update is scheduled for 28th February 2012.

2.04 The Flintshire Joint Trades Union Committee received a budget update on 7th February 2012.

2.05 The Council Fund budget setting for 2012/13 and setting of the Council Tax for the year will be at County Council on 1st March 2012.

3.00 DEVELOPING THE 2012/13 BUDGET STRATEGY AND CLOSING THE GAP

Context

3.01 The budget strategy for 2012/13 has been developed within the context of the Medium Term Financial Strategy (MTFS) 2011/15, adopted by the Council in June 2011. The key aims of the MTFS are to:-

- Ensure revenue and capital resources are targeted to achieve priorities and objectives
- Fully integrate revenue and capital plans
- Maintain Council Tax increases at affordable levels
- Optimise opportunities for income generation from fees, charges and grants
- Maintain appropriate level of reserves and provisions
- Provide strong financial services, systems and process to deliver and support the strategy and balanced annual budgets

3.02 Through the MTFS we are aiming to reduce our operating costs, improve services to the public and work collaboratively with other bodies. The reduction in costs will allow the Council to:-

- Reinvest in new, expanded or improved services
- Respond to the reduced level of funding available to local government and the wider public sector
- Minimise the effects on customers and public services

Budget Strategy 2012/13

3.03 For 2012/13, the emphasis has been on reducing internal operating costs and compressing new pressures through careful, evidence based forecasting and a risk management approach. This has been coupled with reviewing opportunities to increase resources through grants and contributions from external bodies and by making an inflationary uplift to existing fees and charges.

Investing in Council Priorities

3.04 The budget strategy, as set out in this and the accompanying capital report demonstrates additional investment to meet the following Council Priorities / Improvement Objectives:-

- Improvement Objective 3 on Employment (Single Status and Equal Pay)
- Improvement Objective 4 on Customer Service (Flintshire Connects, ICT and Channel Shift)
- Improvement Objective 5 on Communities and Safeguarding (Vulnerable People)
- Improvement Objective 6 on Economy (Town Centre Regeneration and Welfare Reform)
- Improvement Objective 7 on Independent and Healthy Living (Social Care for Adults, Accommodation Services and Inclusion Service)
- Improvement Objective 9 on Learning and Leisure (School Funding, Standards, Leisure Services and Facilities and Play Strategy)
- Improvement Objective 10 on environment (Waste and Operational Services, Energy Management and Regeneration)

Budget Headlines

3.05 The final budget proposals which the Executive is recommending to Council, can be summarised as follows:-

- The budget for 2012/13 is now balanced
- There are no significant cuts to services or new job reductions
- There is additional investment in key areas to keep pace with demand and standards (e.g. Schools, Social Care)
- There is a prudent level of investment in 'unsupported borrowing' to fund Council Priorities in the Capital Programme.
- There is a proposed modest increase in council tax and the fees and charges we currently make for services
- The budget is protected for inflationary, economic and demographic impacts on a measured risk basis.

3.06 Achievement of a balanced budget which contains significant investment in Council priorities has been achieved against a background of a 0.2% reduction in funding from Welsh Government and reductions in some specific grants through:-

- Ongoing organisational change
- Completion of Service Reviews
- Projects within the Flintshire Futures Programme
- Effective budget management in 2011/12

Overview and Scrutiny Considerations

3.07 The report to Executive on 20th December 2011 identified a budget shortfall at that stage of £1.718m which included £0.894m for one-off/time limited costs and £0.824m for the ongoing base budget. This report formed the basis of the Overview and Scrutiny meetings held during January:-

| | |
|-------------------------|-----------------|
| 1. Lifelong Learning | 16 January 2012 |
| 2. Environment | 17 January 2012 |
| 3. Corporate Resources | 20 January 2012 |
| 4. Housing (inc HRA) | 20 January 2012 |
| 5. Social & Health Care | 23 January 2012 |

A further Corporate Resources meeting, open to all members was held on 24 January to summarise the key issues discussed and to respond on specific information requests from members.

3.08 Each of the meetings began with a corporate overview of the whole budget and the national and local strategic context jointly presented by the Chief Executive and Head of Finance. This was followed by a portfolio specific presentation on the service strategies behind the service specific budget proposals along with details of the proposed budget growth, pressures and efficiencies for 2012/13 and a forward look at the key service issues for the medium term.

3.09 Members offered comments and asked a number of questions to clarify issues and a summary of these observations and questions, together with the response of officers, is attached as Appendix 11.

3.10 From the scrutiny meetings the key service issues which arose were:-

- The level of the school budget in 2012/13 and the increase from 2011/12
- The % delegation rate to schools
- Home to School Transport
- Waste Collection
- Rural Bus Subsidy
- Concern at the impact on future social care budgets due to reduced WG/Health Funding, demographic change, care standards and entitlements
- Achievement of efficiency savings in the 2011/12 budget

3.11 The principal questions raised at the various Overview and Scrutiny meetings were:-

- What are the changes to the budget since December which have brought it to a provisionally balanced position?
- Can a detailed schools budget build up be provided?
- Can a detailed budget build up be produced by Directorate?
- Detailed analysis of Leisure and Libraries budget changes requested.
- Analysis of Flying Start grant expenditure requested.
- Analysis of the use of one-off costs included in the 2011/12 budget requested.

The responses to all of the above questions were either included in the presentation at the subsequent meeting on 24 January 2012, or were supplied to all members in a handout at the meeting.

Specific Requests from Scrutiny

3.12 There was one specific request from Lifelong Learning Overview and Scrutiny Meeting that the demography efficiency of £0.165m included in the budget proposals be 'recycled' into the Schools Budget. Whilst the final budget proposals do not include this specific item, it should be noted that there has been a year on year increase of £1.2m (1.6%) on the schools budget, including an additional £0.800m of new local funding for additional investment in schools (see paras. 3.23 - 3.30 for further information on schools)

3.13 Arising from the Scrutiny discussion, a small number of areas were identified for further review:-

- School budget formula/sustainability
- Waste Collection
- Rural Bus Subsidy
- Fees and Charges Policy and Levels
- Joint responsibilities with Health and Joint Funding

This work will be programmed for early consideration following completion of the 2012/13 budget round. Assurances were provided to scrutiny that, should any financial implications arise from these review areas, that they would be dealt with in-year and built, if required, into the following years budget planning.

Closing the 'Gap'

- 3.14 During the scrutiny presentation, Members had been advised that the budget gap of £1.178m had provisionally been reduced to £0.135m. It was explained that this had been done largely by the completion and refinement of work in 'corporate budgets' which had a positive impact on the amount of one-off resources available in the useable contingency reserve as at 31 March 2012 and the ongoing base budget, as summarised below:-

| | Ongoing £m | One-off £m | Total £m |
|---|---------------|---------------|--------------|
| Projected Shortfall December 2011 | 0.824 | 0.894 | 1.718 |
| Additional investment in Schools Budget | 0.800 | 0.000 | 0.800 |
| Outcome of refinement of projections | (0.631) | (0.180) | (0.811) |
| Revised Shortfall before efficiencies | 0.993 | 0.714 | 1.707 |
| Efficiencies identified | (0.858) | 0.000 | (0.858) |
| Use of Usable Contingency Reserve (Month 7) | 0.000 | (0.714) | (0.714) |
| Shortfall / (Available) as at January 2012 | 0.135 | 0.000 | 0.135 |

- 3.15 Since the Overview and Scrutiny Committees, notification has been received from WG of a reduction of £0.149m in Local Transport Grant for 2012/13.
- 3.16 In a report also on this agenda, responses have been received from Town and Community Councils of the contributions that they are able to make in 2012/13 to match fund play area improvements which total £126,500.
- 3.17 Executive Members have considered both of these issues and propose that additional resources be included in the 2012/13 budget on a one-off basis. The reason for this is twofold. Firstly, there is no capacity within the base budget to introduce any further recurring annual expenditure and, secondly, both are suitable for one-off funding pending longer term decisions.
- 3.18 In the case of the Local Transport Grant reduction, the late notification leaves the council with no time to formulate a strategy to deliver services with reduced resources. In order to avoid impact on public services, £0.149m will be provided in 2012/13 to enable a review to be undertaken for managing this in future years.
- 3.19 In the case of Play Areas, the additional £21,500 recognises the response of Town and Community Councils and ensures that the Council's contribution is of an equal amount.

Achieving a Balanced Budget

- 3.20 Officers have continued to work on balancing the budget by taking account of new pressures and reviewing existing pressures, efficiencies and inflation assumptions. This has been done taking into account latest available information, including the impact of the most recent in year budget monitoring position for 2011/12 (Month 8) which is reported elsewhere on the agenda.
- 3.21 The changes made since the Corporate Resources Overview and Scrutiny Committee are detailed below:-

| | Ongoing £m | One-off £m | Total £m |
|--|-----------------------|-----------------------|---------------------|
| Shortfall / (Available) as at January 2012 | 0.135 | 0.000 | 0.135 |
| Recategorisation of Contribution to Balances Pressure | (0.088) | 0.088 | 0.000 |
| Reduction in budget required to fund reduction in Waste Grant | (0.028) | 0.000 | (0.028) |
| Final adjustment to inflation calculations | (0.019) | 0.000 | (0.019) |
| One-off funding requirement for reduction in Local Transport Grant | 0.000 | 0.149 | 0.149 |
| Additional one-off funding for Play Areas Match Funding | 0.000 | 0.022 | 0.022 |
| Additional use of Usable Contingency Reserve (Month 8) | 0.000 | (0.259) | (0.259) |
| Current Shortfall / (Available) | 0.000 | 0.000 | 0.000 |

- 3.22 The outcome is that a balanced budget position has been achieved. The detail is as shown in section 6. A summary of how the total budget 'gap' reported in December has been eliminated is provided in Appendix 1.

Equality Impact Assessment (EIA)

- 3.23 The Council is committed to ensuring that it fulfills its legal obligation to assess the potential equalities impact of its budget proposals, and to have due regard in its decision making to eliminate unlawful discrimination, harassment and victimisation.

An initial assessment has been undertaken in respect of all of the efficiencies included in the budget proposals. Appendix 10 details those areas that have been identified as requiring a full detailed Equality Impact Assessment and further detail as to how this will be undertaken. For those efficiencies which have a potential EIA impact, this information was noted in the information provided to Overview and Scrutiny Committees in January.

Schools Budget

- 3.24 Under the Local Education Authority (LEA) Budget, Schools' Budget and Individual Schools' Budget (Wales) Regulations 2003, local authorities are required to notify WG of the proposed budget for schools for the forthcoming year by mid February each year. For 2012/13, the date was 14 February.
- 3.25 The final settlement included a level of protection for school budgets following the First Minister's commitment to 'spend one percent above the Welsh Government's (WG) revenue block grant every year until we reach a situation where we have parity of funding per head of pupil in England'.
- 3.26 To fulfil the First Minister's commitment, councils will need to ensure that their net (i.e. excluding specific grants) Individual School Budget is adjusted by one percent more than the WG block grant adjustment. For 2012/13 this equates to an increase of 1.58 % reduction (WG block grant - 0.58% plus 1.0% protection). The equivalent increases for the coming two years are 2.08% in 2013/14 and 1.27% in 2014/15. It should be noted that the protection expectation is relative to WG's funding from the UK Treasury and not the level of Individual Council settlements from WG.
- 3.27 The Council is committed to increase the level of school budget and the amount of the school budget delegated to schools. We aim to do this progressively over a number of years. This is within the strategic framework which embraces the school modernisation programme, numbers of children in school (demographic change) and investment through the 21st Century Schools Programme.
- 3.28 The proposed schools budget, as notified to WG, increases from £78.818m in 2011/12 to £79.930m in 2012/13 - an increase of £1.112m (1.41%). When an adjustment is made for demography to provide a comparison on a like for like basis) the increase is 1.62%. This increase includes £0.800m for additional investment in schools beyond amounts to meet projected inflationary pressures.
- 3.29 The Council's developing Medium Term Financial Plan recognises the Council's commitment in 3.27 to meet the WG further growth expectations in 2013/14 and 2014/15 as a minimum.
- 3.30 In addition, WG has announced its intention to provide an additional £32m across Wales to address deprivation in schools in 2012/13. The grant will be distributed via the Council to schools based on the number of children eligible for free school meals. Indications are the the amount will be £450 per child although final details are awaited from WG. At this stage it is anticipated that this grant will be for 2012/13 only.
- 3.31 The Assembly has just notified authorities of their Post 16 Special Education Needs allocation for 2012/13. The allocations for Mainstream Schools with Sixth Forms, Special Educational Needs in Mainstream and Adult Community Learning will increase by 2.5%. Following the decision by the WG last year to set aside the previous method of funding based on actual need (National Planning and Funding

System- NPFS) the council is working closely with secondary schools to develop local funding and allocation arrangements which reflect local needs.

4.00 EARMARKED AND UNEARMARKED RESERVES

4.01 Under the Local Authority Accounting Panel (LAAP) Bulletin 55, the level and utilisation of all reserves must be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. As part of the budget process, officers have reviewed all of the reserves and balances held as detailed below. This is to ensure that any reserves held are at a reasonable level for the purpose for which they are intended and, if no longer required, are released back into useable funding.

4.02 Total Revenue Reserves comprise both Council Fund and Specific Reserves, as reported annually in the Statement of Accounts. Council Fund Reserves include Unearmarked and Earmarked Reserves.

4.03 The value of the Council's total reserves as at 1st April 2011 was £38.345m as outlined below:

| | £m | |
|------------------------------------|---------------|--------|
| Base Level of Unearmarked Reserves | 5.476 | |
| Contingency Reserve | <u>2.099</u> | |
| Sub -Total | 7.575 | |
| Service Balances | 4.183 | |
| Corporate Balances | 20.380 | |
| Schools' Balances | 1.974 | Note 1 |
| Other Specific Reserves | <u>4.233</u> | |
| Total | 38.345 | |

Note 1 - Total comprises schools' delegated balances (£2.847m), less adjustments for future clawback (£0.873m)

Council Fund Unearmarked Reserves

Base Level of Unearmarked Reserves

4.04 The Council's Medium Term Financial Strategy includes a commitment to achieving a base level of reserves of 2% of turnover. The base level of reserves as at 1st April

2011 was £5.476m and it is proposed to increase this by £0.088m in 2012/13 taking the base level of reserves to £5.564m.

Contingency Reserve

- 4.05 When the 2011/12 budget was set, the Contingency Reserve was estimated to be £0.291m at 31st March 2011. As a result of the net underspend reported in the final outturn for 2010/11 the actual amount in the Contingency Reserve at the year end was £2.099m.
- 4.06 Executive on 20th September 2011, agreed to utilise some of this additional funding to repay the £1.613m temporarily borrowed from reserves to balance the 2011/12 budget.
- 4.07 The 2011/12 Month 8 Budget Monitoring report which is also on this agenda, shows an estimated balance of £1.387m in the contingency as at 31st March 2012 which allows the one-off costs of £0.973m proposed in the 2012/13 budget to be met in full. This will leave an estimated amount available of £0.414m as at 31 March 2012.
- 4.08 Whilst the base level of reserves is a known sum which is set aside, the level of Contingency reserve is based on the current estimate and is subject to change at the end of the financial year. The level of contingency reserve will continue to be reported through the monthly budget monitoring reports.

Council Fund Earmarked Reserves

- 4.09 Council Fund Earmarked Reserves include service balances, corporate balances and schools' balances.

Service Balances

- 4.10 Service balances are made up of those balances held by departments which Executive has agreed can be carried forward. The estimated opening and closing balances for 2012/13 are as follows -:

| | <u>Estimated</u> | <u>Estimated</u> |
|--------------------|-------------------------|-------------------------|
| | <u>Balance</u> | <u>Balance</u> |
| | <u>01/04/12</u> | <u>31/03/13</u> |
| | £m | £m |
| Community Services | 0.506 | 0.000 |
| Environment | 0.779 | 0.230 |
| Lifelong Learning | 0.050 | 0.000 |
| Corporate Services | 0.500 | 0.058 |
| | 1.835 | 0.288 |

- 4.11 Corporate Balances are held to meet commitments which fall in future years on specific items of expenditure as follows:-

| | <u>Estimated</u> <u>Balance</u> <u>01/04/12</u> <u>£m</u> | <u>Estimated</u> <u>Balance</u> <u>31/03/13</u> <u>£m</u> |
|---------------------------|--|--|
| Equal Pay / Single Status | 24.224 | See Note 1 |
| | <hr/> | |
| | 24.224 | |

Note 1 - The use of this balance is subject to the outcomes of a negotiated settlement on Single Status and any agreement on an Equal Pay Settlement scheduled for conclusion by November 2012.

Specific Reserves

- 4.12 In addition to Council Fund Reserves, the Council also holds Specific Reserves. These are set out below showing their purpose and the estimated opening and closing balances for 2012/13. The Head of Finance is satisfied that the level of these reserves is appropriate.

| | <u>Estimated</u> <u>Balance</u> <u>01/04/12</u> <u>£m</u> | <u>Estimated</u> <u>Balance</u> <u>31/03/13</u> <u>£m</u> |
|------------------------------|--|--|
| Insurance Fund - Asbestos | 0.100 | 0.100 |
| Benefits Equalisation | 0.255 | 0.255 |
| Supporting People | 1.308 | 1.308 |
| Building Control | 0.150 | 0.050 |
| Milk quotas | 0.073 | 0.078 |
| Waste disposal | 0.586 | 0.346 |
| Transfer pad facilities | 0.069 | 0.000 |
| Flintshire Business Services | 0.146 | 0.072 |
| Third party insurance claims | 0.087 | 0.075 |
| Flintshire Insurance | 1.037 | 1.037 |
| Minor reserves under £0.050m | 0.123 | 0.074 |
| | <hr/> | |
| | 3.934 | 3.395 |

5.00 CHIEF FINANCE OFFICER REPORT ON ESTIMATES AND RESERVES

- 5.01 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions (the reference to the first person which follows is to the Head of Finance in this role).
- 5.02 The 2012/13 budget has been prepared within the context of reduced funding across the public and third sectors and continuing pressures arising from the economic climate. The Chancellor's recent Statement has highlighted the fact that there will be more constraints on public finances in the years ahead, and projections are that this could continue to the end of the decade.
- 5.03 Consideration of the budget has been within the framework of the Medium Term Financial Strategy 2011/15 adopted in June 2011, with a specific strategy for 2012/13 to reduce internal operating costs and compress pressures wherever possible.
- 5.04 The approach to forecasting has been robust through the use of our Social Business Model and I can confirm the reasonableness of the estimates contained in the proposed budget, having regard to the Council's spending needs in 2012/13. Careful consideration has been given to estimated inflation levels and protection has been built in for specific items (e.g. fuel and energy) at latest predicted rates.
- 5.05 Inevitably in managing a net budget of over £240m across a diverse organisation variations will occur. This will be managed through disciplined in-year budget management which the Council has demonstrated its ability to do in recent years. I believe that the budget assumptions represent a measured and acceptable level of risk.
- 5.06 The level and utilisation of reserves is detailed in Section 4 of this report. The Council is committed to completing its work to establish a clear medium term financial plan by mid 2012/13. This will fully integrate the financial implications of our efficiencies and savings programmes in order to determine the projected shortfall (or surplus) for future annual budgets and allow plans to be put in place to meet them and allocate resources to priorities.
- 5.07 Within this context, I am satisfied that the total level of reserves is adequate to meet currently identified future liabilities and that the Council should maintain the current level of general balances of £5.564m (alongside other specific reserves as outlined) to safeguard its position and be in a strong position to plan ahead to meet the continuing period of constraint in public sector funding, the impacts of the economic downturn and be able to invest in its priorities for the future.

6.00 FINAL BUDGET PROPSALS

- 6.01 As a result of the changes outlined above total expenditure and funding now equates to £280.991m and the total budget build up is outlined below. Details of the figures making up the total budget are attached as Appendices 2-8.

It is recommended that the 2012/13 Council Fund Revenue Budget Requirement be set at £241,203,131 which is £1,738,306 below the calculated Standard Spending Assessment.

| | | £m |
|---|------------|-----------------------|
| <u>Funding</u> | | |
| Revenue Support Grant (RSG) | | 143.891 |
| National Non Domestic Rates (NDR) | | 40.562 |
| Council Tax | | 56.750 |
| Budget Requirement | | <u>241.203</u> |
| <u>Unhypothecated Grants</u> | | |
| Improvement (Outcome) Agreement Grant | | 1.475 |
| Specific Grants (Estimated) | | 37.341 |
| Utilisation of Contingency Reserves | | 0.973 |
| Total | | <u>280.991</u> |
| <u>Expenditure</u> | | |
| Total Budget 2011/12 | | 278.574 |
| Previous Year's Growth / Items Dropping Out | Appendix 2 | (3.539) |
| Pay & Price Inflation | Appendix 3 | 2.367 |
| Transfers into Settlement | Appendix 4 | (0.005) |
| Pressures - Ongoing | Appendix 5 | 5.145 |
| Pressures - One-off and Time Limited | Appendix 6 | 0.973 |
| Efficiencies | Appendix 7 | (4.716) |
| Less Specific Grants 2011/12 | Appendix 8 | (35.149) |
| Plus Specific Grants 2012/13 (Estimated) | Appendix 8 | 37.341 |
| Total | | <u>280.991</u> |

Income

- 6.02 The budget proposals in this report set a budget requirement of £241,203,131. At this level of spend, the increase on the Band D Council Tax Rate (excluding Police and Town/Community Councils' precepts) is 3.0%. This equates to an increase of £27.16 on 2011/12 and a Band D rate of £932.39.

The Council Tax system in Wales contains nine property bands ranging from Band A to Band I. In order to ensure consistency between councils when reporting Council Tax information it is agreed practice that all related information is expressed in terms of Band D equivalents.

Members are requested to confirm that there be a 3.0% increase in Council Tax at Band D and an assumed 99% collection rate.

- 6.03 The amount of Outcome Agreement Grant available for 2012/13 has been advised by the Assembly. Achievement of this is subject to performance. The Council has been successful in achieving 100% of its grant in previous years and so it is a reasonable assumption for 2012/13.

Members are requested to confirm the inclusion of the Outcome Agreement Grant of £1,474,562m in the budget.

- 6.04 The specific grants figure is provisional, and based on the latest information known at this time. Expenditure levels will be managed within the final figures announced by the Assembly.

Members are requested to confirm that the budget will be adjusted to reflect the actual level of specific grant received.

Expenditure

- 6.05 Inflation of £2.367m is shown in detail in Appendix 3. The proposals assume a zero increase for teaching and non-teaching staff for the full year to reflect the confirmed national position.
- 6.06 Price inflation of £2.182m has been included which represents a 2% increase for all services but only as required. The cross directorate expenditure review carried out during the 2012/13 budget preparation looked in detail at inflationary requirements across all service areas and where reductions have been made they have been with agreement of the relevant Service Manager.
- 6.07 In addition to the standard level of price inflation outlined above, central non-standard inflation of £0.707m has been included, as detailed in Appendix 3, to reflect the increasing costs of energy, fuel and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

It is recommended that items of non-standard inflation are only allocated out to services when the actual increase in cost is known.

- 6.08 Inflation on income amounting to £0.522m, has been assumed on the yield from existing fees and charges which are locally determined by the Authority. This has generally been applied at 3% with the exception of leisure charges which have been applied at 2% to reflect the revised charges implemented in January 2012.

Members are requested to confirm the levels of inflation assumed in the budget.

- 6.09 The final settlement included the transfer in of the Mental Health Act and Deprivation of Liberty Safeguards (£0.031m), and the transfer out of mapping services (£0.036m) as detailed in Appendix 3.

Members are requested to confirm the amounts included in the budget relating to transfers into and out of the settlement.

- 6.10 Appendix 5a-f sets out recurring pressures totalling £5.145m recommended for inclusion in the budget. These pressures are proposed to be funded from the base budget.

Members are requested to confirm the inclusion of £5.145m of pressures in the budget.

It is recommended that the Council's adopted practice continues that resource to fund new pressures be approved for the purposes set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Executive.

- 6.11 In addition, Appendix 6 details estimated one-off costs of £0.973m which will be funded by way of a contribution from the Contingency Reserve.

Members are requested to confirm the inclusion of estimated one-off costs totalling £0.973m in the budget.

- 6.12 Appendix 7a-e sets out the efficiencies, totalling £4.716m, recommended for inclusion in the budget.

Members are requested to confirm the inclusion of efficiencies of £4.716m in the budget.

It is recommended that if it should become apparent that achievement of any of the savings (in full or in part) is proving to be not as anticipated, that this is dealt with corporately, with the Corporate Management Team bringing options to Executive for consideration.

- 6.13 Full details of the total budget will be included in the 2012/13 Budget Book which will be made available early in the new financial year.

7.00 LOOKING AHEAD

- 7.01 The Council's Medium Term Financial Strategy (MTFS) 2011-15 was adopted by the Council in June 2011 and is now available on the website. The MTFS provides a framework for the financial principles through which revenue and capital resources are forecast, organised and managed to deliver the Council's vision and strategic objectives.
- 7.02 Integral to the MTFS is the Medium Term Financial Plan (MTFP) which forecasts funding levels and resource requirements over the medium term, identifies the 'gap' between the two and enables specific actions to be identified and taken to balance the budget and manage resources.
- 7.03 When the MTFS was adopted, it was noted that planning for the 2012/13 budget and beyond had already started and an early forecast for the period 2012/13 to 2014/15 was provided. This work has continued and has been reported throughout the 2012/13 budget round.
- 7.04 Moving forward, the Council is committed to complete its work to establish a clear medium term financial plan by mid 2012/13 that fully incorporates the financial implications of its efficiencies and savings programmes in order to determine the projected shortfalls (or surplus) for future annual budgets and to put plans in place to meet them and to allocate resources to priorities. The latest position on our MTFP is detailed in appendix 9.
- 7.05 The forward projections of funding from WG for RSG of 1.1% for 2013/14 and 0.4% for 2014/15 are already factored into the MTFP and provide a level of assurance about the funding which supports some 80% of our net budget. We are aware, for 2012/13, of the reduction in some significant specific grants which support service delivery. Careful monitoring will be needed to anticipate future reductions which are almost inevitable as WG reallocates and re-prioritises funding to new priorities or areas outside local government. The implications of changes to Health Funding and the impact of reduced funding for Council Tax Benefit will be particularly important to track.
- 7.06 During 2012/13, the Council plans to conclude and implement a Single Status Agreement and reach an outcome in relation to Equal Pay. Financial provision exists in a reserve and base budget. The outcome of the negotiated settlement will determine the impact for the Council's future paybill and hence the base budget.
- 7.07 The developing capital strategy and 10 year capital programme will come back for detailed member discussion starting in the summer of 2012, alongside determination of the detailed school modernisation programme. This will provide detailed revenue implications for inclusion in the MTFP to include borrowing costs and revenue savings resulting from the capital investment.

- 7.08 On income, the Council has the potential to significantly add to its revenue resources through consideration of new or increased fees and charges for services as outlined at the member workshop in November 2011.
- 7.09 The renewed concentration on the opportunities from the projects in the Flintshire Futures Programme which has begun in early 2012 will provide details of efficiency savings to be built into the MTFP on a short, medium and long term basis. The development of a robust benefits realisation framework will give clarity to the status of estimated savings i.e. whether they are aspirational goals or fully costed and capable of being included within the MTFP and the risks and assumptions attached to them.
- 7.10 Having achieved a balanced budget for 2012/13 which meets our strategy of reducing internal costs and not impacting on public services, the Council is now well placed to move without delay into the cross organisational work which will be required to achieve a comprehensive medium term plan to support its strategic planning and which ensures service and financial planning are fully integrated.

8.00 RECOMMENDATIONS

- 8.01 That the Executive makes the following recommendations to County Council on 1st March 2012:-
1. That the 2012/13 Council Fund Revenue Budget Requirement be set at £241,203,131 which is £1,738,306 below the calculated Standard Spending Assessment (6.01).
 2. That there be a 3.0% increase in Council Tax at Band D and an assumed 99% collection rate (6.02).
 3. The inclusion of the Outcome Agreement Grant of £1.475m in the budget (6.03).
 4. That the budget will be adjusted to reflect the actual level of specific grant received (6.04).
 5. The levels of inflation assumed in the budget (6.05-6.06).
 6. That items of non-standard inflation are only allocated out to services when the actual increase in cost is known (6.07).
 7. The amounts included in the budget relating to transfers into and out of the settlement (6.09).
 8. The inclusion of £5.145m of pressures in the budget (Appendix 5a-f).
 9. That the Council's adopted practice continues that resources to fund new pressures be approved for the purpose set out. Any proposals to vary the

use of the sums allocated are to be the subject of a further report to Executive (6.10).

10. The inclusion of estimated one-off costs totalling £0.973m in the budget (Appendix 6), to be funded from the contingency reserve.
11. The inclusion of efficiencies of £4.716m in the budget (4.12 and Appendix 7 a-e).
12. That if it should become apparent that achievement of any of the savings (in full or part) is proving to be not as anticipated that this is dealt with corporately, with the Corporate Management Team bringing alternatives to Executive for consideration (4.12).

8.02 That the Executive note that the effect of the budget proposals will be to increase the budget requirement by £1.307m over the level in 2011/12 and increase the Band D Council Tax Rate by 3.0% on the level in 2011/12.

9.00 FINANCIAL IMPLICATIONS

9.01 As set out in the report.

10.00 ANTI-POVERTY IMPACT

10.01 Individual growth and efficiency items may have specific anti-poverty impacts.

11.00 ENVIRONMENTAL IMPACT

11.01 Individual growth and efficiency items may have specific environmental impacts.

12.00 EQUALITIES IMPACT

12.01 Individual growth and efficiency items may have specific equalities impacts.

13.00 PERSONNEL IMPLICATIONS

13.01 Individual growth and efficiency items may have specific personnel implications.

14.00 CONSULTATION REQUIRED/ UNDERTAKEN

14.01 Overview and Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee.

15.00 APPENDICES

- 15.01 Appendix 1 - Changes to Budget Since December
Appendix 2 - Previous Years' Growth/Items Dropping Out
Appendix 3 - Inflation

- Appendix 4 - Transfers Into/Out of Settlement
- Appendix 5 - Pressures - Ongoing
- Appendix 6 - Pressures - One-off and Time Limited
- Appendix 7 - Efficiencies
- Appendix 8 - Specific Grants
- Appendix 9 - Medium Term Financial Plan
- Appendix 10 - Equalities Impact Assessment
- Appendix 11 - Overview & Scrutiny Committees - Comments/
Questions

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

2012/13 Budget Working Papers

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Changes To The Budget Since December - Detailed Analysis

| | Base Budget £m | One-off Items £m | Total £m |
|---|----------------------|------------------------|----------------|
| Shortfall as reported to Executive on 20th December 2011 | 0.824 | 0.894 | 1.718 |
| Increased Investment in Schools Budget | 0.800 | | 0.800 |
| <u>Outcome of ongoing refinement of Inflation / Pressures / Efficiencies (new & prior years)</u> | | | |
| <i>Inflation:</i> | | | |
| Energy Inflation reduction - latest intelligence | (0.419) | | (0.419) |
| Standard Inflation reduction on final budget calculations | (0.088) | | (0.088) |
| <i>Pressures:</i> | | | |
| Fire Levy - final figure notified by the Fire Authority | 0.013 | | 0.013 |
| One-off pressure to mitigate reduction in Local Transport Services Grant | | 0.149 | 0.149 |
| Reduction in pressure for Sustainable Waste Management Grant (based on revised allocations) | (0.028) | | (0.028) |
| Out of County Placements - as per projection at Month 7 | 0.097 | | 0.097 |
| Food Waste - increased diversion from landfill | (0.368) | | (0.368) |
| Identification of one-off pressure (increase Base Level of Reserves to 2% of Turnover) | (0.088) | 0.088 | 0.000 |
| Play Areas Additional Allocation for Match Funding | | 0.022 | 0.022 |
| Public Sector Broadband Aggregation - reduction in budget requirement | | (0.180) | (0.180) |
| <i>Efficiencies:</i> | | | |
| Discretionary Rate Relief - Removal of previous year efficiency | 0.115 | | 0.115 |
| Management of Approved Contractors - reduced efficiency | 0.020 | | 0.020 |
| Digital Television Service - removal of previous year pressure | (0.020) | | (0.020) |
| Revised Shortfall before Efficiencies | 0.858 | 0.973 | 1.831 |
| <u>Efficiencies identified in 2011/12 (Month 7 and 8 monitoring report)</u> | | | |
| Ongoing base budget savings: | | | |
| Review of employer's pension budget required following 2011 valuation | (0.683) | | (0.683) |
| Review of relief workers budget requirement | (0.150) | | (0.150) |
| Review of Senior Officer pay budget requirement | (0.025) | | (0.025) |
| Use of Usable Contingency Reserve at Month 7 to fund one-off pressures | | (0.714) | (0.714) |
| Use of Usable Contingency Reserve at Month 8 to fund one-off pressures | | (0.259) | (0.259) |
| Subtotal Efficiencies already identified: | (0.858) | (0.973) | (1.831) |
| Shortfall / (Available) | 0.000 | 0.000 | 0.000 |

Budget 2012/13
Council Fund - Revenue

Previous Years' Growth / Items Dropping Out

| | £m | £m |
|--|---------|--------------------------------|
| <u>APPROVED 2010/11 BUDGET</u> | | |
| <u>Community Services</u> | | |
| Commissioning capacity for Older People Services | (0.058) | |
| Transition - LD | 0.812 | |
| Transition - PD&SI | 0.073 | |
| Increase in adoption allowances | 0.002 | |
| Refocus of residential care budget for Older People | (0.050) | |
| Preserved Rights | (0.019) | |
| | <hr/> | |
| | 0.760 | |
| <u>Environment</u> | | |
| Impact of economic downturn on rent income & occupancy | (0.010) | |
| Reduced Planning Fees due to economic downturn | (0.050) | |
| Land charges - reduced fee income | (0.010) | |
| Building Control - loss of income | (0.020) | |
| NNDR vacant property legislation | (0.020) | |
| Increase in Landfill Tax | 0.032 | |
| | <hr/> | |
| | (0.078) | |
| <u>Lifelong Learning</u> | | |
| Loss of income - Leisure Services | (0.025) | |
| Saltney Library - lease | (0.015) | |
| Continuation of Mobile Classrooms | (0.190) | |
| | <hr/> | |
| | (0.230) | |
| <u>Corporate Services</u> | | |
| Finance Function Review | (0.100) | |
| | <hr/> | |
| | (0.100) | |
| | | <hr/> 0.352 <hr/> |

Budget 2012/13
Council Fund - Revenue

Previous Years' Growth / Items Dropping Out

| | £m | £m |
|--|---------|----|
| <u>APPROVED 2011/12 BUDGET</u> | | |
| <u>Community Services</u> | | |
| Transition - demography | 0.175 | |
| Supporting People - shortfall on funding services | 0.200 | |
| Money Advice Officer | 0.009 | |
| Mold Extra Care Scheme - Early Estimate | 0.500 | |
| Joint Working Special Grant | (0.050) | |
| Review of Admin and Financial Support Services | (0.050) | |
| Provision of Hired Transport | (0.469) | |
| Remodelling of services/structures | (0.075) | |
| Review Eligibility criteria / building community capacity | (0.500) | |
| Team Manager capacity | (0.046) | |
| LD and Mental Health Ringfenced budget | (0.050) | |
| Minor Adaptations Refocus | (0.030) | |
| Reduction of PARIS team | (0.028) | |
| Rent Abatement | (0.013) | |
| Review of LD Work and Day Services | (0.025) | |
| Rural Enabler | (0.010) | |
| Social Work Capacity | (0.100) | |
| | <hr/> | |
| | (0.562) | |
| <u>Environment</u> | | |
| Managed Weekly Collections | 0.024 | |
| Additional energy cost as a result of new street lighting | 0.060 | |
| Loss of rental income following sale of smallholdings | 0.015 | |
| NNDR charges for vacant properties | (0.026) | |
| Food Waste funding requirement | 0.577 | |
| Carbon Reduction Commitment | 0.270 | |
| Building Control Income | 0.045 | |
| Rationalisation of Leaseholds Accommodation | (0.017) | |
| Energy Awareness initiative | 0.002 | |
| Rationalisation of Traffic Orders and Traffic Counter Site budgets | 0.007 | |
| Re-drafting of the SLA with the Energy Efficiency Advice Centre | 0.002 | |
| Landfill Tax Adjustment | 0.370 | |
| Efficiencies resulting from Planning Services Review | (0.090) | |
| Provision of Managed Weekly Collection and service reorganisation | (0.269) | |
| Streetscene Review | (0.250) | |
| | <hr/> | |
| | 0.720 | |
| <u>Lifelong Learning</u> | | |
| Continuation of provision for Mobile Classrooms | 0.190 | |
| Development of Broadband | (0.113) | |
| Moodle Server replacement | 0.150 | |
| Rationalisation of number of school kitchens | (0.125) | |

Budget 2012/13
Council Fund - Revenue

Previous Years' Growth / Items Dropping Out

| | £m | £m |
|---|---------|----------------------|
| <u>Lifelong Learning continued</u> | | |
| Reduction to delegated budgets - secondary schools | (0.280) | |
| Reduction to delegated budgets - nursery schools | (0.001) | |
| Reduction to delegated budgets - special schools | (0.027) | |
| Reduction to delegated budgets - primary schools | (0.320) | |
| Rationalisation of 5 small Libraries | (0.015) | |
| Rationalisation of Inclusion Welfare Provision | (0.035) | |
| Rationalisation of Personal Social Education support | (0.026) | |
| Removal of funding over and above the match funding element to Welsh Language Board Grant | (0.040) | |
| Transport policy review - rationalisation of Non Statutory entitlement | (0.348) | |
| Transport route and procurement review | (0.146) | |
| Savings from North Wales Regional Review School Improvement | (0.025) | |
| Deletion of Senior Information Librarian Post | (0.009) | |
| Rationalisation of ICT Teacher Adviser section | (0.038) | |
| Reduction of opening hours of Hawarden Records Office | (0.007) | |
| Rationalisation of LEA run Music Service | (0.177) | |
| | <hr/> | |
| | (1.392) | |
| <u>Corporate Services</u> | | |
| Employers' Pension - LGPS | 0.346 | |
| 2% vacancy savings shortfall | (0.205) | |
| Hardware Maintenance | (0.025) | |
| Telephone System Maintenance | (0.031) | |
| Intrusion Detection & Prevention System Options | 0.048 | |
| Event & Log Management Solutions | (0.035) | |
| Reduction in Administration Grant | 0.194 | |
| HR & OD - Cost of Employment | (1.000) | |
| Chief Execs - Voluntary Sector Efficiencies | (0.007) | |
| ICT - Reduced Supplies and Services Spend | (0.001) | |
| Legal & Democratic - Member Training | 0.007 | |
| Corp Finance - Discretionary Rate Relief | (0.097) | |
| Single Persons Discount Review | 0.328 | |
| | <hr/> | |
| | (0.478) | |
| <u>One-Off and Time Limited</u> | | |
| Implementation Costs - Staff Exit Costs (Base Budget) | (2.159) | |
| Single person discount contract costs | (0.020) | |
| Repayment of Reserves as per 2011/12 approved budget | 1.613 | |
| Repayment of Reserves as per 2011/12 approved budget - repaid in 2011/12 | (1.613) | |
| | <hr/> | |
| | (2.179) | |
| | | <hr/> |
| | | (3.891) |
| Total Previous years items | | <hr/> (3.539) |

**Budget 2012/13
Council Fund - Revenue****Inflation**

| | | £m |
|---|----------------|----------------------------|
| Pay | | - |
| Price | | |
| 2% General Price Inflation | 2.537 | |
| Reduction due to Cross Directorate Expenditure Review | <u>(0.355)</u> | |
| | | 2.182 |
| Non Standard | | |
| Energy - Street Lighting | 0.078 | |
| Energy - Increased cost | 0.300 | |
| Fuel - Increased cost | 0.196 | |
| Food | <u>0.133</u> | |
| | | 0.707 |
| Income | | (0.522) |
| Total Inflation | | <u><u>2.367</u></u> |

Budget 2012/13
Council Fund - Revenue

Transfers Into / Out of Settlement

£m

Transfers In From Specific Grant Funding

Mental Health Act & Deprivation of Liberty Safeguards 0.031

Total 0.031

Transfers Out Of Settlement

Mapping Services (0.036)

Total (0.036)

Budget 2012/13
Council Fund - Revenue

Summary of Pressures

| | | 2012/13 | 2013/14 | 2014/15 |
|--|-------------|----------------|----------------|----------------|
| | | £m | £m | £m |
| Economic Impact | Appendix 5a | 0.450 | 0.606 | 0.656 |
| Demography | Appendix 5b | 0.866 | 1.013 | 2.088 |
| Welsh Government Policy / Legislative | Appendix 5c | 0.091 | 0.184 | 0.231 |
| Other Pressures | Appendix 5d | 0.736 | 1.144 | 1.290 |
| Council Priority / Invest to Save | Appendix 5e | 1.226 | 1.388 | 1.557 |
| Subtotal New Pressures | | 3.369 | 4.335 | 5.822 |
| Pressures from Previous Years Items | Appendix 5f | 1.776 | 2.245 | 2.163 |
| Subtotal Previous Years Adjustments | | 1.776 | 2.245 | 2.163 |
| Total | | 5.145 | 6.580 | 7.985 |

Budget 2012/13
Council Fund - Revenue

Pressures - Economic Impact

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|-----------------------------|-----------------------------|-----------------------------|
| <u>Community Services</u> | | | |
| Increase in Homelessness | 0.250 | 0.356 | 0.356 |
| | <u>0.250</u> | <u>0.356</u> | <u>0.356</u> |
| | | | |
| <u>Environment</u> | | | |
| Rental Income Shortfalls and NNDR charges for vacant Properties | 0.200 | 0.250 | 0.300 |
| | <u>0.200</u> | <u>0.250</u> | <u>0.300</u> |
| | | | |
| Total | <u><u>0.450</u></u> | <u><u>0.606</u></u> | <u><u>0.656</u></u> |

Budget 2012/13
Council Fund - Revenue

Pressures - Demography

| | 2012/13 | 2013/14 | 2014/15 |
|---|----------------------------|----------------------------|----------------------------|
| | £m | £m | £m |
| <u>Community Services</u> | | | |
| Homecare - Increased complexity of care | 0.100 | 0.200 | 0.300 |
| Transition to Adulthood | 0.254 | 0.321 | 1.296 |
| Occupational Therapy Service | 0.062 | 0.042 | 0.042 |
| | <u>0.416</u> | <u>0.563</u> | <u>1.638</u> |
| <u>Lifelong Learning</u> | | | |
| Inclusion Service - Demand for one to one Pupil Support | 0.300 | 0.300 | 0.300 |
| Post 16 College Transport | 0.150 | 0.150 | 0.150 |
| | <u>0.450</u> | <u>0.450</u> | <u>0.450</u> |
| Total | <u><u>0.866</u></u> | <u><u>1.013</u></u> | <u><u>2.088</u></u> |

Budget 2012/13
Council Fund - Revenue

Pressures - Welsh Government Policy/Legislative

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|-----------------------------|-----------------------------|-----------------------------|
| <u>Community Services</u> | | | |
| Safeguarding for Adults | 0.044 | 0.090 | 0.090 |
| | <u>0.044</u> | <u>0.090</u> | <u>0.090</u> |
| <u>Environment</u> | | | |
| Sustainable Waste Management - reduction in grant funding | 0.047 | 0.094 | 0.141 |
| | <u>0.047</u> | <u>0.094</u> | <u>0.141</u> |
| Total | <u>0.091</u> | <u>0.184</u> | <u>0.231</u> |

Budget 2012/13
Council Fund - Revenue

Other Pressures

| | 2012/13 | 2013/14 | 2014/15 |
|---|----------------------------|----------------------------|----------------------------|
| | £m | £m | £m |
| <u>Community Services</u> | | | |
| Health Funding - Reassessment of patient /service user need | 0.316 | 0.316 | 0.316 |
| Increase in Foster Care Allowances | 0.030 | 0.030 | 0.030 |
| Housing Renewal Agency - Reduced Income | 0.088 | 0.075 | 0.179 |
| Cleaning and Catering Service Level Agreements | 0.149 | 0.149 | 0.149 |
| Transfer of Responsibility for Community Centres from HRA | 0.035 | 0.036 | 0.036 |
| | <u>0.618</u> | <u>0.606</u> | <u>0.710</u> |
| <u>Corporate Services</u> | | | |
| Clwyd Pension Fund Recharge | 0.030 | 0.030 | 0.030 |
| Internal Insurance Fund | 0.000 | 0.150 | 0.150 |
| Business Systems - Software Maintenance Costs | 0.045 | 0.064 | 0.085 |
| | <u>0.075</u> | <u>0.244</u> | <u>0.265</u> |
| <u>Environment</u> | | | |
| Revenue Loss due to phased disposal of Agricultural Estates | 0.018 | 0.044 | 0.070 |
| Implementation of Highways Asset Management Plan (HAMP) | 0.000 | 0.225 | 0.225 |
| Ground Water monitoring at former Castle Landfill site | 0.025 | 0.025 | 0.020 |
| | <u>0.043</u> | <u>0.294</u> | <u>0.315</u> |
| Total | <u><u>0.736</u></u> | <u><u>1.144</u></u> | <u><u>1.290</u></u> |

Budget 2012/13
Council Fund - Revenue

Pressures - Council Priority/Invest to Save

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|----------------------------|----------------------------|----------------------------|
| <u>Corporate Services</u> | | | |
| Modern Trainees (Corporate Funding) | 0.245 | 0.245 | 0.245 |
| Voice/Video Conferencing | 0.016 | 0.016 | 0.016 |
| Prudential Borrowing Requirement for Capital Investment | 0.165 | 0.277 | 0.446 |
| | <u>0.426</u> | <u>0.538</u> | <u>0.707</u> |
| <u>Lifelong Learning</u> | | | |
| Extension of the centrally hosted school Moodle VLE virtual server farm and supporting infrastructure | - | 0.050 | 0.050 |
| Investment in Delegated Schools Budgets | 0.800 | 0.800 | 0.800 |
| | <u>0.800</u> | <u>0.850</u> | <u>0.850</u> |
| Total | <u><u>1.226</u></u> | <u><u>1.388</u></u> | <u><u>1.557</u></u> |

Budget 2012/13
Council Fund - Revenue

Pressures from Previous Years Items

| | 2012/13 | 2013/14 | 2014/15 |
|--|---------------------|---------------------|---------------------|
| | £m | £m | £m |
| <u>Community Services</u> | | | |
| Projected shortfall in achievement of Provision of Hired Transport efficiency | 0.200 | 0.817 | 0.817 |
| | <u>0.200</u> | <u>0.817</u> | <u>0.817</u> |
| <u>Corporate Services</u> | | | |
| Central Loans and Investment Account | 0.061 | 0.061 | 0.061 |
| Adjustment in procurement saving pending implementation of new Regional Procurement solution | 0.511 | 0.511 | 0.511 |
| ISA Registration | 0.025 | 0.025 | 0.025 |
| Re-instatement of Discretionary Rate Relief Budget | 0.115 | 0.115 | 0.115 |
| 2% additional vacancy savings shortfall | 0.205 | 0.205 | 0.205 |
| | <u>0.917</u> | <u>0.917</u> | <u>0.917</u> |
| <u>Lifelong Learning</u> | | | |
| Projected Shortfall in Cleaning Service Efficiencies | 0.070 | 0.070 | 0.070 |
| Flintshire Futures - Transport Policy Review - rationalisation of Non Statutory entitlement | 0.348 | 0.072 | 0.000 |
| Music Service - Adjustment to reflect decision in 2011/12 budget | 0.160 | 0.278 | 0.278 |
| Flintshire Futures - Rationalisation of Youth / Community premises | 0.066 | 0.066 | 0.066 |
| Saltney Library - Lease | 0.015 | 0.025 | 0.015 |
| | <u>0.659</u> | <u>0.511</u> | <u>0.429</u> |
| Total | <u>1.776</u> | <u>2.245</u> | <u>2.163</u> |

Budget 2012/13
Council Fund - Revenue

Pressures - One-Off and Time Limited

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|---------------|---------------|---------------|
| <u>Lifelong Learning</u> | | | |
| Review of Kitchens | 0.150 | - | - |
| Pay Areas Additional Allocation for Match Funding | 0.022 | - | - |
| Flint Leisure Centre - disruptions due to Redevelopment | 0.076 | - | - |
| School Maternity Costs | 0.060 | - | - |
| Redundancy and early retirement costs from schools | 0.219 | - | - |
| | 0.527 | - | - |
| <u>Environment</u> | | | |
| Local Transport Services Grant shortfall | 0.149 | - | - |
| | 0.149 | - | - |
| <u>Corporate Services</u> | | | |
| Public Sector Broadband Aggregation | 0.098 | - | - |
| Base Level of Reserves - 'Top-Up to 2% of Turnover | 0.088 | - | - |
| Telephone Maintenance | 0.031 | - | - |
| County Elections - May 2012 | 0.080 | - | - |
| | 0.297 | - | - |
| Total | 0.973 | - | - |

Budget 2012/13
Council Fund - Revenue
Summary of Efficiencies

| | | 2012/13 | 2013/14 | 2014/15 |
|--|-------------|---------------------|---------------------|---------------------|
| | | £m | £m | £m |
| Collaborative Projects | Appendix 7a | 0.090 | 0.116 | 0.141 |
| Customer Facing - Service Change and Modernisation | Appendix 7b | - | 0.075 | 0.075 |
| Internal - Service Change and Modernisation | Appendix 7c | 0.537 | 1.007 | 1.040 |
| Other Efficiencies | Appendix 7d | 1.989 | 1.989 | 1.989 |
| Efficiencies Relating to Previous Years Items | Appendix 7e | 2.100 | 1.405 | 1.208 |
| Total | | <u>4.716</u> | <u>4.592</u> | <u>4.453</u> |

Budget 2012/13**Council Fund - Revenue****Efficiencies - Collaborative Projects**

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|--------------------------|--------------------------|--------------------------|
| <u>Community Services</u> | | | |
| Management Efficiencies Through Collaborative Working | 0.000 | 0.026 | 0.051 |
| | <hr/> 0.000 | <hr/> 0.026 | <hr/> 0.051 |
| <u>HR & OD Corporate Services</u> | | | |
| Occupational Health Review | 0.090 | 0.090 | 0.090 |
| | <hr/> 0.090 | <hr/> 0.090 | <hr/> 0.090 |
| Total | <hr/> 0.090 <hr/> | <hr/> 0.116 <hr/> | <hr/> 0.141 <hr/> |

Budget 2012/13
Council Fund - Revenue

Efficiencies - Customer Facing - Service Change and Modernisation

| | 2012/13 | 2013/14 | 2014/15 |
|----------------------------------|---------------------|---------------------|---------------------|
| | £m | £m | £m |
| <u>Corporate Services</u> | | | |
| Methods of Payment | 0.000 | 0.075 | 0.075 |
| | <u>0.000</u> | <u>0.075</u> | <u>0.075</u> |
| Total | <u>0.000</u> | <u>0.075</u> | <u>0.075</u> |

Budget 2012/13
Council Fund - Revenue

Efficiencies - Internal Service Change and Modernisation

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|--|----------------------------|----------------------------|----------------------------|
| <u>Council Wide</u> | | | |
| Asset Management - planned closure of externally leased properties | 0.065 | 0.162 | 0.162 |
| | <u>0.065</u> | <u>0.162</u> | <u>0.162</u> |
| <u>HR & OD - Corporate Services</u> | | | |
| HR Management Information System (Phase 2) | 0.003 | 0.003 | 0.006 |
| | <u>0.003</u> | <u>0.003</u> | <u>0.006</u> |
| <u>Finance - Corporate Services</u> | | | |
| Finance Function Review | 0.095 | 0.095 | 0.095 |
| | <u>0.095</u> | <u>0.095</u> | <u>0.095</u> |
| <u>ICT & Customer Services - Corporate Services</u> | | | |
| Telephone Equipment Lease | 0.042 | 0.042 | 0.042 |
| IBM System Software Maintenance | 0.035 | 0.035 | 0.035 |
| Consolidation of Microsoft Software Licensing | 0.010 | 0.010 | 0.010 |
| Cessation of Lotus Software Maintenance Agreement | 0.120 | 0.120 | 0.120 |
| Review of Admin and Support | 0.000 | 0.300 | 0.300 |
| Printer & Printing Review | 0.040 | 0.040 | 0.040 |
| Procurement Review | 0.008 | 0.030 | 0.060 |
| | <u>0.255</u> | <u>0.577</u> | <u>0.607</u> |
| <u>Community Services</u> | | | |
| Team Manager's Post Efficiency | (0.005) | 0.046 | 0.046 |
| Children's Services Management Rationalisation | 0.100 | 0.100 | 0.100 |
| Realignment of management charge between HRA and Council Fund | 0.024 | 0.024 | 0.024 |
| | <u>0.119</u> | <u>0.170</u> | <u>0.170</u> |
| Total | <u><u>0.537</u></u> | <u><u>1.007</u></u> | <u><u>1.040</u></u> |

Budget 2012/13
Council Fund - Revenue

Efficiencies - Other

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|---------------|---------------|---------------|
| <u>Corporate Finance - Corporate Service</u> | | | |
| Reduction In Audit Fee | 0.073 | 0.073 | 0.073 |
| Reduction in Fire Levy | 0.070 | 0.070 | 0.070 |
| Cross Directorate Expenditure Review - Reduction in budget for Non Domestic Rates due to current over-provision | 0.073 | 0.073 | 0.073 |
| Cross Directorate Expenditure Review - Increase in Matrix efficiency | 0.060 | 0.060 | 0.060 |
| Cross Directorate Expenditure Review - Increase in Nursery Vouchers / Cycle to Work Efficiency | 0.016 | 0.016 | 0.016 |
| Cross Directorate Expenditure Review - Core Costs | 0.001 | 0.001 | 0.001 |
| | 0.293 | 0.293 | 0.293 |
| <u>Chief Executive - Corporate Services</u> | | | |
| Digital Television Service | 0.020 | 0.020 | 0.020 |
| | 0.020 | 0.020 | 0.020 |
| <u>Community Services</u> | | | |
| Cross Directorate Expenditure Review - Core Costs | 0.021 | 0.021 | 0.021 |
| Cross Directorate Expenditure Review - Reduction Out of County Placement Costs | 0.362 | 0.362 | 0.362 |
| | 0.383 | 0.383 | 0.383 |
| <u>Environment</u> | | | |
| Charge for minerals and waste site monitoring | 0.012 | 0.012 | 0.012 |
| Cross Directorate Expenditure Review - Core Costs | 0.027 | 0.027 | 0.027 |
| Cross Directorate Expenditure Review - Reduction in budget for Bus Subsidy due to current over-provision | 0.125 | 0.125 | 0.125 |
| Cross Directorate Expenditure Review - Capitalisation of Corporate Property Maintenance Expenditure | 0.500 | 0.500 | 0.500 |
| Cross Directorate Expenditure Review - Reduction in budget for Non Domestic Rates | 0.025 | 0.025 | 0.025 |
| | 0.689 | 0.689 | 0.689 |
| <u>Lifelong Learning</u> | | | |
| Demography - decrease in pupil numbers | 0.165 | 0.165 | 0.165 |
| Cross Directorate Expenditure Review - Core Costs | 0.016 | 0.016 | 0.016 |
| Cross Directorate Expenditure Review - Reduction Out of County Placement Costs | 0.423 | 0.423 | 0.423 |
| | 0.604 | 0.604 | 0.604 |
| Total | 1.989 | 1.989 | 1.989 |

Budget 2012/13
Council Fund - Revenue

Efficiencies - Relating to Previous Years Items

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|---|--------------------------|--------------------------|--------------------------|
| <u>Community Services</u> | | | |
| Mold Extra Care Scheme | 0.300 | - | - |
| | <hr/> 0.300 | <hr/> 0.000 | <hr/> 0.000 |
| <u>Environment</u> | | | |
| Continuation of 2011/12 Landfill Tax efficiency | 0.402 | 0.257 | 0.064 |
| Carbon Reduction Scheme | 0.050 | 0.050 | 0.050 |
| Food Waste - increased diversion from landfill | 0.368 | 0.240 | 0.236 |
| | <hr/> 0.820 | <hr/> 0.547 | <hr/> 0.350 |
| <u>Finance - Corporate Services</u> | | | |
| Changes to Housing Benefit/Council Tax Benefit Administration Grant | 0.122 | - | - |
| Review of Superannuation Contingency | 0.683 | 0.683 | 0.683 |
| Review of Relief Worker Contingency | 0.150 | 0.150 | 0.150 |
| Review of 1st and 2nd Tier Officer Contingency | 0.025 | 0.025 | 0.025 |
| | <hr/> 0.980 | <hr/> 0.858 | <hr/> 0.858 |
| Total | <hr/> 2.100 <hr/> | <hr/> 1.405 <hr/> | <hr/> 1.208 <hr/> |

Budget 2012/13
Council Fund - Revenue

Specific Grants

| | | Budget 2011-12 | Projection 2012-13 | Variance to 2011-12 | Confirmed (C) or Estimated (E) |
|---------------------------|---|---------------------------|-------------------------------|--------------------------------|---|
| | | £ | £ | £ | |
| Lifelong Learning | Appetite For Life | 128,220 | 128,233 | 13 | E |
| | Basic Skills | 316,000 | 316,000 | 0 | E |
| Non Delegated | Community Learning Cymorth ¹ | 3,198 | 3,278 | 80 | C |
| | Families First ¹ | 1,437,465 | 0 | -1,437,465 | C |
| | Post 16 SEN provision in schools | 0 | 1,676,539 | 1,676,539 | C |
| | Education of Travellers | 1,189,421 | 1,484,465 | 295,044 | E |
| | Flying Start | 73,381 | 81,534 | 8,153 | E |
| | Foundation Phase | 1,526,181 | 1,566,170 | 39,989 | E |
| | Foundation Phase Pilot/Early Start Funding | 4,430,321 | 4,818,344 | 388,023 | E |
| | Free School Milk | 39,581 | 39,581 | 0 | E |
| | Free Swimming 60+ | 179,773 | 179,773 | 0 | E |
| | Free Swimming Children/Young People | 60,000 | 60,000 | 0 | E |
| | Funding for Youth Work Training in Wales | 104,807 | 104,807 | 0 | E |
| | Learning Pathways 14-19 | 22,983 | 22,000 | -983 | E |
| | Minority Ethnic Achievement | 774,980 | 664,080 | -110,900 | E |
| | NE Wales Play Forum | 97,746 | 101,822 | 4,076 | E |
| | Primary School Free Breakfast Initiative | 61,660 | 61,660 | 0 | E |
| | School Effectiveness Grant | 595,991 | 707,382 | 111,391 | E |
| | School Uniform Financial Assistance Scheme | 1,078,580 | 1,078,580 | 0 | E |
| | School-based counselling services | 23,575 | 30,080 | 6,505 | E |
| | Unlocking the Potential of Special Schools | 195,320 | 228,134 | 32,814 | E |
| | Welsh Language (Athrowen Bro and WEG) | 45,572 | 45,572 | 0 | E |
| | Welsh Medium Bilingual Grant | 116,626 | 218,568 | 101,942 | C |
| | Welsh Network of Healthy School Schemes | 46,940 | 46,940 | 0 | E |
| | Youth Service Revenue Grant | 78,250 | 87,320 | 9,070 | E |
| | | 90,330 | 90,330 | 0 | E |
| | | 12,716,901 | 13,841,192 | 1,124,290 | |
| Delegated | DCELLS (Post 16 provision in schools) | 5,878,176 | 6,025,131 | 146,955 | E |
| | | 5,878,176 | 6,025,131 | 146,955 | |
| Community Services | Early Support to Vulnerable Children | 26,500 | 0 | -26,500 | C |
| | Funding to Implement the Mental Health Act 2007 | 12,770 | 12,770 | 0 | E |
| | LD Strategy Resettlement | 1,649,536 | 1,649,536 | 0 | E |
| | Mental Capacity Act 2005 Deprivation of Liberty Safeguards Funding ² | 23,254 | 0 | -23,254 | C |
| | Social Care Workforce Development Programme | 378,909 | 346,969 | -31,940 | E |
| | Supporting People ³ | 5,644,891 | 7,109,307 | 1,464,416 | E |
| | Well Being Activity | 25,000 | 25,000 | 0 | E |
| | Youth Service Community Safety Grants | 60,851 | 60,851 | 0 | E |
| | YOT / Youth Justice Board | 502,366 | 327,280 | -175,086 | E |
| | | 8,324,077 | 9,531,713 | 1,207,636 | |
| Environment | Communities First | 873,205 | 873,205 | 0 | E |
| | Concessionary Travel | 1,860,750 | 1,917,131 | 56,381 | E |
| | Crime Reduction and Anti Social Behaviour | 144,461 | 144,461 | 0 | E |
| | Domestic Abuse Co-ordinator Funding | 27,500 | 27,500 | 0 | E |
| | Local Transport Services | 561,570 | 397,572 | -163,998 | E |
| | Planning - Delivering for Wales | 70,000 | 70,000 | 0 | E |
| | Safer Communities Fund | 205,446 | 205,446 | 0 | E |
| | Substance Misuse | 833,165 | 833,165 | 0 | E |
| | Sustainable Waste Management | 3,465,113 | 3,334,303 | -130,810 | E |
| | Tidy Towns | 138,309 | 90,233 | -48,076 | E |
| | | 8,179,519 | 7,893,016 | -286,503 | |
| Corporate Services | LSB Development Support Grant | 50,000 | 50,000 | 0 | E |
| | | 50,000 | 50,000 | 0 | |
| Total | | 35,148,673 | 37,341,051 | 2,192,378 | |

1. Families First has now taken over from Cymorth

2. Transferring into settlement

3. Grant now includes SPRG element - activity previously funded direct by WG - overall 4% reduction in funding

Financial Projection - as at February 2012

| | 2012/13 £'000 | 2013/14 £'000 | 2014/15 £'000 |
|--|------------------|------------------|------------------|
| Funding | | | |
| Revenue Support Grant (RSG) | 143,891 | 146,010 | 146,742 |
| NNDR | 40,562 | 40,562 | 40,562 |
| Council Tax | 56,750 | 58,598 | 60,508 |
| SSA / Budget Requirement | 241,203 | 245,170 | 247,812 |
| Unhypothecated Grants | 1,475 | 1,475 | 1,475 |
| Specific Grants | 37,341 | 37,341 | 37,341 |
| Use of Contingency Reserve | 973 | | |
| Total Funding | 280,991 | 283,986 | 286,627 |
| Expenditure | | | |
| Base Budget | 278,574 | 280,991 | 286,322 |
| Inflation: | | | |
| Pay | - | 1,527 | 1,542 |
| Price | 2,182 | 2,314 | 2,360 |
| Price - NSI Energy | 378 | 285 | 308 |
| Price - NSI Fuel | 196 | 187 | 210 |
| Price - NSI Food | 133 | 141 | 149 |
| Fees & Charges | (522) | (538) | (554) |
| Other known items: | | | |
| Effect of Previous Years Budget Decisions | (3,539) | 750 | |
| Movement in Specific Grants | 2,192 | | |
| Transfers into/out of Settlement | (5) | | |
| Base Level of Reserves - 2% Turnover | | 79 | 53 |
| NEW PRESSURES: | | | |
| Economic Impact | 450 | 156 | 50 |
| Demography | 866 | 147 | 1,075 |
| WG Policy / Legislative | 91 | 93 | 47 |
| Other Pressures | 736 | 408 | 146 |
| Council Priority / Invest to Save | 1,226 | 162 | 169 |
| Amendments to Previous Years Figures | 1,776 | 469 | (82) |
| One off and Time Limited | 973 | (973) | - |
| NEW EFFICIENCIES: | | | |
| Collaborative Projects | (90) | (26) | (25) |
| Customer Facing - Service Change & Modernisation | - | (75) | - |
| Internal - Service Change & Modernisation | (537) | (470) | (33) |
| Other Efficiencies | (1,989) | - | - |
| Amendments to Previous Years Figures | (2,100) | 695 | 197 |
| Total Expenditure | 280,991 | 286,322 | 291,933 |
| Funding Shortfall / (Available) | (0) | 2,336 | 5,306 |
| Annual increase/(decrease) in shortfall | (0) | 2,336 | 2,970 |

Notes:

1) The outcomes of Single Status will be incorporated into the MTFP as details emerge from the negotiations during 2012.

Annual Budget Efficiency Proposal 2012- 2013 - Summary of Equality Impact Assessments

| Budget Reduction Proposal | Equality impact | Actions |
|--|---|--|
| Finance Function Review | Full EIA required | EIA is currently being undertaken |
| Management Efficiencies | Full EIA required | EIA will be undertaken as part of Transforming Social Services for Adults (TSSA) agenda. |
| Homelessness Service | Full EIA required | An EIA will be considered as part of the development of the proposals. |
| Demography- increase/decrease in projected pupil numbers | Full EIA required | EIA will be undertaken as part of the School Modernisation project. |
| Review of Admin and Support | Full EIA required A full equality impact assessment will be undertaken on this proposal as part of the project definition which will start towards the end of the financial year. This potentially could have a gender equality impact as more females are employed in Administrative and support roles than males | The Organisational Change and Redundancy Policy has been impact assessed and includes measures to support employees at risk of redundancy |
| Printer and Printing Review | An EIA has been undertaken. | Identified needs of disabled employees will be accommodated within the review ensuring disabled employees are not disadvantaged. |
| Asset Management | Full EIA required . | There are various workstreams involved in the assets management project therefore it is proposed that individual EIAs are completed as necessary e.g. when an office move is due to take place |
| HRMIS (Phase 2) | EIA has been completed. | Display Screen Risk Assessments will be undertaken to identify and meet the needs of employees who have a visual impairment. |

OVERVIEW & SCRUTINY
Lifelong Learning – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------------|--|--|
| 1.0 | <u>Corporate Comments / Issues</u> | |
| 1.1 | <ul style="list-style-type: none"> • Assurance was sought regarding the need to maintain the quality of services when Collaborative Working arrangements were undertaken. | <ul style="list-style-type: none"> • FCC will always need to make sure that quality of service is maintained. |
| 2.0 | <u>Lifelong Learning Comments / Issues</u> | |
| 2.1 | <ul style="list-style-type: none"> • At what stage are we at with the Youth Service Delivery Plan? | <ul style="list-style-type: none"> • There are no proposals relating to this in the Budget Strategy. Currently part-way through consultation with Local Areas. |
| 2.2 | <ul style="list-style-type: none"> • A request was made for a breakdown of the budget impact on Leisure and Libraries. | <ul style="list-style-type: none"> • The breakdown was provided at the final Corporate Resources OSC. |
| 2.3 | <ul style="list-style-type: none"> • Will the Pupil Premium be included in school indicative budgets? | <ul style="list-style-type: none"> • Guidance on the distribution of the Pupil Premium is expected by first week in February after which further information will be provided. |
| 2.4 | <ul style="list-style-type: none"> • When will Schools receive their indicative budgets? | <ul style="list-style-type: none"> • The aim is to inform schools regarding their indicative budgets at the end of February half-term. |
| 2.5 | <ul style="list-style-type: none"> • Request for more information regarding Security Service for schools “out of hours” support? | <ul style="list-style-type: none"> • Pressure to provide an out of hours key-holder service for schools to deal with Lone Worker legislation. Pressure ‘de minimus’ and to be funded from within LLD. |

OVERVIEW & SCRUTINY
Lifelong Learning – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------|---|--|
| 2.6 | <ul style="list-style-type: none"> Is the Play Areas match funding budget agreed in 10/11 budget still available? | <ul style="list-style-type: none"> Yes, this now forms part of the base budget. |
| 2.7 | <ul style="list-style-type: none"> An explanation was requested regarding the pressure for School Maternity Costs. | <ul style="list-style-type: none"> The pressure has been reduced from £0.234m to £0.060m due to further analysis of the costs and the assumption that the risk would be taken over by Primary Schools by agreement from September 2012. |
| 2.8 | <ul style="list-style-type: none"> The sustainability of the current approach to school transport was questioned and an update on the regional transport project was requested | <ul style="list-style-type: none"> There will be a Policy Options paper out for consultation by mid-summer 2012. |
| 2.9 | <ul style="list-style-type: none"> Members asked for an update on the Music Service. | <ul style="list-style-type: none"> It was confirmed that no new proposals are included in the 12/13 budget proposals and that the service would be given chance to settle down. |
| 2.10 | <ul style="list-style-type: none"> Concerns were expressed that invoices do not appear to have been sent out. | <ul style="list-style-type: none"> Officers are aware of some recent problems with administrative support, however the issue will be looked into. |
| 2.11 | <ul style="list-style-type: none"> A request was made that the Executive consider recycling the estimated effect of changes in pupil numbers of £0.165m into the delegated budget for schools. | <ul style="list-style-type: none"> Scrutiny supported the recommendation. It was pointed out that any changes to the budget strategy would require funding being identified from elsewhere. |

OVERVIEW & SCRUTINY
Lifelong Learning – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------|---|--|
| 2.12 | <ul style="list-style-type: none"> • How will the estimated increase in the Foundation Phase Grant be spent? | <ul style="list-style-type: none"> • Increase will be spent on training and the monitoring of training as well as improving classrooms and learning environments. |
| 2.13 | <ul style="list-style-type: none"> • How many years do the grant funding figures relate to? | <ul style="list-style-type: none"> • Levels of grant funding are confirmed on an annual basis. Indicative figures for future years are given for some grants. |
| 2.14 | <ul style="list-style-type: none"> • A breakdown of the Flying Start grant expenditure was requested. | <ul style="list-style-type: none"> • The breakdown was provided at the final Corporate Resources OSC. |

OVERVIEW & SCRUTINY
Environment – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------------|--|--|
| 1.0 | <u>Corporate Resources Comments / Issues</u> | |
| 1.1 | <ul style="list-style-type: none"> • Can a breakdown be provided of how the projected shortfall of £1.7m in the December report has been met. | <ul style="list-style-type: none"> • A complete breakdown of all changes to the budget since December will be available at the final Corporate Resources meeting on 24 January 2012. (This was provided) |
| 2.0 | <u>Environment Comments / Issues</u> | |
| 2.1 | <ul style="list-style-type: none"> • Can Executive revisit whether additional funding can be made available for the waste collection service? | <ul style="list-style-type: none"> • If it became apparent in-year that additional funding was required for operational reasons the council would collectively need to identify funding. |
| 2.2 | <ul style="list-style-type: none"> • Regarding the rental income shortfall of £200k, the Council needs to look at reducing rents and rates. | <ul style="list-style-type: none"> • The reason for the shortfall is that the council is struggling to let premises. Reducing rental income is likely to increase the pressure. There is nothing we can do with regard to business rates as NDR is a national scheme. |
| 2.3 | <ul style="list-style-type: none"> • Can more information be provided on the £125k efficiency in respect of bus subsidy? | <ul style="list-style-type: none"> • Within the current year, and in previous years there has been an underspend in this area. The efficiency is not for a specific service but an adjustment to the budget to reflect operational need. |

OVERVIEW & SCRUTINY
Environment – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|-----|--|---|
| 2.4 | <ul style="list-style-type: none"> • Why is there an efficiency for bus subsidy in light of the report on the Deeside Shuttle Service? | <ul style="list-style-type: none"> • The Deeside Shuttle Service is a separate issue with a stand alone budget. A review of subsidised services will take place during 2012-13. This will consider the rationale for the routes funded and the potential for Community Transport Partners to support service delivery. |
| 2.5 | <ul style="list-style-type: none"> • Is anything included in the budget proposals from the fees and charges work undertaken by Deloittes? | <ul style="list-style-type: none"> • There were no conclusions arising from the Member Workshop so it has not been progressed at this stage. There are no new charges included in the budget proposals, but there is an assumed 3% increase to existing charges. The work undertaken so far with Deloittes will need to be picked up in the medium term. |

OVERVIEW & SCRUTINY
Social & Health – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------------|--|--|
| 1.0 | <u>Social & Health Comments / Issues</u> | |
| 1.1 | <ul style="list-style-type: none"> • Why does the pressure for transition to adulthood increase significantly in 2014/15? | <ul style="list-style-type: none"> • An estimate of the increased budgetary requirement for 2012/13 and 2013/14 has already been included through previous budget decisions and is shown on a separate slide. A complete breakdown of all changes to the Social Care budget will be available at the final Corporate Resources meeting on 24 January 12. (This was provided). |
| 1.2 | <ul style="list-style-type: none"> • Does Wales benefit from the new health lottery? | <ul style="list-style-type: none"> • There is no reason why not as it a UK wide scheme. |
| 1.3 | <ul style="list-style-type: none"> • Can the methodology used in respect of care fees be explained? | <ul style="list-style-type: none"> • An amount is currently included within standard inflation. The council is included in a three way partnership to develop a methodology for providers. |
| 1.4 | <ul style="list-style-type: none"> • Why is the transfer into the settlement £31k when the specific grant received previously was £23k. | <ul style="list-style-type: none"> • The amount of £31k is calculated by Welsh Government and our budget strategy is to passport this amount to the relevant service where required. |

OVERVIEW & SCRUTINY
Housing Strategy – Housing Council Fund – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------------|--|---|
| 1.0 | <u>Corporate Comments / Issues</u> | |
| 1.1 | <ul style="list-style-type: none"> • Has there been any pressure for a Council Tax freeze from the Welsh Government? | <ul style="list-style-type: none"> • There is no expectation or funding available from the Welsh Government for a Council Tax freeze. The proposal for a 3% increase is in line with the strategy agreed as part of the Medium Term Financial Strategy. |
| 2.0 | <u>Housing Council Fund Comments / Issues</u> | |
| 2.1 | <ul style="list-style-type: none"> • The work of the Welfare Rights Unit was welcomed and assurance was sought that the Unit would be able to continue to provide the service while coping with the increase in demand. | <ul style="list-style-type: none"> • The Unit has responded well this year and will be kept under review to ensure that the quality of service is maintained. |
| 2.2 | <ul style="list-style-type: none"> • Why is there a pressure for Homelessness when an efficiency was given up last year? | <ul style="list-style-type: none"> • The pressure for 12/13 of £0.250m relates specifically to the impact of Welfare Reform and the expectation that demand will increase. The efficiency last year related to the aim of reducing Bed and Breakfast accommodation through the use of alternative accommodation. This work will continue and has been factored into the calculation of the pressure for 12/13. |

OVERVIEW & SCRUTINY
Housing Strategy – Housing Council Fund – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--|--------------|--|------------|--|---|---------|----------|----------|---------|----------------------|-----------------|--------------------------------|---------|----------------------------|--------|-----------------------------|---------|---|---------|------------------------------|-----------------|
| 2.3 | <ul style="list-style-type: none"> Please provide a note with the breakdown on the homeless figure to support the budget pressure. | <ul style="list-style-type: none"> Please see breakdown below: <p><u>Scenario 1 - 25% Homelessness utilising 8 Flintshire Hard to lets</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">12/13</th> </tr> <tr> <th></th> <th style="text-align: center;">25%</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">2, 2 bed flats, 6, 3 bed houses, 2 LHA 2 bed flats</td> </tr> <tr> <td>Singles</td> <td style="text-align: right;">£123,155</td> </tr> <tr> <td>Families</td> <td style="text-align: right;">£64,680</td> </tr> <tr> <td>B and B Costs</td> <td style="text-align: right;">£187,835</td> </tr> <tr> <td>Housing Advice Officer 1.0 fte</td> <td style="text-align: right;">£23,325</td> </tr> <tr> <td>Yearly rent on 2 bed flats</td> <td style="text-align: right;">£4,820</td> </tr> <tr> <td>Yearly rent on 3 bed houses</td> <td style="text-align: right;">£16,020</td> </tr> <tr> <td>Set up costs for properties - £2,250 per property</td> <td style="text-align: right;">£18,000</td> </tr> <tr> <td>Total Projected costs</td> <td style="text-align: right;">£250,000</td> </tr> </tbody> </table> | | 12/13 | | 25% | | 2, 2 bed flats, 6, 3 bed houses, 2 LHA 2 bed flats | Singles | £123,155 | Families | £64,680 | B and B Costs | £187,835 | Housing Advice Officer 1.0 fte | £23,325 | Yearly rent on 2 bed flats | £4,820 | Yearly rent on 3 bed houses | £16,020 | Set up costs for properties - £2,250 per property | £18,000 | Total Projected costs | £250,000 |
| | 12/13 | | | | | | | | | | | | | | | | | | | | | | | |
| | 25% | | | | | | | | | | | | | | | | | | | | | | | |
| | 2, 2 bed flats, 6, 3 bed houses, 2 LHA 2 bed flats | | | | | | | | | | | | | | | | | | | | | | | |
| Singles | £123,155 | | | | | | | | | | | | | | | | | | | | | | | |
| Families | £64,680 | | | | | | | | | | | | | | | | | | | | | | | |
| B and B Costs | £187,835 | | | | | | | | | | | | | | | | | | | | | | | |
| Housing Advice Officer 1.0 fte | £23,325 | | | | | | | | | | | | | | | | | | | | | | | |
| Yearly rent on 2 bed flats | £4,820 | | | | | | | | | | | | | | | | | | | | | | | |
| Yearly rent on 3 bed houses | £16,020 | | | | | | | | | | | | | | | | | | | | | | | |
| Set up costs for properties - £2,250 per property | £18,000 | | | | | | | | | | | | | | | | | | | | | | | |
| Total Projected costs | £250,000 | | | | | | | | | | | | | | | | | | | | | | | |

OVERVIEW & SCRUTINY
Corporate Services – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|--------------------------------------|--|---|
| PART ONE – Corporate Services | | |
| 1.0 | <u>Corporate Comments / Issues</u> | |
| 1.1 | <ul style="list-style-type: none"> A request was made for a full breakdown of the effect of the budget proposals for each directorate year on year from 2011/12 to 2012/13. | <ul style="list-style-type: none"> The breakdown was provided at the final Corporate Resources OSC. |
| 1.2 | <ul style="list-style-type: none"> Do we have enough in the Single Status reserve (£24m)? | <ul style="list-style-type: none"> The current projection is deemed to be a reasonable estimate. The final negotiated settlement will need to be affordable. |
| 1.3 | <ul style="list-style-type: none"> Is there an agreed national framework for Equality Impact Assessments (EIAs)? | <ul style="list-style-type: none"> EIAs will be undertaken following national guidance. |
| 1.4 | <ul style="list-style-type: none"> Is there a list of the 'de minimus' pressures under £25k? | <ul style="list-style-type: none"> All pressures raised by directorates have been included in the information provided to Members for each OSC meeting including those that are not included in the initial proposals on the basis that they are under £25k. Directorates will be expected to fund these items from within existing resources. |
| 1.5 | <ul style="list-style-type: none"> What are the plans to cope with the reductions in grants highlighted in the December report? | <ul style="list-style-type: none"> Specific issues relating to grants will be dealt with in the relevant Scrutiny Committees. However the MTFs states that service expenditure will need to be reduced in line with the reduction in grant funding. |

OVERVIEW & SCRUTINY
Corporate Services – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------------|--|---|
| 2.0 | <p><u>Corporate Services Comments / Issues</u> <u>Finance and Corporate Finance</u></p> | |
| 2.1 | <ul style="list-style-type: none"> • Do we have a Prudential Borrowing Strategy? | <ul style="list-style-type: none"> • Details of the full Capital Strategy will be dealt with in the meeting on 23rd January. However there are 6 theme areas identified for investment which may be financed through prudential borrowing: <ul style="list-style-type: none"> ○ School Modernisation ○ Public / Civic Buildings ○ Infrastructure / Regeneration ○ Leisure ○ ICT ○ Energy |
| 2.2 | <ul style="list-style-type: none"> • Does the pressure for the Insurance Fund relate to internal or external insurance? | <ul style="list-style-type: none"> • The pressure relates to our internal insurance fund. Self-insuring and paying for excess allows for reduced external insurance premiums. |
| 2.3 | <ul style="list-style-type: none"> • What does the pressure for 'Clwyd Pension Fund Recharge' relate? | <ul style="list-style-type: none"> • This is a reduction in recharge to Clwyd Pension Fund following a thorough review of services provided by FCC to the Pension Fund. It mainly consists of changes to percentages of staff time. |
| 2.4 | <ul style="list-style-type: none"> • What does the Prudential Borrowing pressure relate to? | <ul style="list-style-type: none"> • Proposed Capital Expenditure. Details of the schemes are to be provided at the Corporate Resources OSC on 23rd January. (This was provided) |

OVERVIEW & SCRUTINY
Corporate Services – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|------------------------------|--|---|
| <p>3.0</p> <p>3.1</p> | <p><u>Corporate Services Comments / Issues</u> <u>Human Resources and Organisational Development</u></p> <ul style="list-style-type: none"> • Why has the pressure for the Modern Trainee Scheme been reduced from £0.489m to £0.245m? | <ul style="list-style-type: none"> • The original figure was based on the total cost of the scheme. Further analysis has shown that existing trainees are being funded from a variety of sources including vacancy savings and base budget within directorates. The pressure has therefore been reduced to reflect this and placements will be financed on a "match funded" basis in the future. |
| <p>4.0</p> <p>4.1</p> | <p><u>Corporate Services Comments / Issues</u> <u>ICT and Customer Services</u></p> <ul style="list-style-type: none"> • In relation to the efficiency of £0.120m relating to the cessation of Lotus Software Licensing, does the Capital scheme to acquire the Microsoft Enterprise Solution instead include the ongoing annual maintenance cost. | <ul style="list-style-type: none"> • The capital bid is a prudent estimate of the costs that will be required including the initial maintenance costs. However until the details of the agreement are known the ongoing effect in future years on the revenue cannot accurately be determined. |

OVERVIEW & SCRUTINY
Corporate Services – Initial Budget Proposals 2012/13

| No. | Comments and Questions: | Responses: |
|-----|-------------------------|------------|
|-----|-------------------------|------------|

| PART 2 – Corporate Resources including Overview | | |
|--|--|---|
| 5.0 | <u>Corporate Resources Comments / Issues</u> | |
| 5.1 | <ul style="list-style-type: none"> It was questioned whether the level of vacancy savings in the in year monitoring meant that these posts were not required. | <ul style="list-style-type: none"> The majority of the vacancy savings relate to service reviews such as the Transforming Social Services for Adults. Efficiencies are already built into the 2012/13 budget for such reviews |
| 5.2 | <ul style="list-style-type: none"> An update on the progress of the Provision of Hired Transport efficiency within Community Services identified during the 11/12 budget process was requested. | <ul style="list-style-type: none"> Following Member engagement during 2011 the indicative efficiencies for 2012/13 and 2013/14 have been reduced to reflect the progress made on the assessments regarding the eligibility criteria for transport. Initial estimates have been reduced to allow for increased complexity of new cases and change in service user needs, and now in need of funded transport. The estimates were also reduced to take account of possible appeals and hardship cases. |
| 5.3 | <ul style="list-style-type: none"> Will the School Budget Formula be reviewed? | <ul style="list-style-type: none"> Work is ongoing to review the Budget Formula by working with schools in order to maintain a consensus on the best way forward. |
| 5.4 | <ul style="list-style-type: none"> How does the specific grant which is likely to represent £450 per pupil eligible for Free School Meals compare with England? | <ul style="list-style-type: none"> There is no like for like scheme in place in England. |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 10

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE AND CHIEF EXECUTIVE AND**
 DIRECTOR OF ENVIRONMENT
SUBJECT : **COUNCIL FUND CAPITAL PROGRAMME 2012/13 TO 2021/22**

1.00 PURPOSE OF REPORT

1.01 To propose the Council Fund Capital Programme for 2012/13 and provide indicative details for 2013/14 to 2021/22 following consultation with the Corporate Resources Overview and Scrutiny Committee.

2.00 BACKGROUND

2.01 Proposals for the Council Fund Capital Programme 2012/13 to 2021/22, together with details of the continuing work in developing a capital strategy were reported to Executive on 20th December 2011.

2.02 The proposals included in the report of 20th December 2011, took account of the Welsh Government's Finance Settlement for 2012/13, together with the indicative allocations for financial years 2013/14 and 2014/15. It was reported that the final settlement of £7.744m was £0.119m less than notified at the Provisional Settlement Stage, and £0.242m less than previous planning assumptions.

2.03 The report of 20th December 2011 also confirmed that the indicative allocation of £6.859m for each of the financial years 2013/14 and 2014/15 was £0.750m less in each year than previous planning assumptions.

2.04 At its meeting of 23rd January 2012, the Corporate Resources Overview and Scrutiny Committee was consulted on the Executive's recommendations. The key issues arising from the Overview & Scrutiny debate are:-

- Members were in agreement with a Council wide debate on long term asset management and capital programme development.
- It was acknowledged that the 10 year programme details as currently set out are a starting point which will be subject to a rolling review.
- There should be exploration of ways to utilise S106 monies to create additional school capacity and reduce the use of mobile classrooms.
- There is a need to ensure a clear understanding of the long term implications of prudential borrowing to the revenue budget.

- 2.05 Corporate Resources Overview and Scrutiny Committee endorsed the recommendations of the 20th December report subject to consideration of a specific request to bring forward funding for the football pitch at Dock Road Connah's Quay.
- 2.06 Overview and Scrutiny also made a number of comments and a number of questions were asked; details of these, together with the responses provided are included in Appendix 5.

3.00 CONSIDERATIONS

- 3.01 The development of the Capital Strategy and Capital Programme 2012/13 was set out in detail in the report to Executive on 20th December, 2011 (Appendix 6).
- 3.02 The report to Executive on 20th December, identified the core capital programme requirements over the ten year capital programme period, in areas such as Schools and Highways Maintenance; details are as set out in Appendix 1 attached.
- 3.03 The allocation of resources to core schemes in 2012/13 amounting to £10.465m left £4.299m headroom after taking account of the projected funding available, as set out in Appendix 2 attached.
- 3.04 The report also set out a number of potential new capital investment projects for inclusion in the capital programme which would be reliant in full or in part on the use of unsupported (prudential) borrowing, as detailed in Appendix 3; the projects were categorised into the following 6 investment programme areas:
- School Modernisation
 - Public / Civic Buildings
 - Infrastructure/Regeneration
 - Leisure
 - ICT
 - Energy
- 3.05 In response to the request made by Corporate Resources Overview and Scrutiny it is now proposed that the Dock Road, Connah's Quay football pitch scheme works (estimated at £0.060m) be brought forward from 2014/15 to 2012/13. This produces a revised 'headroom' figure of £3.903m and a reduced total of £0.396m available to fund other projects.
- 3.06 The proposed funding for the 2012/13 new schemes totalling £7.071m (net) relies on the use of part of the available headroom (£3.903m of the £4.299m, as referred to in 3.02 above), and unsupported (prudential) borrowing of £3.168m.
- 3.07 On schemes to be funded from prudential borrowing, the cost of borrowing to be met from the revenue account would be £0.165m in 2012/13, rising to £1.987m in 2019/20. Of this amount, £1.6m is for funding the Council's contribution to the schools modernisation programme recently approved by the Welsh Government.

- 3.08 In addition to general capital funding, the Council receives specific capital grants. When the 2012/13 indicative amount of specific grant funding of £6.289m is added, total programme funding for 2012/13 rises to £24.221m. Of this, £23.825m is allocated, with £0.396m remaining uncommitted as described above.
- 3.09 Programme details for the 2012/13 core programme, new capital investment projects and specific grant funded schemes (as referred to in 3.03, 3.06 and 3.08 above) are brought together to produce the 2012/13 Capital Programme as shown in Appendix 4.
- 3.10 A report on the Council's Highways Asset Management Plan is also on this agenda and advises of additional funding that has been made available under the Local Government Borrowing Initiative. An amount of £4m has been made available across wales in 2012/13, rising to £8m in 2013/14 and £12m in 2014/15. This funding is to be used to support the revenue borrowing costs of capital highway improvement investment. Flintshire's allocation for 2012/13 is £192,616 which it is estimated would provide additional funding of £2.7m. Once approval is provided by Welsh Government this initiative will be incorporated into the overall capital programme.

4.00 RECOMMENDATIONS

- 4.01 Taking account of the detail contained in the report to Executive on 20th December and the positive response from Corporate Resources Overview and Scrutiny, Executive is asked to recommend to Council on the 1st March that they:
- (a) Note the work which has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
 - (b) Note the estimated capital funding available over the 10 year period 2012/13 to 2021/22.
 - (c) Approve the inclusion in the programme of the core allocations for 2012/13 (as shown in Appendix 1), and the proposed new capital investment schemes 2012/13 (as set out in Appendix 3), noting that some projects have prior approval.
 - (d) Note the total Council Fund Capital Programme for 2012/13 (as set out in Appendix 4) which arises from these approvals, and the indicative core programme details for 2013/14 to 2021/22 (as set out in Appendix 1).
 - (e) Note the further funding being provided by Welsh Government to support highway improvement investment.

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

6.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

7.00 ENVIRONMENTAL IMPACT

7.01 Individual Capital Programme Schemes may have specific environmental impacts.

8.00 EQUALITIES IMPACT

8.01 Individual Capital Programme Schemes may have specific equalities impacts.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 All Members, and Overview & Scrutiny.

11.00 CONSULTATION UNDERTAKEN

11.01 An initial workshop on capital was held on 6th December 2011 for all Members; a public consultation survey was open between 21st November and 16th December 2011; Overview and Scrutiny on 23rd January 2012.

12.00 APPENDICES

12.01 Appendix 1 - Core capital programme schemes

Appendix 2 - Available funding

Appendix 3 - Proposed new capital investment schemes

Appendix 4 - Schemes including new capital investment and specific grant funded

Appendix 5 - Responses from Overview and Scrutiny

Appendix 6 - Executive Report 20th December, 2011.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

2012/13 budget papers, including Welsh Government papers

Contact Officer: Kerry Feather
Telephone: 01352 702200

Flintshire County Council

E-Mail: kerry_feather@flintshire.gov.uk

Date: 15/02/2012

CORE CAPITAL PROGRAMME SCHEMES

APPENDIX 1

| | | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | TOTAL |
|----------------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | | Estimate | Indicative | Indicative | Indicative | Indicative | Indicative | Indicative | Indicative | Indicative | Indicative | |
| | | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| LIFELONG LEARNING | | | | | | | | | | | | |
| Education - General | | | | | | | | | | | | |
| Various | School Buildings Repairs and Maintenance | 2.835 | 2.555 | 2.300 | 2.300 | 2.300 | 2.300 | 2.300 | 2.300 | 2.300 | 2.300 | 23.790 |
| Various | Disability Discrimination Act - Individual Pupils | 0.280 | 0.275 | 0.270 | 0.270 | 0.270 | 0.270 | 0.270 | 0.270 | 0.270 | 0.270 | 2.715 |
| Various | Furniture and Equipment | 0.070 | 0.060 | 0.055 | 0.055 | 0.055 | 0.055 | 0.055 | 0.055 | 0.055 | 0.055 | 0.570 |
| School Modernisation | | | | | | | | | | | | |
| Primary Schools | | | | | | | | | | | | |
| Various | Learning Environments (Foundation Phase) | 0.080 | 0.075 | 0.070 | 0.070 | 0.070 | 0.070 | 0.070 | 0.070 | 0.070 | 0.070 | 0.715 |
| TOTAL - LIFELONG LEARNING | | 3.265 | 2.965 | 2.695 | 2.695 | 2.695 | 2.695 | 2.695 | 2.695 | 2.695 | 2.695 | 27.790 |

| | | | | | | | | | | | | |
|-----------------------------------|---|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| CORPORATE SERVICES | | | | | | | | | | | | |
| ICT and Customer Services | | | | | | | | | | | | |
| General | ICT Infrastructure | 0.285 | 0.255 | 0.230 | 0.230 | 0.230 | 0.230 | 0.230 | 0.230 | 0.230 | 0.230 | 2.380 |
| Corporate Finance | | | | | | | | | | | | |
| General | Minor Capital Works - Health & Safety | 0.090 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.765 |
| General | Corporate Provision - Feasibility Studies | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 | 2.000 |
| General | Housing Stock Options (Subject to Housing Review) * | | 0.375 | 0.375 | 0.375 | 0.375 | 0.375 | 0.375 | 0.375 | 0.375 | 0.375 | 3.375 |
| Clwyd Theatr Cymru | | | | | | | | | | | | |
| General | Provision | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 | 0.250 |
| TOTAL - CORPORATE SERVICES | | 0.600 | 0.930 | 0.905 | 0.905 | 0.905 | 0.905 | 0.905 | 0.905 | 0.905 | 0.905 | 8.770 |
| TOTAL - COUNCIL FUND | | 10.465 | 10.000 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 94.425 |

* Subject to the availability of a capitalisation direction from Welsh Government in each year across 20 years.

AVAILABLE FUNDING 2012/13 - 2021/22

APPENDIX 2

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | Total |
|--|---------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|----------------|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Financing (Excluding Specific Grants) | | | | | | | | | | | |
| Unhypothecated Supported Borrowing (USB) | * | 5.141 | 4.254 | 4.254 | 4.254 | 4.254 | 4.254 | 4.254 | 4.254 | 4.254 | 43.427 |
| General Capital Grant (GCG) | # | 2.603 | 2.605 | 2.605 | 2.605 | 2.605 | 2.605 | 2.605 | 2.605 | 2.605 | 26.048 |
| Capital Receipts | | 7.020 | 5.360 | 6.732 | 5.550 | 2.420 | 4.344 | 4.200 | 4.200 | 2.725 | 46.751 |
| Total | | 14.764 | 12.219 | 13.591 | 12.409 | 9.279 | 11.203 | 11.059 | 11.059 | 9.584 | 116.226 |
| Expenditure | | | | | | | | | | | |
| Core Capital Programme Schemes - Appendix 3 | | 10.465 | 10.000 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 94.425 |
| Total | | 10.465 | 10.000 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 9.245 | 94.425 |
| AVAILABLE/(SHORTFALL) | | 4.299 | 2.219 | 4.346 | 3.164 | 0.034 | 1.958 | 1.814 | 1.814 | 0.339 | 21.801 |
| Cumulative | | 4.299 | 6.518 | 10.864 | 14.028 | 14.062 | 16.020 | 17.834 | 19.648 | 21.462 | 21.801 |

* WG funding assumptions - USB

2012/13 per Final Settlement
 2013/14/15 ref (2012/13) Final Settlement
 2015/16 → as 2013/14/15

2011/12 = USB £5.788m

WG funding assumptions - GCG

2012/13 per Final Settlement
 2013/14/15 ref (2012/13) Final Settlement
 2015/16 → as 2013/14/15

2011/12 = GCG £2.602m

PROPOSED NEW CAPITAL INVESTMENT SCHEMES - 2012/13

| FUNDED FROM AVAILABLE 'HEADROOM' | | COST | FUNDED | NET |
|---|---|--------------|----------------|--------------|
| | | £m | £m | £m |
| Corporate Services | Agile Working Investment | 0.400 | | 0.400 |
| Corporate Services | Conferencing Solution | 0.120 | | 0.120 |
| Corporate Services | Electronic Document & Record Management System (EDRMS) Implementation | 0.100 | | 0.100 |
| Corporate Services | Information & Communication Technology Infrastructure | 0.330 | | 0.330 |
| Corporate Services | Microsoft Enterprise Agreement | 1.233 | | 1.233 |
| Corporate Services | Website Infrastructure | 0.450 | | 0.450 |
| Environment | Renewable Energy Installations | 0.480 | | 0.480 |
| Environment | Daniel Owen Centre Roof | 0.150 | | 0.150 |
| Lifelong Learning | School Kitchen Ventilation | 0.085 | | 0.085 |
| Lifelong Learning | Mynydd Isa Community Centre Boiler | 0.045 | | 0.045 |
| Community Services | Supervised Contact Space | 0.050 | | 0.050 |
| Corporate Services | Flintshire Connects * | 0.250 | | 0.250 |
| Lifelong Learning | Swimming Pools - DDA Compliance | 0.150 | | 0.150 |
| | | 3.843 | | 3.843 |
| FUNDED FROM PRUDENTIAL BORROWING | | | | |
| Lifelong Learning | Band A Schemes * | 0.750 | | 0.750 |
| Lifelong Learning | Amalgamation of Taliesin & Shotton Infants * | 0.848 | (0.365) | 0.483 |
| Environment | Alltami Depot * | 0.450 | | 0.450 |
| Environment | Sandycroft Household Recycling Centre * | 1.000 | (0.430) | 0.570 |
| Lifelong Learning | Health & Safety - School Kitchen Refurbishment | 0.500 | | 0.500 |
| Environment | Highways Asset Management Plan | 0.415 | | 0.415 |
| | | 3.963 | (0.795) | 3.168 |
| <i>* Part of an ongoing programme and/or prior approval given</i> | | | | |
| TOTAL FUNDING | | 7.806 | (0.795) | 7.011 |

| | Estimate 2012/13 £m |
|-----------------------------|---------------------------|
| | |
| SUMMARY | |
| | |
| COUNCIL FUND | |
| | |
| COMMUNITY SERVICES | 3.669 |
| | |
| ENVIRONMENT | 9.124 |
| | |
| LIFELONG LEARNING | 7.549 |
| | |
| CORPORATE SERVICES | 3.483 |
| | |
| | |
| TOTAL - COUNCIL FUND | 23.825 |

| | Estimate 2012/13 £m |
|--|---------------------------|
| | |
| COMMUNITY SERVICES | |
| | |
| Grants | |
| Various Private Sector Renewal and Improvements | 3.000 |
| Shotton Housing Renewal Area Support | 0.619 |
| | |
| Children's Services | |
| General Supervised Contact Space | 0.050 |
| | |
| TOTAL - COMMUNITY SERVICES | 3.669 |

| | | Estimate 2012/13 £m |
|--|---|---------------------------|
| ENVIRONMENT | | |
| Administrative Buildings | | |
| Various | Disability Discrimination Act (DDA) Works | 0.200 |
| Various | Energy Efficiency Measures | 0.300 |
| Various | Renewable Energy Installations | 0.480 |
| Various | Asbestos Removal | 0.080 |
| Various | Legionella Monitoring | 0.080 |
| Various | Upgrading Fire and Intruder Alarms | 0.065 |
| Various | Fire Safety Order Works | 0.100 |
| Various | Corporate Property Maintenance | 0.500 |
| Mold | Daniel Owen Centre Roof | 0.150 |
| Alltami | Depot Rationalisation | 0.450 |
| Sandycroft | Household Recycling Centre | 0.570 |
| Engineering | | |
| Various | Land Drainage Works - General | 1.600 |
| Various | Coast Protection Works - General | 0.135 |
| General Environmental Enhancement | | |
| Various | Contaminated Land | 0.300 |
| Highways | | |
| Various | Highways Infrastructure | 0.885 |
| Various | Bridge Assessments and Replacement | 0.175 |
| Various | Street Lighting Replacement | 0.225 |
| Various | Structural Maintenance | 0.225 |
| Various | Highways Asset Management Plan | 0.415 |
| Regeneration | | |
| Flint | Townscape Heritage Initiative | 0.299 |
| Various | Town Centre Regeneration | 0.190 |
| Transportation | | |
| Various | Regional Transport Plan | 1.200 |
| Various | Local Road Safety Schemes | 0.500 |
| TOTAL - ENVIRONMENT | | 9.124 |

| | | Estimate 2012/13 £m |
|----------------------------------|---|---------------------------|
| LIFELONG LEARNING | | |
| Education - General | | |
| Various | School Buildings Repairs and Maintenance | 2.835 |
| Various | Disability Discrimination Act - Individual Pupils | 0.280 |
| Various | Furniture and Equipment | 0.070 |
| Various | School Kitchen Ventilation | 0.085 |
| Various | School Kitchen Health & Safety | 0.500 |
| School Modernisation | | |
| Connah's Quay | Custom House Lane CP Junior/Dee Road Infant | 1.846 |
| Shotton | Taliesin Junior/Shotton Infant | 0.848 |
| Various | 21st Century Schools | 0.750 |
| Primary Schools | | |
| Various | Learning Environments (Foundation Phase) | 0.080 |
| Swimming Pools | | |
| Various | DDA Compliant Changing Rooms | 0.150 |
| Community Centres | | |
| Mynydd Isa | Community Centre Boiler | 0.045 |
| Recreation - Other | | |
| Connahs Quay | New Football Pitch - Dock Road | 0.060 |
| TOTAL - LIFELONG LEARNING | | 7.549 |

| | | Estimate 2012/13 £m |
|-----------------------------------|---|---------------------------|
| | | |
| CORPORATE SERVICES | | |
| | | |
| ICT and Customer Services | | |
| General | ICT Infrastructure | 0.615 |
| General | Agile Working Investment | 0.400 |
| General | Conferencing Solution | 0.120 |
| General | EDRMS Implementation | 0.100 |
| General | Microsoft Enterprise Agreement | 1.233 |
| General | Website Infrastructure | 0.450 |
| | | |
| Corporate Finance | | |
| General | Minor Capital Works - Health & Safety | 0.090 |
| General | Corporate Provision - Feasibility Studies | 0.200 |
| General | Housing Stock Options (Subject to Housing Review) | |
| | | |
| Flintshire Connects | | |
| Various | Flintshire Connects Centres - Development Works | 0.250 |
| | | |
| Clwyd Theatr Cymru | | |
| General | Provision | 0.025 |
| | | |
| TOTAL - CORPORATE SERVICES | | 3.483 |

| | | |
|-----------------------------|--|---------------|
| TOTAL - COUNCIL FUND | | 23.825 |
|-----------------------------|--|---------------|

| | Estimate 2012/13 £m |
|--|---------------------------|
| | |
| FINANCING | |
| | |
| TOTAL - COUNCIL FUND | 23.825 |
| | |
| Unhypothecated Supported Borrowing (USB) | 5.141 |
| General Capital Grant | 2.603 |
| Capital Receipts | 7.020 |
| Specific Capital Grants | 6.289 |
| Unsupported (Prudential) Borrowing | 3.168 |
| | |
| (Unallocated) / Under Financing - Headroom | (0.396) |
| | |
| TOTAL - FINANCING | 23.825 |

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

| No. | Comments and Questions: | Responses: |
|-----|--|---|
| 1.0 | <p><u>School Modernisation</u></p> <ul style="list-style-type: none"> ▪ Urgent need to address school maintenance backlog (£40m) ▪ Greater investment in schools would eliminate the need for mobile classrooms and the ongoing drain on the revenue account ▪ If we reach 50% of the cost of removing mobile classrooms from Section 106 (S106) monies can the balance be funded via unsupported (prudential) borrowing? ▪ Need to make more use of S106 monies to address issues in schools ▪ There is concern that S106 monies are attached to particular schools – a pooling arrangement would be more beneficial ▪ Castell Alun gymnasium refurbishment - perhaps earlier consideration could be given | <ul style="list-style-type: none"> ▪ The core programme includes a commitment of £23.79m over the 10 year period 2012/13 to 2021/22 (in addition to the £19m that was in the programme from 2008/09 to 2011/12) ▪ Schemes identified as 'Band C' in the 10 year programme include works to eliminate the need for mobile classrooms ▪ Schemes identified as 'Band C' in the 10 year programme include works to eliminate the need for mobile classrooms ▪ S106 monies are restricted in their use to increase capacity at a school as a result of new housing build ▪ The matter will be pursued taking into account related planning/legal guidance |

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

| No. | Comments and Questions: | Responses: |
|-----|--|--|
| 2.0 | <p><u>Public / Civic Buildings</u></p> <ul style="list-style-type: none"> ▪ Where is the cost of demolition of County Hall? ▪ When was the study into County Hall and Clwyd Theatr Cymru (CTC) commissioned and by whom? Can the 'Council Spokesman' referred to in recent press articles be identified? ▪ Both County Hall and CTC need to be whole Council decisions | <ul style="list-style-type: none"> ▪ The cost of demolition is not included in the £15m on the schedule ▪ Study was commissioned June 2011. A study is necessary in order to attract Arts Council funding. The Chief Executive was the Council spokesman |

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

| No. | Comments and Questions: | Responses: |
|-----|--|---|
| 3.0 | <p><u>Infrastructure / Regeneration</u></p> <ul style="list-style-type: none"> ▪ Local Authority Mortgage Scheme (LAMS) – the costs are not recorded on the schedule ▪ Has an approach been made to the Welsh Government concerning Broughton Park intersection? | <ul style="list-style-type: none"> ▪ An Executive report in January set out details of a potential LAMS scheme, following a report to Housing Scrutiny. Further work is needed to determine if there will be an actual capital cost to the Council as there are various options. At this stage, the LAMS scheme is 'flagged' as a possible item in the future programme ▪ As a Trunk road, this is the responsibility of the Welsh Government (Highways Agency) and would not feature in the Council's highways programme |
| 4.0 | <p><u>Leisure</u></p> <ul style="list-style-type: none"> ▪ Leisure Centres - does it include Saltney? ▪ Library Strategy - does it include Saltney? ▪ Dock Road, Connahs Quay football pitch, only £60k - it needs to be brought forward to 2012/13 rather than being in 2014/15 | <ul style="list-style-type: none"> ▪ The exact details of the scheme are yet to be worked up ▪ The exact details of the scheme are yet to be worked up ▪ This request will be put forward to the Executive for consideration |

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

| No. | Comments and Questions: | Responses: |
|-----|--|---|
| | <ul style="list-style-type: none"> ▪ What are the various works at Leisure Centres? | <ul style="list-style-type: none"> ▪ The exact details of the scheme are yet to be worked up |
| 5.0 | <p><u>ICT</u></p> <ul style="list-style-type: none"> ▪ Microsoft Enterprise Agreement - is there a revenue efficiency in terms of the maintenance cost? ▪ Are we the only north Wales local authority still using Lotus Notes, if not are we in consultation with others concerning the migration to Microsoft? | <ul style="list-style-type: none"> ▪ The revenue consequences cannot be quantified at this time until the full details of the Enterprise Agreement are known ▪ We are not the only one and we are in consultation with the others |
| 6.0 | <p><u>Unsupported (Prudential) Borrowing</u></p> <ul style="list-style-type: none"> ▪ Does committing to 2012/13 schemes imply commitment to future year costs? ▪ What is the current level of prudential borrowing and what period is it over? | <ul style="list-style-type: none"> ▪ Yes, committing to those schemes will mean commitment to all future year costs ▪ Currently only borrowing for items such as vehicles/wheelie bins where this is cheaper than leasing (£0.409m in 2009/10 and £0.757m in 2010/11) |

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

| No. | Comments and Questions: | Responses: |
|-----|--|--|
| 7.0 | <p><u>General Comments</u></p> <ul style="list-style-type: none"> ▪ Was the 10 year schedule (as despatched to Members), the information that was agreed to go out to Members? ▪ What are the consequences of a 'No' vote in the Housing Ballot? ▪ How is the Asset Management Strategy drawn up and by whom? ▪ Capital receipts - where are these from? ▪ Will local Members be consulted when assets are due to be disposed of? ▪ Will the current economic climate affect the cost of borrowing? | <ul style="list-style-type: none"> ▪ Yes, all Executive Members had prior sight of the schedule and were aware of the information contained therein ▪ If the Housing Ballot results in a No vote there would need to be high level discussions with the Welsh Government. However this would be an HRA capital issue not Council Fund ▪ The Asset Management Strategy is drawn up by the Asset team within Valuation and Estates ▪ Capital receipts arise from the disposal of surplus assets (including the agricultural estate) ▪ Local members should be consulted as a matter of course on disposals within their ward ▪ The Council borrows from the Public Works Loan Board (PWLB) and therefore the global economic situation is not as much a factor as it would be if we borrowed from commercial organisations |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER:

REPORT TO: **EXECUTIVE**
DATE : **20 DECEMBER 2011**
REPORT BY: **HEAD OF FINANCE AND CHIEF EXECUTIVE AND**
 DIRECTOR OF ENVIRONMENT
SUBJECT : **CAPITAL STRATEGY AND CAPITAL PROGRAMME 2012/13**
 TO 2021/22

1.00 PURPOSE OF REPORT

1.01 The purpose of the report is to -

- (a) Set out the work that has been undertaken (and continues), to develop a Council Fund Capital Strategy and 10 year capital programme for the Council.
- (b) List the new schemes or programme areas which have been identified for possible inclusion in the 10 year programme and will be the subject of Member consideration for 2012/13 and onwards.
- (c) Provide details of the capital element of the Local Government Finance Settlement for 2012/13, together with indicative allocations for financial years 2013/14 and 2014/15.
- (d) Set out the estimated funding available over the 10 year period.
- (e) Note those projects which have prior approval.
- (f) Propose the allocation of funding to the core capital programme in 2012/13 (with indicative allocations for future years), and also propose the allocation of funding for potential new capital investment schemes, for consideration by Overview & Scrutiny.

2.00 BACKGROUND

2.01 The Council has a rolling 4 year programme. In June 2011, the Council formally adopted its Medium Term Financial Strategy (MTFS). Two of the key objectives of the MTFS are to ensure that revenue and capital resources are targeted to achieve the Council's priorities and objectives, and to fully integrate revenue and capital expenditure plans. Achievement of this requires longer term planning of capital than hitherto, and clarity on the revenue implications (costs or savings) of capital expenditure proposals and for these to be built into the Medium Term Financial Plan (MTFP).

2.02 One of the Council's 10 priorities is to 'Be a modern, efficient and cost effective public organisation through our four resource strategies - MTFS, People, Asset

Management and ICT'. The Asset Management Strategy is key to determining which assets the Council wishes to have in its portfolio for future service delivery. From this, plans can be drawn up as to where capital investment is required (in new or upgraded facilities), and where there are opportunities to release resources through asset disposals.

- 2.03 This report is concerned with the Council Fund only. The Housing Revenue Account (HRA) capital programme will be considered alongside the HRA revenue budget proposals for 2012/13. This will be reported to Executive and Scrutiny in January 2012 prior to the final proposals being made by Executive to County Council in February 2012.

3.00 CAPITAL STRATEGY

- 3.01 The aim of the Capital Strategy is to have in place a 10 year affordable, prioritised programme of all capital needs.

- 3.02 In developing the strategy, the following 6 theme areas have been identified for investment, which might be financed (in full or in part) through unsupported (prudential) borrowing -

- School Modernisation
- Public/Civic Buildings
- Infrastructure/Regeneration
- Leisure
- ICT
- Energy

- 3.03 In reports to Executive on 21st December 2010 and 15th February 2011, it was noted that there was considerable uncertainty at that time in respect of those projects that would require capital funding in the medium to long term. As a result, the 2011/12 programme consisted mainly of core capital allocations, with remaining resources left unallocated until greater clarity was provided.

- 3.04 Significant work has been undertaken by officers over the last 6 - 9 months to identify potential schemes or programme areas for inclusion in the future capital programme - see Section 4 below.

- 3.05 At the same time as considering potential capital schemes, a significant review has been undertaken on options for asset disposal. The capital receipts position is detailed in Section 6.01 below.

- 3.06 A significant part of the future capital programme which has been unknown until now is the School Modernisation Programme, and the contribution to capital costs from Welsh Government through 21st Century Schools finance. The recent work carried out by the Council in formulating its school modernisation plans and the announcement by Welsh Government of funding support of 50% towards estimated

costs of £64.2m, means that we are now able to plan this into the forward capital programme and the Medium Term Financial Plan.

4.00 POTENTIAL NEW CAPITAL INVESTMENT SCHEMES

4.01 The potential new capital schemes or programme areas which have been identified over the last 6 -9 months were shared with Members at the workshop held on 6th December 2011 and are detailed in Appendix 1.

4.02 At this stage, 2012/13 in-year costs and funding only are shown for those schemes proposed to commence in 2012/13.

5.00 FINAL LOCAL GOVERNMENT SETTLEMENT 2012/13

5.01 The Final Local Government Settlement for 2012/13 was received on 8th December 2011; the Council will receive General Capital Funding of £7.744m (£2.603m General Capital Grant and £5.141m Unhypothecated Supported Borrowing). This level of funding is £0.119m less than notified at the Provisional Settlement stage, and £0.242m less than our previous planning assumptions.

5.02 The indicative position for 2013/14 and 2014/15 is £6.859m in each year, which is £0.750m less in each year than our previous planning assumptions.

5.03 It is important to recognise that General Capital Grant is only one aspect of Welsh Government grant support for capital, with other significant sums also being available through specific capital grants; details of these are not known at this stage.

5.04 A further £12m of capital funding (across Wales) for highways infrastructure projects, which is not included in the Settlement, is to be made available in 2012/13 and will be the subject of a further announcement by Welsh Government in the new year.

6.00 CAPITAL FUNDING AVAILABLE

6.01 Capital funding comes from a variety of sources -

- Unhypothecated Supported Borrowing (USB)
- General Capital Grant (GCG)
- Specific Capital Grants
- Capital Receipts
- Released Funding (if available)
- Unsupported (Prudential) Borrowing

6.01.1 USB and GCG are as advised by Welsh Government through the Finance Settlement, and are available for the Council to determine their use. Specific Grants are also received from Welsh Government (and other funding bodies), but allocated for specific purposes defined by the relevant funding body.

- 6.01.2 Capital Receipts are the proceeds from asset disposals - land and buildings.
- 6.01.3 Released funding represents 'freed' up' funding made available in circumstances such as programmed schemes no longer proceeding, or uncommitted programme schemes requiring re-consideration.
- 6.01.4 Unsupported (Prudential) Borrowing is that borrowing which, as the name implies, is not supported by Welsh Government - borrowing costs (principal and interest) have to be met by the Council from the revenue budget.
- 6.02 The total projected funding over the 10 year period 2012/13 to 2021/22, from all of the above sources, amounts to £116.226m as detailed in Appendix 2 (attached); the Core Programme Scheme expenditure (as referred to in Section 7.02 below) is included in Appendix 2, which produces the total available to fund other programme schemes.

7.00 CAPITAL SCHEMES

Core Capital Programme Schemes

- 7.01 'Core' schemes are those that require capital works on an on-going basis in order to ensure life and use enhancement; such schemes include Energy Efficiency Measures, Highways Infrastructure Works, and School Building Works.
- 7.02 The proposed Core schemes (as outlined at the Capital Workshop on 6th December 2011), are detailed in Appendix 3 as attached. The impact on the available funding resources of funding these schemes is recorded in Appendix 2.
- 7.03 As noted in Section 6.02 above, the total available funding is £116.226m. The value of core allocations (if they continue at a constant rate with current levels) over the 10 year period would be £94.425m. This would leave funding available to allocate to other schemes (or headroom) of £21.801m. In relation to 2012/13, the headroom available if the core allocations are approved is £4.299m which would be available to fund further schemes.

Potential New Capital Investment Schemes

- 7.04 The schemes proposed for inclusion in the programme in 2012/13, in addition to the core allocations, are as set out in the table below -

POTENTIAL NEW CAPITAL INVESTMENT SCHEMES

| A - FUNDED FROM AVAILABLE 'HEADROOM' | | COST | FUNDED | NET | |
|---|---|---|----------------|--------------|---|
| | | £m | £m | £m | |
| Corporate Services | Agile Working Investment | 0.400 | | 0.400 | A |
| Corporate Services | Conferencing Solution | 0.120 | | 0.120 | A |
| Corporate Services | Electronic Document & Record Management System (EDRMS) Implementation | 0.100 | | 0.100 | A |
| Corporate Services | Information & Communication Technology Infrastructure | 0.330 | | 0.330 | A |
| Corporate Services | Microsoft Enterprise Agreement | 1.233 | | 1.233 | A |
| Corporate Services | Website Infrastructure | 0.450 | | 0.450 | A |
| Environment | Renewable Energy Installations | 0.480 | | 0.480 | A |
| Environment | Daniel Owen Centre Roof | 0.150 | | 0.150 | A |
| Lifelong Learning | School Kitchen Ventilation | 0.085 | | 0.085 | A |
| Lifelong Learning | Mynydd Isa Community Centre Boiler | 0.045 | | 0.045 | A |
| Community Services | Supervised Contact Space | 0.050 | | 0.050 | A |
| Corporate Services | Flintshire Connects * | 0.250 | | 0.250 | A |
| Lifelong Learning | Swimming Pools - DDA Compliance | 0.150 | | 0.150 | A |
| | | 3.843 | | 3.843 | |
| B - FUNDED FROM PRUDENTIAL BORROWING | | | | | |
| Lifelong Learning | Band A Schemes * | 0.750 | | 0.750 | B |
| Lifelong Learning | Amalgamation of Taliesin & Shotton Infants * | 0.848 | (0.365) | 0.483 | B |
| Environment | Alltami Depot * | 0.450 | | 0.450 | B |
| Environment | Sandycroft Household Recycling Centre * | 1.000 | (0.430) | 0.570 | B |
| Lifelong Learning | Health & Safety - School Kitchen Refurbishment | 0.500 | | 0.500 | B |
| Environment | Highways Asset Management Plan | 0.415 | | 0.415 | B |
| | | 3.963 | (0.795) | 3.168 | |
| | | <i>* Part of an ongoing programme and/or prior approval given</i> | | | |
| TOTAL FUNDING | | 7.806 | (0.795) | 7.011 | |

7.05 The rationale for the inclusion of these schemes for 2012/13 ahead of others which have been identified, is because they fall into the groups below. It is considered that these schemes need to proceed whilst consideration of the longer term programme is developed and agreed.

- Part of an ongoing programme and / or prior approval given
- Investment needed to secure modernisation of the organisation to provide service delivery and secure financial efficiencies for the future
- Urgency / compliance requirements

7.06 The rationale for the groupings in the table above reflect the nature of the schemes. Those in group A are shorter term projects where borrowing could only be over a short period e.g. for I.T infrastructure to support the modernisation of Council services and customer contact, whereas those in Group B represent investment in assets where it would be appropriate to borrow monies to fund these given the long term investment in fixed assets, e.g. schools, Alltami Depot and the Sandycroft Recycling centre.

- 7.07 In total, these schemes would cost £7.011m (net of grants received) in 2012/13. It is proposed that the schemes shown in Group A are met from the “headroom” available of £4.299m and that the schemes shown in Group B are met from unsupported (prudential) borrowing. Brief scheme details including total cost and the phasing over future years are shown in Appendix 4 (Group A) and Appendix 5 (Group B). In relation to the schemes to be funded from prudential borrowing, the cost of borrowing to be met from the revenue account would be £0.165m in 2012/13 rising over a period of time to £1.987m in 2019/20. It can be seen from the appendices that the borrowing for the schemes varies over 25 - 50 years from the point of expenditure being incurred, and so the commitment to borrowing is ongoing, with repayments continuing through until 2068/69. The prudential borrowing calculations are based on the use of annuity loans, which provide for a constant repayment sum throughout the period of the loan, but with an increasing principal/reducing interest element year-on-year.
- 7.08 The impact of the proposed funding of these schemes would be to leave £0.456m headroom unallocated. It is considered prudent to leave a proportion unallocated to provide a contingency which, subject to approval, could be utilised to meet additional unexpected capital expenditure requirements which arise in year or to meet either an overspend on a project or a shortfall in funding e.g. if an anticipated capital receipt did not come in at the expected time.
- 7.09 In addition to the brief scheme details shown in Appendix 4 and 5, the following information is provided in relation to schemes which already have prior approval, or are linked to an ongoing programme:-

Prior Approval

- 7.10 The Alltami Depot and the Sandycroft Household Recycling Centre schemes were approved by the Executive in November 2011 to be funded by prudential borrowing which is financed from savings from within the service.

Ongoing Programmes

- 7.11 The Schools Modernisation Programme has been profiled into the forward programme, following the announcement by Welsh Government. The allocation of £0.750m in 2012/13 is to fund related feasibility/design costs. The expenditure on the schools programme (which, subject to approval of the full business case will be 50% funded by WG), is currently profiled to commence in 2014/2015. However, it is important that this is recognised at this stage, so the that impact on the capital programme and the revenue impacts on the MTFP can be clearly identified and planned for.
- 7.12 The scheme for the amalgamation of Taliesin and Shotton Infants Schools is the final School Improvement Scheme to be funded from School Buildings Improvement Grant (SBIG) for which the Council has been successful in securing Welsh Government grant of £4.5m, to meet 70% of the cost of £6.3m. It is proposed that the balance of £1.8m is met from prudential borrowing funded from savings achieved from the

amalgamation. A report will come forward to Members in the new year outlining the statutory processes for the amalgamation consultation.

- 7.13 The proposed allocation of funds from the “headroom” for Flintshire Connects is to provide funding for the ongoing programme beyond the pilot site in Holywell which is currently being planned. In a report to the Executive on 14th December 2011, approval was given to the funding of the Holywell Connects Centre through the re allocation of funding in year.

8.00 CONSULTATION

- 8.01 Meetings of the Overview and Scrutiny Committees have been scheduled between 16th and 26th January 2012. One of these meetings will be dedicated to consider the capital programme proposals as set out in this paper. The scrutiny meeting will be open to all Members of the Council.
- 8.02 A public consultation survey which covers aspects of the Council's Revenue and Capital Budget Strategies was open between 21st November and 16th December 2011; the results of the survey will be provided to Members in January.

9.00 RECOMMENDATIONS

- 9.01 Members are recommended to:
- (a) Note the work which has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
 - (b) Note the new schemes or programme areas which have been identified for inclusion in the programme and which will be the subject of Member consideration for 2012/13 onwards.
 - (c) Note the capital element of the Local Government Finance Settlement for 2012/13, together with indicative allocations for financial years 2013/14 and 2014/15.
 - (d) Note the estimated capital funding available over the 10 year period 2012/13 to 2021/22.
 - (e) Note the projects in Section 7.10 with prior approval/funding.
 - (f) Approve the allocation of funding to the core capital programme in 2012/13 as shown in Appendix 3 (and note the indicative allocations for future years), and approve the potential new capital investment schemes (as set out in Section 7.04), subject to input by Overview & Scrutiny, excluding those projects with prior approval outlined in Section 7.10.

10.00 FINANCIAL IMPLICATIONS

10.01 As set out in the report.

11.00 ANTI-POVERTY IMPACT

11.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

12.00 ENVIRONMENTAL IMPACT

12.01 Individual Capital Programme Schemes may have specific environmental impacts.

13.00 EQUALITIES IMPACT

13.01 Individual Capital Programme Schemes may have specific equalities impacts.

14.00 PERSONNEL IMPLICATIONS

14.01 None directly as a result of this report.

15.00 CONSULTATION REQUIRED

15.01 All Members, and Overview and Scrutiny.

16.00 CONSULTATION UNDERTAKEN

16.01 An initial workshop on capital was held on 6th December 2011 for all Members. A public consultation survey was open 21st November and 16th December 2011.

17.00 APPENDICES

17.01 Appendix 1- Potential New Capital Investment Schemes

Appendix 2 - Available Funding

Appendix 3 - Core Capital Programme Schemes

Appendix 4 - Proposed New Capital Investment Schemes Funded by Unsupported (Prudential) Borrowing

Appendix 5 - Proposed New Capital Investment Schemes Funded from 'Headroom'.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

BACKGROUND DOCUMENTS

Welsh Government Final Local Government Settlement 2012/13
Various Budget Working Papers

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 11

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE AND CHIEF EXECUTIVE AND**
 DIRECTOR OF COMMUNITY SERVICES AND HEAD OF
 HOUSING
SUBJECT : **HOUSING REVENUE ACCOUNT 2012/13 AND CAPITAL**
 PROGRAMME 2012/13

1.00 PURPOSE OF REPORT

- 1.01 To consider the Housing Revenue Account (HRA) budget as set out in 1.02 and 1.03, following consultation with the Housing Overview and Scrutiny Committee and receipt of the final HRA Subsidy and Item 8 determinations received from Welsh Government on 1 February 2012.
- 1.02 Revenue budget proposals for the 2012/13 financial year, including proposed rent and service charge changes, key areas of income and expenditure, and the level of closing balance at the year end.
- 1.03 Budget proposals for the HRA capital programme 2012/13, which is year one of a six year improvement programme.

2.00 BACKGROUND

- 2.01 As the Council has a stock of Council housing, it is required by the Local Government and Housing Act 1989 to keep a HRA in accordance with proper accounting practices, and to budget to avoid an end of year deficit.
- 2.02 The HRA is a “ring-fenced” account of certain defined transactions relating to Local Authority Housing. The ring-fenced nature of the account means that funding cannot be transferred between the Council Fund and the HRA and vice versa, other than in certain prescribed circumstances.
- 2.03 Although there is a legal requirement to avoid an end of year deficit, it is also considered to be good practice to budget for a closing balance of at least 3% of the total expenditure of the HRA.
- 2.04 Prior to the start of each financial year, the Welsh Government (WG) consults with Local Authorities on the draft Housing Revenue Account subsidy and Item 8 determinations. These are the key financial determinations set each year by WG which influence Local Authority rent increases, and also the amount of Housing Revenue Account subsidy payable by the Council. The two main elements of the consultation are the “guideline rent increase” and the Management and Maintenance (M&M) element of Housing Revenue Account subsidy.

- 2.05 The guideline rent increase is the amount by which WG considers the Authority should increase weekly rents in order to make progress towards achievement of the key WG objective of “benchmark” rents where Local Authority and Registered Social Landlords (RSL) rents for similar properties in similar areas are broadly the same. WG stipulates that in order to achieve this Local Authority Guideline rents should increase by RPI (Sept figure)+2%, and Housing Association rents by RPI (Sept figure)+1%.
- 2.06 The management and maintenance allowance element of Housing Revenue account subsidy is the amount which WG considers each Local Authority requires per HRA dwelling to manage and maintain the housing stock held within the HRA.
- 2.07 Initial budget proposals for 2012/13 were approved by Executive on 24 January 2012 following consideration by the Housing Overview and Scrutiny Committee on 20 January 2012. The revenue budget and capital programme proposals were welcomed by scrutiny and no changes were requested to the initial budget proposals set out by the Executive. A summary of the questions raised at the scrutiny meeting and responses provided is included as Appendix 5. The budget proposals demonstrate investment in the Council Priorities / Improvement Objectives 5 (communities and safeguarding), 6 (economy and welfare reform), 7 (independent and healthy living) and 8 (housing).

3.00 CONSIDERATIONS

Revenue Budget 2012/13

- 3.01 The final Housing Revenue Account subsidy and Item 8 determinations were received from WG on the 1 February 2012, and there was no change from the figures received at the draft stage as included in the report to Executive on 24 January. It increases the all-Wales weekly guideline rent by 5.1%. This reflects a temporary suspension from the policy of using the September RPI figure (which was 5.6%), and instead utilising the average RPI for the year which is 5.1%. The consultation suspends the rent convergence policy and applies a zero% real increase to both RSL benchmark rents and the all-Wales Local Authority guideline rent for 2012-13.
- 3.02 The final guideline weekly rent increase for Flintshire for 2012/13 as per the consultation is £3.09 per week, (on a 52 week collection basis). This is a percentage increase of 4.75%. (This compares to a 2011/12 average rent increase of 5%). The Management and Maintenance allowance element of Housing Revenue Account Subsidy is increased to £2,448 per dwelling for each local authority, reflecting an increase of £181 per dwelling (8.0%) on 2011/12.
- 3.03 **Rent Increase - Garages**
It is recommended that the guideline rent increase is also applied to all garage rents. The proposed rent level for all HRA garages is £4.05 per week an increase of 19 pence per week.

3.04 **Service Charges - Communal Heating Schemes**

The year end balance on the communal heating reserve account at 2010/11 is £0.077m. The proposed changes to current charges are intended to ensure that each communal heating scheme recovers the full energy cost charged in respect of individual schemes. Details of the proposed charges in 2012/13 for each scheme are provided at Appendix 3.

3.05 The current levels of benefit claimants amongst Flintshire housing tenants are illustrated in the table below :-

Flintshire Tenants - Housing Benefit Claimants

| <u>Benefit Status :</u> | <u>Tenants :</u> | |
|--------------------------------|-------------------------|-----------------|
| | <u>Number</u> | <u>%</u> |
| Full or partial benefit | 4,957 | 66.7 |
| Full rent | 2,491 | 33.3 |
| Total : | 7,448 | 100.0 |

As illustrated above, almost 67% of the Council's 7,448 tenants, would face no additional hardship as a consequence of the proposed rent increases. This will be met by housing benefit subject to claimants personal circumstances remaining the same. Those tenants who are not currently in receipt of benefit will naturally have to meet the full increase in rent, unless they become eligible for housing benefit.

KEY AREAS OF EXPENDITURE

3.06 **Repairs and Maintenance**

The housing repairs service is continuing its drive to develop into a modern and efficient customer focused service, through the implementation of new technology, lean processes and customer focused working practices to deliver continuous improvement. This is reflected in the budget efficiencies identified in this report and new items of expenditure to support further development in 2012/13. Repairs and Maintenance is the largest element of expenditure within the HRA (38.6%) and equates to a unit cost of £1,179 per property in 2012/13. Therefore just under half of the Management and Maintenance allowance is used on day to day repairs and the running of this service. For comparison in 2012/13 proposals Denbighshire is 22.9% with a unit cost of £814 per property and Wrexham is 41.3% with a unit cost of £1,164 per property.

3.07 **Removal of Trading Account**

In December 2011 the Executive approved the ending of the historic accounting arrangements for the Building Maintenance Trading Account and agreed a new set of performance indicators to measure both the cost effectiveness and quality of service

delivery. This new system will focus on benchmarking and will enable the Asset Management team to develop a modern, performance driven service with an improved understanding of what drives costs and how to achieve 'value for money'. The trading account has been removed for the 2012/13 budget and the Repairs and Maintenance budget now includes all costs for the Housing Asset Service.

3.08 **Housing Asset Service Restructure**

The financial impact of the Housing Asset Service restructure has been included in the 2012/13 budget proposals. This restructure supports a modern delivery of the service and will result in savings of £0.119m per annum.

3.09 **Fleet Operation Review**

Following the ongoing review of fleet operations, savings of £0.081m per annum have been included in the 2012/13 budget.

3.10 **Stores Outsourcing**

The materials purchased through stores are to be outsourced to Travis Perkins (decision of the Executive June 2010), and will enable repairs and maintenance to maximise efficiencies through large scale purchasing power. Efficiencies of £0.102m per annum have been included in the 2012/13 budget to reflect this.

3.11 **Relocation of Canton Office Staff**

The relocation of Canton office staff to Flint offices was implemented in 2011/12 following the mobile working and stores outsourcing reviews. This move supported the objectives of the Flintshire Futures Programme in the achievement of both service improvements and organisational efficiencies over the next 3 years. Overall office revenue costs are expected to reduce and anticipated savings of £0.096m per annum have been included in the 2012/13 budget.

3.12 **Mobile Working**

Flintshire were successful in 2011/12 in gaining Invest to Save funding from the Welsh Government which was used to introduce Mobile Working technology. This needs to be repaid over two years and a pressure of £0.014m is included to meet the final payment in 2012/13. However, as can be seen from the detail provided above, this service improvement has delivered operating cost efficiencies.

3.13 **Estate Management**

The Head of Housing set a target for the Estate Management service to achieve an efficiency of 5% on the 2011/12 budget. (If pressures are offset by efficiencies then an overall saving of 5.4% has been achieved). This was achieved through savings identified within the housing management restructure, communal area cleaning and ground works. A total efficiency of £0.140m per annum. A pressure of £0.020m per annum for a trainee modern apprentice has been included within tenant participation as agreed in the Choices document, as has a £0.020m one year pressure for water rates charges collection on behalf of tenants

3.14 **Home Ownership**

There has been a dramatic decrease in the number of Right to Buy sales in the last four years. Therefore, for budget purposes, zero sales have been assumed for 2012/13. This has a minimal impact on the revenue budget as the only reduction of revenue income is the minor administration fees which are recoverable against the usable element of the capital receipt.

3.15 **Allocations and Welfare**

The majority of these costs relate to the tenancy applications and allocations service. Also included within this area are the budgets for communal laundries and community meeting rooms for tenants. The Allocations and Welfare budget holders were also set a target to achieve a 5% efficiency saving on the 2011/12 budget. (If pressures are offset by efficiencies then an overall saving of 15% has been achieved). Savings included in the budget are £0.008m per annum for community room cleaning and utilities and Housing management restructure efficiency of £0.032m per annum.

3.16 **Capital Expenditure from Revenue Account**

Capital expenditure from the revenue account (CERA) enables additional investment in the HRA Capital Programme. The use of this additional source of financing for capital improvements helps to progress the efforts to achieve the requirements of the Welsh Housing Quality Standard (WHQS). An investment of £3.937m has been included in the 2012/13 budget which is an increase of £1.152m on the 2011/12 budget.

3.17 **Finance and Support**

Contributing towards the target to achieve a 5% efficiency saving on the 2011/12 budget for finance and support are £0.045m savings per annum identified through the renegotiation of the insurance charges for the HRA, £0.035m savings per annum on conferencing and seminar costs and £0.025m efficiency per annum identified from the restructure of support staff.

3.18 A £0.076m pressure per annum has been included in the budget for a P.A to the Head of Housing and an increased charge for the Head of Housing to the HRA following a review of time allocation.

3.19 A one year pressure of £0.083m has been identified to further improve customer focus and business development. This will enable a number of improvements to be taken forward and include:-

3.20 A one year pressure of £0.055m to implement Voluntas and Housemark (These are benchmarking and independent tenant satisfaction assessment services). These will enable the housing service to benchmark performance against other local authorities on repairs and maintenance.

3.21 A one year pressure of £0.030m to further develop the IBS rents system and Capital programme management system following Lean reviews.

3.22 **Stock Options**

A budget reduction of £0.067m has been included in respect of the provision for statutory consultation costs on the ballot process, due to the removal of a one-off pressure included in 2011/12.

3.23 Capitalised Salaries

A proposal has been developed to create an in-house team to manage the adaptations for HRA disabled facilities grants. This has been included in the budget, subject to approval. This will prevent the need to tender which causes time delays and therefore should enable properties to be adapted more quickly so reducing waiting times whilst supporting the local area by creating additional jobs. The expectation is that this proposal could deliver the same number of adaptations as in 2011/12 with an estimated saving of £0.015m.

3.24 Budget Pressures & Efficiencies

The budget pressures and efficiencies are set out in detail in Appendix 2, resulting in a net budget saving of £0.304m.

3.25 The closing balance is 3.25% of total budgeted expenditure which is a reduction of 0.25% on the closing balance of 3.5% in 2011/12. This is reflective of the increased financial control within the HRA and if not required in year, additional funds could be made available for further works in the capital programme.

3.26 HRA Capital Programme 2012/13

3.27 Executive approved a 6 year capital improvement programme commencing in 2012/13, on 19th July 2011. This will mean that at the end of that time all council homes will have a WHQS standard kitchen, heating system and smoke detector. In addition 1300 homes will have WHQS standard bathrooms. This budget proposes sufficient resource to meet the year 1 capital programme commitments.

The proposed HRA capital programme is £9.398m including £5.200m major repairs allowance from WG, £3.937m CERA contribution and ringfenced land receipts of £0.261m. This ringfenced work will only be undertaken when the capital receipts are realised. Programme details (including those subject to 'ringfencing' arrangements) are included in Appendix 4 to this report.

4.00 RECOMMENDATIONS

4.01 Members are asked to approve and recommend to County Council on 21 February 2012 :

- i. The proposed HRA budget for 2012/13 as set out in Appendix 1, incorporating the Pressures and Efficiencies in Appendix 2.
- ii. The level of rent and service charges for 2012/13 as set out in paragraphs 3.02 to 3.04 including the communal heating proposals in Appendix 3.

iii. The level of projected balances at 31st March 2013 of 3.25% of total expenditure.

iv. The proposed HRA capital programme as set out in Appendix 4.

5.00 FINANCIAL IMPLICATIONS

5.01 The Council has a statutory duty to review the income and expenditure of the HRA, and to set a budget for the forthcoming financial year which avoids a deficit closing balance position. This report sets out how this can be achieved for the Council in 2012/13. The key financial assumptions on which this is proposed are set out in Appendix 2. The proposed budget estimates a closing balance of 3.25 % of total expenditure.

6.00 ANTI POVERTY IMPACT

6.01 HRA activity helps alleviate poverty by providing safe and secure homes that are energy efficient and economical to run. The ongoing capital programme maintains the impetus to upgrade heating etc., to minimise fuel use and thereby boost disposable income.

7.00 ENVIRONMENTAL IMPACT

7.01 There are no direct environmental impacts arising from the HRA budget as outlined within the report.

8.00 EQUALITIES IMPACT

8.01 There are no direct equalities impacts arising from this report.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no direct personnel implications arising from this report.

10.00 CONSULTATION REQUIRED

10.01 Consultation with all tenants over any rent increase must take place and must be at least 28 days before any rent increase is due to come into effect.

11.00 CONSULTATION UNDERTAKEN

It is the usual practice to hold a special consultation meeting with the Flintshire Federation of Tenants and Residents Associations. A meeting with the Federation took place on 15 January. The Federation supported the proposals contained in the report. In addition early discussions on potential rent increases took place with tenants at the tenants conference on 12 December 2011.

12.00 APPENDICES

- 12.01 HRA Summary - Appendix 1
- HRA Budget Pressures and Savings - Appendix 2
- Summary of proposed Communal Heating Scheme service charges - Appendix 3
- HRA Capital programme - Appendix 4
- Summary of questions and responses - Appendix 5

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Various budget monitoring papers.

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APPENDIX 1 - HRA BUDGET 2012/13

| | 2011/12 Budget | 2012/13 Budget | Variance | Variation |
|--|-------------------|-------------------|------------|-----------|
| INCOME | | | | |
| Rents (Council Dwellings & Garages) | -24,529,280 | -25,355,424 | -826,144 | 3% |
| Capitalised Salaries | -361,516 | -1,075,138 | -713,622 | 197% |
| Interest on RTB Mortgages | -4,000 | -4,000 | 0 | 0% |
| | -24,894,796 | -26,434,562 | -1,539,766 | |
| EXPENDITURE | | | | |
| HRA Subsidy (Negative/Deficit) | 6,235,153 | 5,968,474 | -266,679 | -4% |
| Capital Financing - Loan Charges | 2,329,417 | 2,349,042 | 19,625 | 1% |
| Building Maintenance Trading Account | 0 | 0 | 0 | |
| Estate Management | 1,811,694 | 1,730,197 | -81,497 | -4.5% |
| Home Ownership | 5,775 | -1,225 | -7,000 | -121% |
| Allocations and Welfare | 200,850 | 170,778 | -30,072 | -15% |
| Repairs and Maintenance | 9,036,742 | 8,777,977 | -258,765 | -3% |
| Landlord Services | 267,000 | 317,901 | 50,901 | 19% |
| Welsh Housing Quality Standard - CERA | 2,785,000 | 3,937,000 | 1,152,000 | 41% |
| Supporting People Contribution to Council Fund | 33,878 | 0 | -33,878 | -100% |
| Finance and Support | 2,143,773 | 2,346,122 | 202,349 | 9% |
| Stock Options | 67,000 | 0 | -67,000 | -100% |
| Capitalised Salaries | 361,516 | 1,075,138 | 713,622 | 197% |
| | 25,277,798 | 26,671,404 | 1,393,606 | |
| (Surplus) / Deficit for the year | 383,002 | 236,842 | -146,160 | |
| Opening Balance | -1,486,601 | -1,103,599 | 383,002 | |
| HRA Closing Balance | -1,103,599 | -866,757 | 236,842 | |
| % of Total Expenditure (Guideline 3%) | 4.37% | 3.25% | | |

HRA BUDGET PRESSURES & SAVINGS OPTIONS- Appendix 2

| Code | Bid Ref | ADDITIONAL CAPITAL INVESTMENT | 2012/13 £ | Notes |
|---------|---------|-------------------------------|--------------|---|
| HRP/HRR | | CERA | 1,152,000 | Increased contribution to the Capital programme |

| Code | Bid Ref | EFFICIENCY SAVINGS OPTIONS | 2012/13 £ | Notes |
|----------------------|---------|-------------------------------------|-----------------|---|
| HRM | R | SAVINGS ON MATERIALS | -101,600 | Negotiation of Travis Perkins contract and outsourcing stores |
| HRM | R | FLEET | -81,804 | Review of Fleet contracts |
| HRM | R | CANTON DEPOT | -95,605 | Relocation to Flint Offices |
| HRM | R | REPAIRS AND MAINTENANCE RESTRUCTURE | -113,126 | Restructure of the Housing Assets service |
| HRG | R | RTB INCOME | -7,000 | Capitalised Expenditure |
| HRX | R | CONFERENCE/SEMINAR | -35,000 | Review of conferencing and seminar costs |
| HRX | R | STOCK OPTIONS | -67,000 | Reversal of 1 year pressure |
| HRX | R | INSURANCE | -45,114 | Renegotiation of insurance contract |
| HRX | R | SALARIES | -27,020 | Support staff restructure - Finance and Admin |
| HRE/HRL | R | SALARIES | -73,533 | Housing Management Restructure savings |
| HRE | R | ANTI SOCIAL BEHAVIOUR - WHMS | -25,000 | Reversal of one year pressure - Welsh housing management standard |
| HRE | R | CLEANING CONTRACT | -9,128 | Saving on external cleaning costs |
| HRE | R | GROUND WORKS | -30,000 | Savings on Grounds maintenance costs |
| HRL | R | UTILITIES AND CLEANING CONTRACT | -7,795 | Savings on cleaning costs in communal areas |
| Total Savings | | | -718,724 | |

| Code | Bid Ref | BUDGET PRESSURES/SERVICE IMPROVEMENTS | 2012/13 | Notes |
|------|---------|---------------------------------------|---------|---|
| HRX | R | SALARIES | 76,952 | Head of Housing and inclusion of P.A costs |
| HRE | R | SALARIES | 18,809 | Trainee Modern Apprentice as per the Choices Document |
| HRE | R | TRAVEL | 4,106 | Budget Realignment |

| | | | | |
|------------------------|---|----------------------------------|----------------|---|
| HRE | | WATER COLLECTION | 20,000 | Water charges collection |
| HRX | | CUSTOMER SATISFACTION SURVEY | 40,000 | Develop tenant satisfaction |
| HRX | | SOFTWARE COSTS | 30,000 | IBS development costs for Rents, and planned programmed works |
| HRX | R | HOUSEMARK BENCHMARKING TOOLKIT | 13,500 | Repairs and maintenance benchmarking other Local Authorities |
| HRE | | CCTV | 5,050 | Additional ASB measures |
| HRM | | HARDWARE | 20,000 | AMTECH hardware costs for Electricians |
| HRM | | AGILE WORKING LOAN REPAYMENT | 14,000 | Paid now over 2 years rather than three. Final year 12/13. |
| HRD | | MAISONETTES - FLINT REGENERATION | 150,000 | Disruption payments |
| HRM | R | SUPPLIES | 22,124 | Increase in mobile phone costs for mobile working |
| Total Pressures | | | 414,541 | |

Appendix 3 - Communal Heating Charges

| Communal Area | Current Av. Weekly Charge | Weekly Avg. Charge | Variance to current Av. Weekly charge |
|---------------------|---------------------------|--------------------|---------------------------------------|
| Bolingbroke Heights | £7.69 | £6.89 | (0.79) |
| Richard Heights | £7.72 | £6.92 | (0.79) |
| Coleshill Lea | £9.18 | £8.24 | (0.95) |
| Earls Lea | £9.18 | £8.24 | (0.95) |
| Feathers Lea | £9.18 | £8.24 | (0.95) |
| Hills Lea | £9.18 | £8.24 | (0.95) |
| Castle Heights | £9.67 | £8.65 | (1.01) |
| Mumforth Walk | £10.79 | £9.66 | (1.13) |
| Swan Walk | £11.00 | £9.85 | (1.15) |
| Sydney Walk | £10.84 | £9.71 | (1.13) |
| Rosemary Walk | £10.92 | £9.77 | (1.14) |
| Perrins Walk | £10.97 | £9.82 | (1.15) |
| Muspratt Walk | £10.89 | £9.75 | (1.14) |
| Mount Walk | £10.91 | £9.77 | (1.14) |
| Duke Walk | £10.41 | £9.32 | (1.09) |
| Llwyn Beuno | £10.15 | £7.91 | (2.24) |
| Llwyn Aled | £9.59 | £8.38 | (1.21) |
| Panton Place | £7.44 | £6.54 | (0.91) |
| Acacia Close | £10.89 | £8.85 | (2.04) |
| Glan-y-Morfa Court | £6.30 | £5.90 | (0.40) |
| Chapel Court | £7.56 | £6.15 | (1.41) |

Proposed HRA Capital Programme 2012/13

| HRA Capital programme 2012/13 | Base Programme £m | Work dependant on Capital Receipts £m | Total Programme £m | Prioritisation of Capital Receipts work |
|--|----------------------|---|-----------------------|---|
| Smoke Alarm Installations | 0.269 | | 0.269 | |
| Heating Replacement - Programme | 2.735 | | 2.735 | |
| Kitchen Replacements - Programme | 3.818 | 0.221 | 4.039 | 1 |
| Bathroom Replacement - Programme | 0.215 | | 0.215 | |
| HRA contribution to Flintshire Connects | 0.050 | | 0.050 | |
| Disabled Facility Grants (DFG) - Mandatory | 0.810 | 0.040 | 0.850 | 2 |
| Flint Maisonettes - Regeneration | 0.150 | | 0.150 | |
| Minor Adaptations | 0.150 | | 0.150 | |
| Vacant Properties - General | 0.130 | | 0.130 | |
| Urgent Health and Safety works | 0.450 | | 0.450 | |
| Capitalised Salaries | 0.360 | | 0.360 | |
| 2012/13 Budget | 9.137 | 0.261 | 9.398 | |

Funding - Base Programme

| | £m | £m | £m |
|-------|--------------|----|----|
| M.R.A | 5.200 | | |
| CERA | 3.937 | | |
| | <u>9.137</u> | | |

Capital Receipts

| | | | |
|---------------|--|--------------|--|
| RTB's 12/13 | | 0.000 | |
| Land Receipts | | 0.261 | |
| | | <u>0.261</u> | |

HRA Capital Funding 2012/13 Programme**9.398**

OVERVIEW & SCRUTINY
Housing Revenue Account - Initial Budget Proposals 2012/13
Appendix 5

| No. | Comments and Questions: | Responses: |
|-----|---|--|
| 1.0 | <p><u>HRA revenue budget 2012/13</u></p> <ul style="list-style-type: none"> • What is the total cost for training and development in the HRA | <ul style="list-style-type: none"> ▪ £32.5k is in the 2012/13 HRA budget for training and development. |
| 2.0 | <p><u>HRA Capital programme 2012/13</u></p> <ul style="list-style-type: none"> ▪ Will some tenants have a new kitchen and a bathroom within the 6 year programme? | <ul style="list-style-type: none"> ▪ Tenants will have either a new kitchen or bathroom, although if a tenant has recently had one of these fitted they may have both within the next 6 years as the programme is rolled out. |
| 3.0 | <p><u>General –</u></p> <ul style="list-style-type: none"> ▪ Progress on the audit of empty properties | <ul style="list-style-type: none"> ▪ This is a key part of regional funding with £5m identified for Flintshire. Harder to let properties are to be used to provide some temporary units for those experiencing homelessness. |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 12

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT : **MINIMUM REVENUE PROVISION 2012/13**

1.00 PURPOSE OF REPORT

1.01 To present proposals for the setting of a prudent minimum revenue provision for the repayment of debt in 2012/13, as required under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 ('the 2008 Regulations').

2.00 BACKGROUND

2.01 Local authorities are required each year to set aside some of their revenues as provision for the repayment of debt i.e. a provision in respect of capital expenditure financed from borrowing or credit arrangements.

2.02 Regulation 22 of the 2008 Regulations requires an authority to each year make an amount of Minimum Revenue Provision (MRP) which it considers to be 'prudent', but the regulation does not itself define 'prudent provision'. However, the Welsh Government (WG) has provided guidance which makes recommendations to authorities on the interpretation of the term; the guidance was last updated in April 2010.

2.03 Authorities are required to prepare an annual statement of their policy on making MRP, which mirrors the existing requirements to report on the prudential borrowing limit and investment policy.

3.00 CONSIDERATIONS

3.01 Meaning of 'Prudent Provision'

3.01.1 The WG guidance provides a number of options for making 'prudent provision'.

It explains that provision for the borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service.

3.02 Options for Prudent Provision

3.02.1 Option 1: Regulatory Method

For debt which is supported by Revenue Support Grant (RSG), authorities may continue to use the formulae specified in the Local Authorities (Capital Finance and

Accounting) (Wales) Regulations 2003 (the regulations which preceded the 2008 Regulations), since the RSG is calculated on that basis, i.e. authorities are able to calculate MRP exactly as if the 2003 Regulations were still in force.

3.02.2 Option 2: Capital Financing Requirement Method

This is a technically simpler alternative to Option 1 and may also be used in relation to supported debt. While still based on the concept of the Capital Financing Requirement [CFR], which is easily derived from the balance sheet, it avoids the complexities of the formulae in Regulation 22. However, for most authorities it will probably result in a higher level of provision (and subsequent impact on service budgets) than Option 1, as it would for Flintshire County Council.

3.02.3 Option 3: Asset Life Method

For new borrowing under the Prudential system for which no Government support is being given and is therefore self-financed, there are two options. Option 3 is to make provision in equal annual instalments over the estimated life of the asset for which the borrowing is undertaken. This is a possibly simpler alternative to the use of depreciation accounting (Option 4), though it has some similarities to that approach.

3.02.4 Option 4: Depreciation Method

Alternatively, for new borrowing under the Prudential system for which no WG support is being given, Option 4 may be used. This means making MRP in accordance with the standard rules for depreciation accounting.

3.03 Conditions for Using the Options

3.03.1 The intention is that Options 1 and 2 should be used only for WG supported borrowing. Options 3 and 4 should be used in relation to all capital expenditure which is to be financed by unsupported borrowing or credit arrangements.

4.00 RECOMMENDATIONS

4.01 That Members approve and recommend to County Council on 1st March 2012 -

(a) Option 1 (Regulatory Method) be used for the calculation of the minimum revenue provision in 2012/13 for all supported borrowing; this represents a continuation of the approved and adopted policy for 2011/12.

(b) Option 3 (Asset Life Method) be used for the calculation of the minimum revenue provision in 2012/13 for all unsupported (prudential) borrowing; this also represents a continuation of the approved and adopted policy for 2011/12.

5.00 FINANCIAL IMPLICATIONS

5.01 The 2012/13 Council Fund revenue budget provides for the minimum revenue provision in respect of all supported borrowing, on the basis of the Option 1 - Regulatory Method calculation.

5.02 Any planned use of unsupported (prudential) borrowing, will need to take account of the revenue consequences of the Option 3 – Asset Life Method calculation, as part of the overall options appraisal and budget setting processes.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Various Welsh Government papers

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 13

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT : **PRUDENTIAL INDICATORS 2012/13 TO 2014/15**

1.00 PURPOSE OF REPORT

1.01 To present proposals for setting a range of prudential indicators in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2.00 BACKGROUND

2.01 The Prudential Code has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities in determining their programmes for capital investment in fixed assets. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.

2.02 The framework established by the Prudential Code is intended to support local strategic planning, local asset management planning and robust option appraisal. The objectives of the Code are to ensure, within a clear framework, that the capital investment plans of local authorities are **affordable, prudent and sustainable**, and that treasury management decisions are taken in accordance with good professional practice.

2.03 The Prudential Code sets out the indicators that must be used, and the factors that must be taken into account in preparing such.

3.00 CONSIDERATIONS

3.01 The prudential indicators required by the Prudential Code are designed to support and record local decision making; they are not designed to be comparative performance indicators - the use of them in this way would be likely to be misleading and counter productive. They are considered in parallel with the treasury management indicators required by the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, as reported elsewhere on the agenda.

3.02 In reviewing the prudential indicators, there is a requirement to have regard to the following:

- service objectives, eg strategic planning for the authority
- stewardship of assets, eg asset management planning
- value for money, eg option appraisal

- affordability, eg implications for Council Tax and Council housing rents
- prudence and sustainability, eg implications for external borrowing
- practicality, eg achievability of the forward plan.

The Prudential Code recognises that in making its capital investment decisions the Council must have explicit regard to option appraisal, asset management planning, strategic planning for the authority and achievability of the forward plan. The Code does not specify how the Council should have regard to these factors, but instead concentrates on the means by which it demonstrates that the proposals are affordable, prudent and sustainable.

- 3.03 Affordability is the ultimate constraint on the amount that a local authority can spend or borrow. In practice, when making a decision to invest in a capital asset, the authority must do more than simply determine whether it can afford the immediate cost. In order to ensure long-term affordability, decisions have also to be prudent and, in the long term, sustainable. Borrowing has to be prudent because, since future interest rates and revenue streams are uncertain, it must involve an element of risk. Furthermore, if the Council is unable to deliver its capital programme, or to afford the cost of running and maintaining the new facilities, the chosen level of capital investment will not be sustainable in the long term. Prudence and affordability are related concepts.
- 3.04 The Prudential Code specifies that prudential indicators are required to be calculated for the forthcoming financial year and two subsequent financial years; this process links in with the development of the Medium Term Financial Strategy. Predictions regarding the levels of future Housing Revenue Account (HRA) funding beyond 2012/13 have not been made at this point in time, pending the outcome of the ballot in February and March 2012, and are not included in the HRA budget report (reported elsewhere on this agenda); those indicators that rely on such forward information are thereby not included within sections 3.05 - 3.08 below.
- 3.05 Based on those resources currently allocated (including specific grants, but excluding any rephasing of expenditure from 2011/12 to future years), the estimates of capital expenditure to be incurred in 2012/13 (and the following two years in the case of the Council Fund), are as indicated in the table below; unsupported (prudential) borrowing of £10.796m has been assumed in the three year period for Council Fund purposes. This is in line with the capital programme proposals recommended to commence in 2012/13 in the Council Fund Capital Programme 2012/13 to 2021/22 report which is included elsewhere on this agenda.

| CAPITAL EXPENDITURE | | | |
|----------------------------|-----------------|-----------------|-----------------|
| | 2012/13 | 2013/14 | 2014/15 |
| | Estimate | Estimate | Estimate |
| | £m | £m | £m |
| Council Fund | 23.825 | 21.326 | 23.380 |
| Housing Revenue Account | 9.398 | n/a | n/a |
| Total | 33.223 | - | - |

The prudential indicators for capital expenditure, based on the Council's capital programme that takes into account the Council's capital investment strategy, asset management planning and option appraisal requirements, are the starting point for the calculation of the prudential indicators.

The capital programme totals are supplemented (for capital accounting purposes) by the value of those finance leases associated with the redevelopment of Flint Pavilion which is currently estimated at £2.530m in 2012/13.

The capital expenditure totals essentially provide the base financial data from which all other indicators follow.

Prudential Indicators for Affordability

- 3.06 Estimates of the ratio of financing costs to net revenue stream for 2012/13 based on those expenditure assumptions outlined in the Council Fund and Housing Revenue Account budget reports (both included elsewhere on this agenda), are as included in the table below; these indicators of affordability address the revenue implications of the Council's financial strategy.

| RATIO OF FINANCING COSTS TO NET REVENUE STREAM | | | |
|---|-----------------|-----------------|-----------------|
| | 2012/13 | 2013/14 | 2014/15 |
| | Estimate | Estimate | Estimate |
| | % | % | % |
| Council Fund | 5.959 | 5.642 | 5.347 |
| Housing Revenue Account | 8.343 | n/a | n/a |

The Council Fund net revenue stream is the amount to be met from Welsh Government (WG) grants and local taxpayers, and the HRA equivalent is the amount to be met from WG grants and from rent payers. The Council Fund ratio reflects an increasing burden of total external interest being borne by the Council Fund due to the continuing reduction in HRA debt outstanding (but within an overall reducing financing cost total), as a percentage of an increasing level of revenue stream income. The estimate of financing costs includes current commitments and the proposals included in the capital programme report. The HRA ratio as calculated, reflects a

reducing financing cost attributable to the continuing reduction in HRA debt outstanding as a percentage of an increasing level of revenue stream income.

- 3.07 The Prudential code requires that the estimate of the incremental impact of capital investment decisions as proposed in the capital budget report for the period 2012/13 to 2014/15, over and above capital investment decisions that have previously been taken by the Council are reported in terms of their impact on Band D Council Tax and Housing Rents, and are shown in the table below:

| ESTIMATE OF INCREMENTAL IMPACT OF CAPITAL INVESTMENT | | | |
|---|-----------------|-----------------|-----------------|
| | 2012/13 | 2013/14 | 2014/15 |
| | Estimate | Estimate | Estimate |
| | £ | £ | £ |
| Band D Council Tax | 2.68 | 4.49 | 7.22 |
| Average Weekly Housing R | Nil | n/a | n/a |

The incremental impact of capital investment on the Council Tax reflects the inclusion of annual unsupported (prudential) borrowing charges included in the revenue budget report totals for the first time in 2012/13 which is included elsewhere on this agenda.

Whilst the impact of capital investment decisions is nominally shown in terms of impact on Council Tax levels, the actual level of Council Tax increase each year will be in accordance with the Council's policy of 3% to 3.5% as set out in the Medium Term Financial Strategy. Detailed medium term financial planning will identify efficiencies to enable investment to take place whilst maintaining Council Tax levels as agreed.

Prudential Indicators for Prudence

- 3.08 Estimates of the capital financing requirement, as described in Section 3.09 below, for 2012/13 are:

| CAPITAL FINANCING REQUIREMENT | | | |
|--------------------------------------|-----------------|-----------------|-----------------|
| | 2012/13 | 2013/14 | 2014/15 |
| | Estimate | Estimate | Estimate |
| | £m | £m | £m |
| Council Fund | 153.535 | 156.668 | 157.524 |
| Housing Revenue Account | 26.286 | n/a | n/a |
| Total | 179.821 | | |

- 3.09 The capital financing requirement measures the authority's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. In accordance with best professional practice, Flintshire County Council does not associate debt with particular items or types of expenditure. The authority has an integrated treasury management strategy and has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. Flintshire County Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its debt and investments in accordance with its approved treasury management policy and strategy. The Treasury Management Policy and Strategy Statement for 2012/13 appears elsewhere on this agenda following consideration by the Audit Committee in January 2012. In day to day cash management, no distinction can be made between revenue cash and capital cash. External debt arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements.
- 3.10 CIPFA's *Prudential Code for Capital Finance in Local Authorities* includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net debt will only be for a capital purpose, the local authority should ensure that net external debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional financing requirement for the current and next two financial years."

The Head of Finance reports no difficulty in meeting this requirement for the future period to which the prudential indicators apply. This view takes into account current commitments, existing plans, and all budget proposals.

Prudential Indicators for External Debt and Treasury Management

- 3.11 In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt gross of investments for the next three financial years. These limits separately identify borrowing from other long term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Head of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

| AUTHORISED LIMIT FOR EXTERNAL DEBT | | | |
|---|-----------------|-----------------|-----------------|
| | 2012/13 | 2013/14 | 2014/15 |
| | Estimate | Estimate | Estimate |
| | £m | £m | £m |
| All Borrowing (Capital/Revenue) | 198.020 | 201.570 | 203.560 |
| Other Long Term Liabilities | 9.600 | 9.600 | 9.600 |
| Total | 207.620 | 211.170 | 213.160 |

The Head of Finance reports that these authorised limits are consistent with the authority's current commitments, existing plans and the proposals in the capital programme report, and with its approved treasury management policy and strategy statement. The Head of Finance confirms that they are based on the estimate of most likely, prudent position with, in addition, sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

- 3.12 The Executive is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Head of Finance's estimate of the most likely, prudent position, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Head of Finance. Within the operational boundary, figures for borrowing and other long term liabilities are separately identified. The Council is also asked to delegate authority to the Head of Finance, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council as its next meeting following the change.

| OPERATIONAL BOUNDARY FOR EXTERNAL DEBT | | | |
|---|-----------------|-----------------|-----------------|
| | 2012/13 | 2013/14 | 2014/15 |
| | Estimate | Estimate | Estimate |
| | £m | £m | £m |
| All Borrowing (Capital/Revenue) | 178.020 | 181.570 | 183.560 |
| Other Long Term Liabilities | 9.600 | 9.600 | 9.600 |
| Total | 187.620 | 191.170 | 193.160 |

The figure for all borrowing has increased in line with the assumption made in 3.05 that for Council Fund purposes there is a requirement to borrow £10.796m through unsupported (prudential) borrowing over the three year period. In addition, the figure for other long term liabilities has increased to reflect the value of those finance leases associated with the redevelopment of Deeside Leisure Centre and Flint Pavilion.

- 3.13 It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

The Council is asked to note that the authorised limit determined for 2012/13 (see Section 3.11 above) will be the statutory limit determined under section 3 (1) of the Local Government Act 2003.

- 3.14 The prudential indicator in respect of treasury management is confirmation that the Council has adopted the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* (as reported elsewhere on the agenda). The aim of this indicator is to ensure that treasury management is led by a clear and integrated forward treasury management strategy.

4.00 RECOMMENDATIONS

- 4.01 That Members approve and recommend to County Council on 1st March 2012 -

(a) the prudential indicators as detailed in Section 3 of the report -

- Capital expenditure (Section 3.05)
- Ratio of financing costs to net revenue stream (Section 3.06)
- Incremental impact of capital investment decisions on the council tax (Section 3.07)
- Incremental impact of capital investment decisions on housing rents (Section 3.07)
- Capital financing requirement (Section 3.08)
- Net debt and the capital financing requirement (Section 3.10)
- Authorised limit for external debt (Section 3.11 and 3.13)
- Operational boundary for external debt (Section 3.12)
- Adoption of the CIPFA *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* (Section 3.14).

(b) delegated authority for the Head of Finance to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (Sections 3.11 and 3.12).

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None

11.00 CONSULTATION UNDERTAKEN

11.01 None

12.00 APPENDICES

12.01 None

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

Various Welsh Government and CIPFA papers

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 14

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT : **TREASURY MANAGEMENT POLICY & STRATEGY**
 STATEMENT 2012/13

1.00 PURPOSE OF REPORT

1.01 To present to Members the Treasury Management Policy Statement for 2012/13 for approval to Council.

2.00 BACKGROUND

2.01 The Council adopted the 2009 edition of the Chartered Institute of Public Finance (CIPFA) Treasury Management in the Public Services: Code of Practice, from 1st April 2010. This requires the Council to approve a treasury management strategy before the start of each financial year, a mid year report and an annual report after the end of each financial year. CIPFA has now published a revised Code of Practice which the Council is recommended to adopt.

2.02 The Council delegates responsibility for the implementation and regular monitoring of its treasury management practices to Executive and for the execution and administration of treasury management decisions to the Head of Finance, who acts in accordance with the Council's Policy and Strategy Statement and Treasury Management Practices.

2.03 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies. Treasury management updates will be provided to the Audit Committee at each quarterly meeting during 2012/13.

3.00 CONSIDERATIONS

3.01 At a meeting of the Audit Committee on 30th January 2012, Members reviewed the Treasury Management Policy and Strategy Statement for 2012/13 and the Treasury Management Practices. The Audit Committee recommends that Executive recommend to Council that it approves the Treasury Management Policy and Strategy Statement for 2012/13 which includes all Treasury Management Indicators and limits required by CIPFA and WG.

3.02 The Audit Committee Report, which includes the Treasury Management Policy Statement 2012/13 and an explanation of the changes to the Policy Statement from previous years, is attached as Appendix A.

3.03 The discussion at the Audit Committee built on the detailed information and explanations covered in the training session on Treasury Management held on 17th January 2012 for all Council Members.

3.04 As a result of the discussion it was agreed that the Audit Committee would review the policy on debt management at a mid point in the next financial year. It was also agreed that the Counterparty List would be included in the next update report to the Audit Committee.

4.00 RECOMMENDATIONS

4.01 It is recommended that:-

1. The Executive recommend to the Council the adoption of The Treasury Management in the Public Services: Code of Practice 2011.
2. The Executive approves and recommends to the Council the Treasury Management Policy and Strategy Statement for 2012/13.

5.00 FINANCIAL IMPLICATIONS

5.01 None directly as a result of adoption of the Policy and Strategy Statement. The effect on Council budgets is reported and monitored through the Central Loans and Investment Account (CLIA).

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 Sterling Consultancy Services.

11.00 CONSULTATION UNDERTAKEN

11.01 Sterling Consultancy Services.

12.00 APPENDICES

12.01 Appendix A - Report to Audit Committee - 30th January 2012.

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

- (i) CIPFA Treasury Management in the Public Services Code of Practice
- (ii) WG Investment Guidance
- (iii) Local Government Act 2008

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 5

REPORT TO: **AUDIT COMMITTEE**
DATE : **30 JANUARY 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT : **TREASURY MANAGEMENT POLICY AND STRATEGY**
 STATEMENT 2012/13

1.00 PURPOSE OF REPORT

- 1.01 To present the 2012/13 draft Treasury Management Policy and Strategy Statement for review prior to recommendation to Executive.
- 1.02 To provide an update on matters relating to the Council's Treasury Management policy, strategy and practices in 2011/12.
- 1.03 To provide an update on the Council's investment in Landsbanki.

2.00 BACKGROUND

- 2.01 The Council has nominated the Audit Committee to be responsible for ensuring effective scrutiny of Treasury Management Strategy and Policies. The Audit Committee has previously agreed to include Treasury Management as a standing item on each quarterly agenda to receive an update.

3.00 CONSIDERATIONS

3.01 Treasury Management Policy Statement 2012/13

The draft Policy and Strategy Statement ('Policy Statement') for the new financial year is attached for review and discussion. Prior to recommendation to Executive an explanation of the content of the Policy Statement and the approach to be recommended to Executive, and then Council, was covered in a training session for all Council Members on 17th January 2011.

Also attached for consideration of this Committee only, are the Treasury Management Practices. These are referred to in paragraph 3.8 of the Policy Statement. There are two documents - Part 1 The Main Principles and Part 2 Schedules. The Main Principles remain fundamentally unchanged from previous reports but for the minor changes required to comply with the new CIPFA Code of Practice for Treasury Management which are highlighted. The Schedules have been updated to reflect changes made within the Policy Statement outlined below.

3.02 **Items for Member Scrutiny and Decision on the Policy Statement**

CIPFA have produced a revised Code of Practice for Treasury Management and the new Code of Practice will require formal adoption by the Council.

A Treasury Management Policy and Strategy Statement will need to be approved by the Council prior to the start of the new financial year which includes:-

- The Council's overall attitude to investment risk and return as demonstrated by investment criteria, methods used to measure security, investment limits and the planned course of action.
- Treasury Management Indicators.

3.03 **Policy Statement Content and Changes**

Paragraph 1

A broad summary of the Council's approach to Treasury Management.

Paragraph 2

A summary of the Treasury Management Framework within which the Council operates which this year makes reference to the new Code of Practice.

Paragraph 3.2

A commentary by Sterling Consultancy Services on the current challenging environment which forms the backdrop to the current cautious approach recommended to the Council.

Paragraph 3.3

This provides recommended investment strategy and limits to satisfy both the CIPFA Code and WG Guidance. The only change is to increase the limit of non specified investments from £30m to £50m to allow for the further utilisation of AAA rated Money Market Funds. This is needed because legislation in Wales treats Money Market Funds as capital expenditure, hence a non-specified investment. AAA rated Money Market Funds are currently being used instead of term deposits with Banks.

Paragraph 3.4

This outlines the planned investment strategy for 2012/13, although this year two options are provided, depending upon prevailing market conditions.

Paragraph 3.5 and 3.6

These paragraphs outline the planned borrowing strategy for the year which remains unchanged from previous years.

Paragraph 3.7

This includes the Treasury Management Indicators required by the Code and the changes are:-

- The authorised limit and operational boundary for debt is included but for information only.
- A new indicator 'upper limit on net debt' has been included which is a requirement of the new Code.
- The upper limit on variable interest rate exposures has been increased from £20m to £40m to allow for more flexibility on the management of investments and debt.
- Credit rating criteria for longer term investments has been added to recognise longer term credit risk.
- A policy on the use of derivatives is included to satisfy the new Code.

4.00 TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2011/12

4.01 An update was provided to the Committee in December 2011 and little has changed and is repeated here.

The sovereign debt crisis continues and our advisers, Sterling, have issued a 'red flag' on credit risk status, suggesting that cash should be kept at 'short notice' in order to react to any sudden deterioration in market conditions. Clearly, at this time, the balance of managing risk needs to be towards security and liquidity rather than return.

Since early September 2011, and in anticipation of a possible deterioration of market conditions, the following treasury practices have been followed for new deposits, which are all allowed for within the Policy Statement.

- Money 'on call' with banks
- Deposits with other local authorities
- Use of AAA rated Money Market Funds
- Use Debt Management Office (DMO - last resort)

A summary of the position as at 31st December 2011, compared with November 2011 is shown in the table below.

| Deposit Type | Nov Value (£m) | Dec Value (£m) | Comment |
|---------------------|-----------------------|-----------------------|--|
| Short Term Deposits | 24.7 | 16.0 | Includes £3.7m Landsbanki |
| Money 'on call' | 9.2 | 8.2 | Interest Rate 0.75% to 0.80% |
| Money Market Funds | 20.3 | 24.5 | Variable Interest Rate (0.68% - 0.78%) |
| Local Authorities | 12.0 | 15.5 | Long Term 1.3%/Short Term 0.3% |
| DMO | 0.0 | 0.0 | Interest Rate 0.25% |
| TOTAL | 66.2 | 64.2 | Average Interest Rate = 0.9% |

There have been no changes to the Council's long term borrowing.

5.00 LANDSBANKI

5.01 We anticipate that court settlements in relation to our claims recognising and approving our claims as priority claims, following the decision of the Icelandic Supreme Court in the test cases, will be filed at and approved by, the Icelandic District Court within the next few weeks. The funds that are currently held in escrow accounts in respect of our portion of the first distribution to priority creditors will then be released to us.

6.00 RECOMMENDATIONS

6.01 Members are recommended to:-

1. Review the draft Treasury Management Policy and Strategy Statement 2012/13, including Treasury Management Indicators and make a recommendation to Executive on 21st February 2012.
2. Review the Treasury Management Practices 2012/13.
3. Note the position in relation to Treasury Management in 2011/12 and the Council's Investment in Landsbanki.

7.00 FINANCIAL IMPLICATIONS

7.01 None directly as a result of the Treasury Management Policy and Strategy Statement. The effect on Council budgets is reported and monitored through the Central Loans and Investment Account (CLIA).

8.00 ANTI-POVERTY IMPACT

8.01 None.

9.00 ENVIRONMENTAL IMPACT

9.01 None.

10.00 EQUALITIES IMPACT

10.01 None.

11.00 PERSONNEL IMPLICATIONS

11.01 None.

12.00 CONSULTATION REQUIRED

12.01 Sterling Consultancy Services.

13.00 CONSULTATION UNDERTAKEN

13.01 Sterling Consultancy Services.

13.00 BACKGROUND DOCUMENTS

13.01 (i) CIPFA Treasury Management in the Public Service Code of Practice 2011
(ii) WG Investment Guidance
(iii) Local Government Act 2008

14.00 APPENDICES

14.01 Appendix 1 - Treasury Management Policy and Strategy Statement 2012/13
Appendix 2 - Treasury Management Practices - Part 1 Main Principles 2012/13
Appendix 3 - Treasury Management Practices - Part 2 Schedules 2012/13

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Various Treasury Management papers

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FLINTSHIRE COUNTY COUNCIL

DRAFT

TREASURY MANAGEMENT POLICY & STRATEGY STATEMENT

2012/13

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1.0 TREASURY MANAGEMENT POLICY STATEMENT

The Council defines the policies and objectives of its treasury management activities as follows: -

- 1.1 "The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- 1.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- 1.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.4 The Council greatly values revenue budget stability and will therefore borrow the majority of its long-term funding needs at long-term fixed rates of interest. Short-term and variable rate loans will only be borrowed to the extent that they either offset short-term and variable rate investments or can be shown to produce revenue savings.
- 1.5 The Council will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. It will also set limits on its exposure to changes to interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.
- 1.6 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 1.7 The Council will have regard to Welsh Government Guidance on Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations in which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

2.0 BACKGROUND

- 2.1 In 2009, the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice 2009 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.
- 2.2 The Institute published a revised version of the CIPFA Code in November 2011 in light of the additional financial freedoms available to local authorities in the Localism Act 2011. The Council is therefore asked to formally adopt the Treasury Management in the Public Services: Code of Practice 2011 Edition. The new Code of Practice requires some amendments to the Council's Treasury Management Policy Statement and the Council is asked to formally adopt the new policy statement.
- 2.3 In addition, Welsh Government (WG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 2.4 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and WG Guidance.
- 2.5 The treasury management framework within which councils operate consists of::
- Clauses to be formally adopted within Financial Procedures
 - A Treasury Management Policy and Strategy Statement, stating the authority's policies and objectives.
 - Treasury Management Practices, stating how those policies and objectives will be achieved.
 - Accompanying schedules, giving specific details of the systems and routines to be employed and the records to be maintained.
 - Regular reporting to elected members.
- 2.6 CIPFA recommends that all public sector organisations adopt four clauses in Financial Procedures. The Council has adopted the following:
1. The Council will create and maintain, as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

2. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to Head of Finance, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.
4. The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

3.0 TREASURY MANAGEMENT STRATEGY STATEMENT

3.1 Introduction

This Treasury Management Strategy Statement details the expected activities of the treasury function in 2012/13. The production and submission of the Treasury Management Policy and Strategy Statement to the Audit Committee for scrutiny, Executive and Council for approval is a requirement of the Council's Financial Procedure Rules. Its content is that recommended in CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) 2011 as adopted by County Council from 1st April 2011 and the Guidance from WG on Local Government Investments under section 15 (1) & 24 of the Local Government Act 2003.

The strategy covers:

- Economic Context
- Investment Strategy
- Borrowing Strategy;
- Treasury Management Indicators
- Other Treasury Issues

3.2 Economic Context – as provided by Sterling Consultancy Services

Economic Outlook – as at November 2011

The UK economy is continuing its weak recovery from the 2008/09 recession, with Gross Domestic Product (GDP) growth forecast to be around just 1.0% in 2011 and likely to remain sluggish throughout much of 2012. Government spending cuts, rising unemployment and uncertain export markets are conspiring to keep demand low, and a “double dip” recession cannot be ruled out. Consumer price inflation (CPI), which peaked at 5.2% in September, is expected to fall sharply as one-off factors like 2010’s VAT increase and fuel price rises fall out of the annual comparison.

In these circumstances, the Bank of England is unlikely to raise Bank Rate for several months, and additional quantitative easing is seen by many as being more likely than rate increases in the near future. However, once a more robust recovery appears to be taking root, the Bank is likely to prefer to gradually raise interest rates earlier, rather than waiting too late and needing to make a sharp correction.

The Eurozone sovereign debt crisis remains a major driver of market sentiment and with the UK seen a safe haven, gilt yields and hence PWLB rates have fallen markedly this year. Assuming that there is some resolution to the crisis, long-term rates are likely to climb back to more normal levels in 2012/13.

A second UK recession or a European sovereign default would see short and long term interest rates remaining lower for longer, while a faster economic recovery and a bold solution to the Eurozone crisis would likely see rates rise more quickly.

The Eurozone debt crisis prompted renewed caution by banks and other financial institutions, resulting in similar conditions to the 2008 credit crunch. The uncertainty regarding counterparty exposure to struggling Eurozone nations, particularly Greece, led banks to hoard cash, causing problems for those banks more reliant on wholesale funding. The problems were somewhat alleviated by central bank action, but bank funding levels remain elevated.

Interest rate forecasts

Sterling Consultancy Services central interest rate forecast – November 2011

| | Bank Rate | 1 month LIBOR | 3 month LIBOR | 12 month LIBOR | 25 year PWLB |
|---------|-----------|---------------|---------------|----------------|--------------|
| Current | 0.50 | 0.73 | 1.01 | 1.79 | 4.06 |
| Q1 2012 | 0.50 | 0.70 | 1.00 | 1.75 | 4.20 |
| Q2 2012 | 0.50 | 0.70 | 1.00 | 1.70 | 4.40 |
| Q3 2012 | 0.50 | 0.75 | 1.00 | 1.80 | 4.50 |
| Q4 2012 | 0.75 | 0.85 | 1.05 | 1.90 | 4.50 |
| H1 2013 | 1.00 | 1.10 | 1.25 | 2.00 | 4.60 |
| H2 2013 | 1.50 | 1.60 | 1.75 | 2.50 | 4.70 |
| H1 2014 | 2.00 | 2.10 | 2.25 | 3.00 | 4.80 |
| H2 2014 | 2.50 | 2.60 | 2.75 | 3.50 | 4.90 |

HM Treasury Survey of Forecasts – November 2011

| | Average annual Bank Rate % | | | |
|---------|----------------------------|------|------|------|
| | 2012 | 2013 | 2014 | 2015 |
| Highest | 1.1 | 2.6 | 3.0 | 3.7 |
| Average | 0.6 | 0.9 | 1.7 | 2.7 |
| Lowest | 0.5 | 0.5 | 0.9 | 1.4 |

3.3 Investment Strategy

3.3.1 The Council holds surplus funds which represent income received in advance of expenditure plus balances and reserves held. Both the CIPFA Code and WG Guidance require the Council to invest prudently and to have regard to security and liquidity of its investments before seeking the highest rate of return or yield.

3.3.2 Part 1 of the Local Government Act 2003, which introduced the Prudential Capital Finance System, gives a local authority power to invest for any purposes relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs. The Act requires an authority to 'have regard to guidance issued by Welsh Government (WG)'.

3.3.3 WG requires a local authority, before the start of each financial year, to draw up an Investment Strategy which must be approved by the full council and be published. This document should contain certain investment limits. As allowed by the Guidance, Flintshire County Council incorporates the requirements into this Policy Statement. WG Guidance requires the Council to approve certain investment limits and other related information on the following:

- Specified Investments
- Non-specified Investments
- Investments which can be prudently committed for more than one year

- Credit Risk Assessment
- Investment Consultants
- Investment Training
- Investment of money borrowed in advance of need.

3.3.4 Specified Investments and Credit Risk

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. WG guidance defines specified investments as those:

- Denominated in sterling
- Due to be repaid within 12 months of arrangement
- Not defined as capital expenditure by legislation
- Invested with one of the UK Government, UK Local Authority or a body awarded a high credit quality.

The Council defines the following as having a high credit quality:

| | FITCH | | | MOODY'S | | | STANDARD & POORS | | |
|-------------|---------------------|--------------------|--|---------------------|--------------------|--|---------------------|--------------------|--|
| Rating Type | UK & Overseas Banks | Building Societies | | UK & Overseas Banks | Building Societies | | UK & Overseas Banks | Building Societies | |
| Short Term | F1 | F2 | | P1 | P2 | | A-1 | A-2 | |
| Long Term | A | A- | | A2 | A3 | | A | A- | |

NB: The definition of these credit ratings is included in the Treasury Management Practices.

- Investment decisions will be made based on ratings from the three credit rating agencies above. The Council is informed of credit rating changes by our advisers. If a counterparty no longer meets the investment criteria, no further investments will be made with that counterparty and consideration will be given to recalling the monies. If a counterparty is at risk of falling below the Council's criteria because it is on review for possible downgrade, no further investments will be made in that counterparty.
- Overseas banks must be from a country with a minimum rating of AA+ unless UK incorporated. Although they are subsidiaries of foreign banks they are incorporated in the UK, have substantial domestic operations and are subject to full oversight by the FSA.
- Sterling Consultancy Services (the Council's Treasury Management Advisors) will also inform the Head of Finance of any other market information that they have (e.g. credit default swap prices, news, reports and opinions). Full regard will be given to this information and no investments will be made with an organisation if there are substantive doubts about its credit quality even though it may meet the credit rating criteria.

Other limits for specified investments are:

- Counterparty limit of £7m (or 25% of total portfolio if balances are below £30m)
- Counterparty limit on lower and non-rated building societies is £5m.
- There is no sector limit on UK Government and UK Local Authorities, but a counterparty limit of £7m. applies for each local authority.
- Building Society Sector Limit of 60% of total investments
- A group of banks under the same ownership will be treated as a single organisation for limit purposes.
- Individual overseas country limit is £10m
- Total overseas sector limit is 25% of total portfolio.

Where investment limits are expressed as a percentage, these will apply at the time the investment is made.

Building Societies

UK Building Societies without credit ratings or those which are lower rated will be considered to be of 'high credit quality', but subject to a lower cash limit (£5m) and shorter time period than higher rated building societies in the table above. The Council takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Council's deposits would be paid out in preference to retail depositors. Investments in lower rated and unrated building societies will be reviewed if the insolvency regime is amended in future.

However, no investments will be made with building societies that hold a long term credit rating lower than BBB or equivalent, due to the increased likelihood of default implied by this rating.

The minimum asset size of the building society must be £1bn.

3.3.5 Non-specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments in foreign currencies, nor any with low credit quality bodies, nor any that are defined as capital expenditure by legislation (such as company shares), with the exception of Money Market Funds. Current Welsh legislation provides that the purchase of shares in a money market fund by a local authority counts as capital expenditure.

The limits for these investments are as follows:-

- Deposits and government investments greater than 1 year (including forward deals): £20m

- Money Market Funds (AAA rated constant net asset value): £7m per fund

Each investment greater than 1 year is non-specified by definition and approval is required from the Head of Finance before such an investment is made. The total value of all non-specified investments will not exceed £50m.

3.3.6 Money Market Funds

Money market funds are pooled investment vehicles consisting of instruments similar to those used by the Council. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Council.

Investments in money market funds involve the acquisition of share capital, and are therefore counted as capital expenditure under WG regulations. However, since withdrawals from funds count as capital receipts, these will be used to fund the capital expenditure, leaving no overall impact on the Council's capital programme.

3.3.7 Liquidity of Investments (Non-specified by definition)

The amounts that can be prudently invested for longer than one year have been ascertained by estimating short term cash flow requirements. The maximum period of an investment will be 5 years.

3.3.8 External Fund Managers and Treasury Management Advisors

The performance of external cash managers is monitored by Sterling Consultancy Services and if it is considered appropriate in the future to appoint such a manager, a recommendation will be made to Council via the Audit Committee and Executive.

Treasury management advisors are appointed via competitive tender which clearly states the services required. The contract period is usually 3 years with an option to extend. The Council's Contract Procedure Rules are applied.

The responsibility for decisions remains with the Council. Sterling Consultancy Services provide information and advice to assist the Head of Finance. Sterling Consultancy Services provide:

- Advice and guidance on relevant policies, strategies and reports
- Advice on credit ratings and changes.
- Other information on credit quality
- Advice on debt management decisions
- Forecast interest rates
- Accounting advice.

- A 'health check' on the Council's Treasury Management Practices
- Training courses
- Assist with other treasury issues on request.

The quality of the service is monitored by the Head of Finance and reviewed as part of the contract review process.

3.3.9 Investment Training

In house expertise is required which will be supported by advice from the treasury management advisors.

The Head of Finance is a member of CIPFA and as such must follow a Statement of Professional Practice (SOPP) and has a professional responsibility to ensure that relevant staff are appropriately trained.

All treasury officers are qualified to Association of Accountancy Technician Level as a minimum. Officer training is reviewed as part of the Council's Employee Appraisal Process. All officer training is recorded on a divisional database.

Flintshire County Council is a member of the CIPFA Treasury Management Network. Treasury officers receive weekly updates from the Network and attend seminars organised by the Network, as required.

Flintshire County Council is lead authority for the Clwyd Pension Fund. The Clwyd Pension Fund Manager is currently responsible for advising the Head of Finance in the discharge of her duties for the Council's treasury function and other duties outlined in Treasury Management Practices. The Clwyd Pension Fund Manager has received training to fulfil this role.

The Finance Function Review will be implemented during 2012/13 and responsibility for advising the Head of Finance will transfer from the Clwyd Pension Fund Manager to the Corporate Finance Manager. There will be a period of transition between the two members of the Senior Finance Team.

3.3.10 Investment of Money Borrowed in Advance of Need

The Council will only invest money borrowed in advance of need for known debt maturities or to finance the borrowing requirement for the year concerned.

3.4 Planned Investment Strategy for 2012/13

- 3.4.1 The current market conditions affect the creditworthiness of all organisations and this is not generally reflected in the credit ratings but can be seen in other market measures. The current approach is as follows:

- Money “on call” with banks
- Deposits with other local authorities
- Use of AAA rated Money Market Funds
- Use of Debt Management Office (DMO) as last resort

The extent to which these restrictions continue into 2012/13 will be in line with the prevailing market conditions. If these circumstances continue the estimated income is £460k. However, in the hope that market conditions improve, the planned strategy will return to the following approach.

3.4.2 The cash flow forecast will be used to divide surplus funds into three categories:

- Short Term (less than 1 month) – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows.
- Medium Term (1 month – 12 months) - cash required to manage the annual seasonal cash flow.
- Long Term (1 year to 5 years) – cash not required to meet cash flows and used primarily to generate investment income.

3.4.3 Short term funds are required to meet cash flows in the next month or so, and preservation of capital and liquidity. Investment return is of limited concern. Instant access bank accounts or Money Market Funds will be the main method used to manage short term cash which should return base rate. Where limits are reached, the Government’s Debt Management Office could be used but rates will be lower than base rate. It is estimated that about 35% of surplus monies will be short term for cash flow purposes, although this may vary depending on changes to the interest rate yield curve.

3.4.4 Medium term funds which may be required in the next one to twelve months will be managed concentrating on security, with less importance on liquidity but slightly higher emphasis on yield. The majority of the investments will be in the form of fixed term deposits with banks and building societies. A wide spread of counterparties and maturity dates will be maintained to maximise the diversification of credit and interest rate risks. It is estimated that about 55% of surplus funds will be medium term. However, again this may vary depending on changes to the interest rate yield curve.

3.4.5 Cash that is not required to meet any liquidity need can be invested for the longer term with a greater emphasis on returns that will support spending on local authority services. However, in the current economic and financial environment it is likely that only a small percentage, about 10% will be invested longer term, probably over two years in fixed term deposits or callable deposits. Another option will be to appoint an external manager to diversify into a wider range of instruments including certificates of deposits, treasury bills and gilts.

3.4.6 Assuming current interest rate forecasts quoted earlier in this Strategy Statement and a cash balance which is estimated to average around £64m,

by implementing this strategy income generated is estimated to be £640K. However, for reasons of prudence, the budget has been set at the lower estimate of £460k but progress of this strategy will be reported to Members quarterly and considered as part of the Council's revenue budgeting.

3.5 Borrowing Strategy

3.5.1 The Head of Finance will:

- Manage the Council's debt maturity profile, i.e. to leave no one future year with a high level of repayments that could cause problems in re-borrowing with the limits stated in this Strategy Statement. Appendix A analyses the debt portfolio of the Council, as at 31st December, 2011.
- To effect borrowing required in 2012/13 at the cheapest cost commensurate with future risk based on interest rate forecasts.
- To monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements, within the limits stated in this Strategy.
- Continue to monitor options for debt-restructuring and debt re-payment.

3.5.2 The Head of Finance will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances, reporting any decisions and actions taken under delegated powers to Executive via the Audit Committee.

3.6 Planned Borrowing Strategy for 2012/13

The Council's debt portfolio position as at 31st December 2011 is:

| | Type | Principal £m | Average Interest Rate** % |
|------------------------------|---------|-----------------|------------------------------------|
| Fixed Rate Funding | PWLB | 144.66 | 5.88% |
| Variable Rate Funding | PWLB | 10.00 | 0.71% |
| | Market* | 18.95 | 4.53% |
| Total Long Term Debt | | 173.61 | 5.43% |

* The above market loans are LOBO's (Lenders Option, Borrowers Option) with had fixed interest rate periods of 12, 16 and 23 months followed by a 33, 34 and 35 year variable period, with an option in the variable period to repay the principal prior to maturity if the Lender increases the interest rate.

** If any debt re-structuring or repayment opportunities are implemented before 31st March 2012, this may impact on the average interest rate.

- 3.6.1 The efficient management of cash flow should mean that no short term borrowing is required unless as a short term measure during debt re-structuring, so it is assumed the cost of short term borrowing will be zero. The Council has an overdraft limit with the bank of £300,000.
- 3.6.2 The Council has nearly £174m of long term debt. Most of this debt is with the Public Loans Works Board (£154m of PWLB debt). Loans of £144.66m are at a fixed rate of interest which has the advantage of providing budget certainty. The interest payment on this debt is £8.5m per annum. A loan of £10 million is at a variable rate (currently 0.66%), which cost the Council £70k in 2011/12. The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a formula based on current interest rates. There may be opportunities to re-structure debt in 2012/13 by replacing some higher rate loans with new loans at a lower rate where this will lead to an overall saving or reduce risk. However, given current expectations of interest rates, this is unlikely.
- 3.6.3 The remainder of the long term debt (£19m) has been borrowed from banks in the form of three LOBOs (Lenders Option, Borrowers Option). These have a short fixed interest rate period (which has now passed for these loans) followed by a longer variable rate period. There is an option for the Council to repay the loan during the variable rate period if the lender increases the interest rate. The advantage of using these loans is that the interest rate, during the fixed rate period especially, can be lower than the PWLB.
- 3.6.4 The interest cost on these loans is estimated to be £860K in 2012/13 but they are all in their variable rate period and the lender could increase the interest rate, albeit given the current expectations for interest rates this is unlikely.
- 3.6.5 For a number of years the Council has not taken any new long term borrowing and used cash reserves to fund capital expenditure. The Council's Capital Programme, including Prudential Borrowing will be reviewed to consider the most financially advantageous method of financing future debt. The situation is monitored on an on-going basis by the Head of Finance.
- 3.6.6 All the above is being considered as part of the Council's budget process for 2012/13.

3.7 Treasury Management Indicators

- 3.7.1 The key indicators proposed to be set by full Council are shown in the table below. The limits for 2013/14 and 2014/15 are indicative figures only and could be changed next year.
- 3.7.2 The Authorised Limit and Operational Boundary for external debt are Prudential Indicators and will be approved alongside the Capital Programme.

| | 2012/13 £m | 2013/14 £m | 2014/15 £m |
|--|---------------|---------------|---------------|
| Operational boundary – borrowing | 178.0 | 181.6 | 183.6 |
| Operational boundary – other long-term liabilities | <u>9.6</u> | <u>9.6</u> | <u>9.6</u> |
| Operational boundary – TOTAL | 187.6 | 191.2 | 193.2 |
| Authorised limit – borrowing | 198.0 | 201.6 | 203.6 |
| Authorised limit – other long-term liabilities | <u>9.6</u> | <u>9.6</u> | <u>9.6</u> |
| Authorised limit – TOTAL | 207.6 | 211.2 | 213.2 |

3.7.3 Interest rate exposures are set to control the Council's exposure to interest rate risk. The upper limit on net debt indicator was introduced in 2011 and is intended to highlight where the Council borrows in advance of need. Since net debt does not change when loans are borrowed and the proceeds re-invested, it is not yet clear how this indicator will work. CIPFA has not yet produced guidance on its use, and so the Council is being asked to set a deliberately high limit this year.

| Indicator Type | 2012/13 | 2013/14 | 2014/15 |
|---|---------|---------|---------|
| Upper Limit on fixed interest rate exposures | £200m | £200m | £200m |
| Upper Limit on variable interest rate exposures | £40m | £40m | £40m |
| Upper Limit on net debt | 100% | 100% | 100% |

3.7.4 The table below proposes the upper and lower limits for the maturity of loans which are internally set so that no future year is left with a high level of repayments and controls exposure to re-financing risk. These limits are proposed for 2012/13, 2013/14 and 2014/15.

| Upper and Lower Limits for maturity structure of borrowing | Lower Limit | Upper Limit |
|--|-------------|-------------|
| Under 12 months | 0% | 15% |
| 12 months and within 24 months | 0% | 10% |
| 24 months and within 5 years | 0% | 30% |
| 5 years and within 10 years | 0% | 50% |
| 10 years and above | 10% | 100% |

3.7.5 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of investments.

| | |
|---|--------------|
| Prudential limits for principal sums invested in periods longer than 364 days | £ 30 million |
|---|--------------|

This limit is proposed for 2012/13, 2013/14 and 2014/15

Long term investments will only be made with institutions of the highest credit quality as shown in the table below

| | | Time limit |
|--|-----|------------|
| Banks and other organisations whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is: | AA+ | 5 years |
| | AA | 4 years |
| | AA- | 3 years |
| | A+ | 2 years |
| | A | 1 year |

3.7.6 Policy on Use of Financial Derivatives

The Localism Act 2011 includes a general power competence that removes the uncertain legal position over English local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). Although this change does not apply to Wales, the latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

In the absence of any legislative power, the Council's policy is not to enter into standalone financial derivatives transactions such as swaps, forwards, futures and options. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

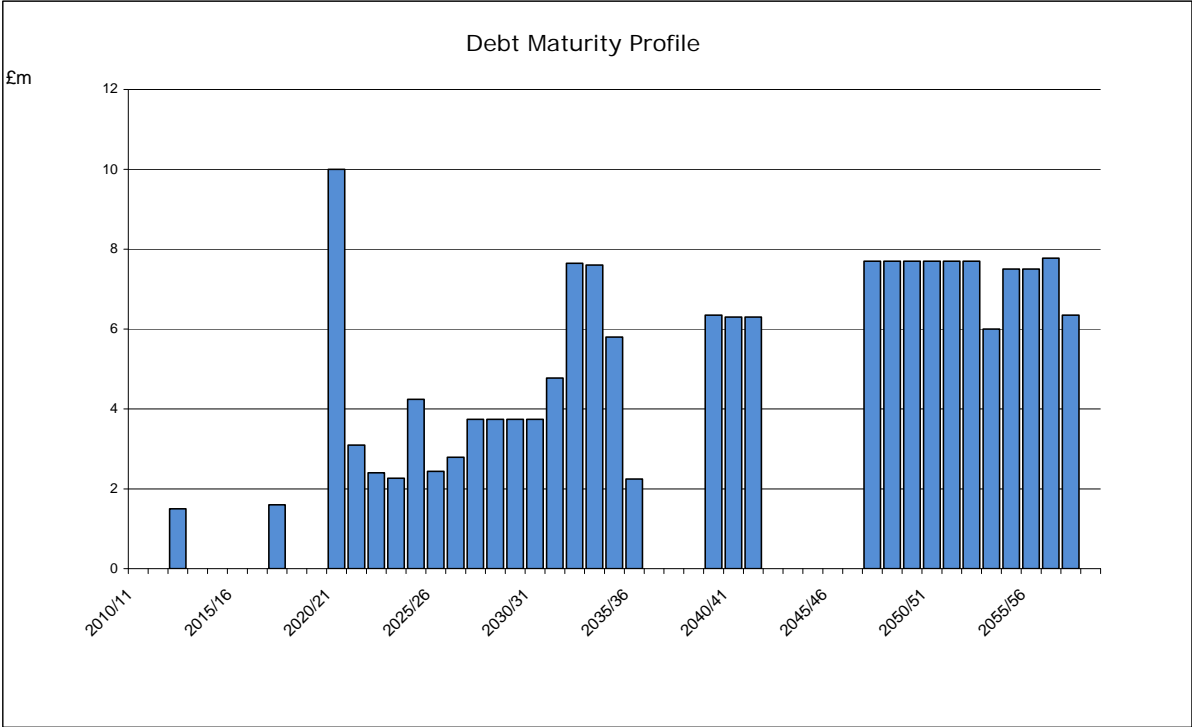
3.8 Other Treasury Issues

3.8.1 Treasury Management Practices (TMPs)

As part of the compliance with CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) 2011, the following TMPs have been documented:-

- TMP 1 Treasury Risk management
- TMP 2 Performance measurement
- TMP 3 Decision - making and analysis
- TMP 4 Approved instruments, methods and techniques
- TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements
- TMP 6 Reporting requirements and management information arrangements
- TMP 7 Budgeting, accounting and audit arrangements
- TMP 8 Cash and cash flow management
- TMP 9 Money laundering
- TMP 10 Staff training and qualifications
- TMP 11 Use of external service providers
- TMP 12 Corporate governance

APPENDIX A – DEBT MATURITY PROFILE



FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 15

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **DIRECTOR OF COMMUNITY SERVICES**
SUBJECT : **SOCIAL SERVICES REGIONAL COMMISSIONING HUB**

1.00 PURPOSE OF REPORT

1.01 Establishment of a Regional Commissioning, Procurement and Monitoring Hub in North Wales for local authorities (education and social services) and Betsi Cadwaladr University Health Board for high cost, low volume residential placements.

A decision is required by partners to the establishment of a Regional Commissioning, Procurement and Monitoring Hub for North Wales.

2.00 BACKGROUND

2.01 The establishment of a Regional Commissioning, Procurement and Monitoring Hub (RCH) is supported by a range of national, regional and local policy drivers. These include national policy documents such as the Simpson Review "National, Regional and Local: what services are best delivered where?" and "Sustainable Social Services: A Framework for Action", as well as key health and education policy documents. [refer to Section 3- Strategic Case within full business case].

3.00 CONSIDERATIONS

3.01 The fragmentation of the current arrangements to commission high cost, low volume placements and 'proof of concept' derived from working across North Wales on learning disability placements provide good local evidence to support this initiative. [refer to Section 3- Strategic Case within full business case].

3.02 The initial scope of the services that the RCH will provide is limited to high cost, low volume residential care placements above £500 per week. This includes:

- Learning Disabilities
- Mental Health
- Physical disability and sensory impairment; and
- Children's services (no £500 lower limit) [refer to Section 1- Executive Summary within full business case].

3.03 The scope of the RCH will cover elements of the commissioning cycle, covering the following three key areas:

- Analysis and planning
- Procurement; and

- Monitoring and Review [refer to Section 4- Economic Case within full business case].

3.04 It is however, recognised that other activities may lend themselves to regional collaborative working also and could prove effective additional to the work of the RCH [refer to Section 4.9- Economic Case within full business case].

3.05 Preferred Option

The preferred option for the RCH is a Structured Regional Collaboration and it incorporates features of the Outline Business Case Options 3, 4 and 5.

Description

This option would see the structured coordination of a collaborative approach. It would include a formal partnership agreement and service level agreements or memoranda of understanding between partners, North Wales Procurement Partnership (NWPP) and other regional collaboratives. Placement information would be shared for analysis and benchmarking. RCH staff would undertake a range of functions for each of the four areas in scope ranging from analysis and planning to procurement (including through a placement brokerage service), commissioning, monitoring and review. Optimum procurement strategies would be developed and, for at least two or three years, the focus would be on improving quality, driving down costs, collaborative commissioning activity, market management and market shaping. Development into further areas would be considered.

3.06 Activities

Providing a placement brokerage service for new placements.

Negotiating with providers to ensure optimum prices across each of the in- scope services for existing placements.

Development and implementation of a regional contract monitoring framework and provision of contract monitoring service where required- including development of outcomes framework/ criteria.

Within 2 years development of capacity to commission alternative service provision on a regional/ sub- regional basis and capacity to support regional and sub- regional commissioning activities networking with other regions.

Support and advice to local commissioning teams including supporting them to lead in specific areas.

Co-ordination and management of specific databases for in-scope services.

Co- ordination and analysis of agreed information, datasets and benchmarking across partners.

Market management to respond to gap analysis.

Being a single point of contact for Providers in relation to in- scope services.

- 3.07 Financial modelling has shown the proposed development to be cost effective for all partners. The costs and benefits are based on £46m identified in- scope spend. The total running costs of the RCH are estimated as approximately £145k annually in addition to existing commitments. The main principle for cost sharing will be sharing proportionately on the basis of projected savings with other costs shared equally or based on population. Projected total net financial benefits range from approximately £950k to £1.8m over a 3 year period. However, these figures do not include potential savings arising from cost avoidance or the commissioning of more cost effective alternative service delivery models [refer to Section 6- Financial Case within the full business case].
- 3.08 Benefits to partners will also include qualitative improvements for all individuals within the residential care sector through improved market management and contract monitoring arrangements [refer to Section 4.12- Economic Case within the full business case].
- 3.09 It is proposed that the RCH will be hosted by one partner and managed by a Management Board reporting to the Social Services and Health Programme Board. The Management Board will be responsible for setting priorities, developing the work programme, performance monitoring and ensuring the planned benefits for the RCH are realised. Board members will be expected to account for performance to their sponsoring organisations, including local authority Scrutiny Committees (refer to Section 4.12.4- Governance Arrangements and Section 7.6 and 7.7- Management Case.)
- 3.10 The team proposed for the RCH comprises of 3 staff plus contract monitoring capacity and, while there are HR and other practical issues to be negotiated, these are small in scale and do not present a barrier to implementation (refer to Section 4.12- Preferred Option and Section 7.8.7 HR issues).
- 3.11 It is anticipated that implementation of the RCH will commence immediately it has been approved by all 6 Local Authorities and BCUHB's Full Board (refer to Section 8- Next Steps within the full business case).
- 3.12 It is anticipated that cost reductions in residential care will come into fruition 6-8 months after implementation. Immediate implementation priorities include recruitment to staff posts; setting up the Management Board; finalising the Partnership Agreement and undertaking key awareness/ change management work with both partners and providers [refer to section 4.12.11- Implementation Overview and Section 8- Next Steps within the full business case].

The full business case is attached in Appendix 1 which will provide comprehensive detail in relation to the project and information above.

How does the decision contribute to the Corporate Priorities?

The RCH will assist partners to deliver on the collaborative agenda and efficiency savings whilst improving quality of services. The risks and benefits have been fully addressed within the business case, and the development of the Regional Commissioning Hub will assist Flintshire in taking forward Corporate priorities.

4.00 RECOMMENDATIONS

- 4.01 That Executive agrees to the establishment of a Regional Commissioning, Procurement and Monitoring Hub in North Wales to serve the six local authorities and Betsi Cadwaladr University Health Board (BCUHB) following completion of the Full Business Case which is attached as Appendix 1.
- 4.02 That the Executive is satisfied that the Final Business Case demonstrates that agreement to collaborate is in the best interests of the Council, that there will be service and financial benefits, and any risks of moving to a collaborative model can be managed and mitigated.

5.00 FINANCIAL IMPLICATIONS

- 5.01 What will it cost and will it affect other services?

The investment required from each partner is detailed in the financial case of the attached full business case- section 6 Financial Case.

Chief Finance Statement

The project has been subject to challenge throughout the process. The financial information in the business case is based on data collected as part of the project. The data was initially weak but has been refined throughout the project to give a more robust view of activity.

Some of this data is the same that was used in the outline business case and is now out of date. However it still provides a reasonable estimate of likely activity and cost savings.

The likely savings have been conservatively estimated and for the purpose of decision making, members should expect the lower end of the scale- that is net savings of around £950k across the region. There is the potential for this to be higher.

Savings percentages have been informed by local experience and vary across the region depending on current cases and care packages provided. Due to the nature of the services being procured- high value, low volume, complex- negotiations will take place on an individual basis so each case will be different.

Cost sharing has been informed by estimates of savings but cannot be finalised until actual savings are known. The apportionment of costs can be reviewed once the hub has begun operating.

There is a risk to the financial assumptions if all partners do not sign up to the project though sensitivity analysis shows that it is still financially viable without all potential partners.

Overall, the project is financially viable. Based on the research and evidence available it will bring savings to each partner. The financial risk to each partner is low given the relatively low investment required.

The financial impact for Flintshire is that net saving of £237k could be anticipated over a 3 year period (gross savings of £327k with additional investment of £90k over 3 years, £30k per year). It is also noted that Flintshire's additional investment in the scheme, £30k per year is slightly higher than other authorities, but this relates fairly to Flintshire's higher anticipated level of saving.

6.00 ANTI POVERTY IMPACT

6.01 A risk register is detailed in Appendix 4 of the full business case.

7.00 ENVIRONMENTAL IMPACT

7.01 See 6.01.

8.00 EQUALITIES IMPACT

8.01 See 6.01.

9.00 PERSONNEL IMPLICATIONS

9.01 See 6.01.

10.00 CONSULTATION REQUIRED

10.01 Social and Health Overview and Scrutiny Committee have considered the issue on three previous occasions. There was a final discussion of the full Business Case at the S&HOSC on 13th February 2012, when the Regional Commissioning Hub proposal was supported.

11.00 CONSULTATION UNDERTAKEN

11.01 - Involvement of Senior Social Care Officers
- Social Services and Health Programme Board
- Regional Leadership Board
- Chief Executives
- Section 151 Officers

11.02 At its meeting on 13 February 2012, the Social and Health Care Overview and Scrutiny Committee agreed the following resolution:

"That subject to adequate governance arrangements to allow for scrutiny of the hub, the Social & Health Overview & Scrutiny Committee supports the establishment of a Regional Commissioning, Procurement and Monitoring Hub in North Wales to serve the six local authorities and Betsi Cadwaladr University Health Board following completion of the Full Business Case."

11.03 Members of the Social and Health Care Overview and Scrutiny Committee also made the following points:

that additional items should be considered in the Hub's performance management framework,

that Scrutiny Committee should receive annual updates on progress, and,

that the phrase "The apportionment of costs can be reviewed once the hub has begun operating." (see 5.01) should be included in the full business case.

12.00 APPENDICES

12.01 Full Business Case

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

BACKGROUND DOCUMENTS

Full Business Case

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Regional Commissioning, Procurement and Monitoring Hub FULL BUSINESS CASE

DRAFT

Draft
January 2012

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EXECUTIVE SUMMARY

- 1.1 This Full Business Case (FBC) recommends that a Regional Commissioning, Procurement and Monitoring Hub is established in North Wales to serve the six local authorities and Betsi Cadwaladr University Health Board (BCUHB). Its purpose would be to commission local authority (social care and education) and health services, initially in relation to high cost low volume residential placements.
- 1.2 The Full Business Case is supported by a range of national, regional and local policy drivers. These include national policy documents such as the Simpson review “National, Regional and Local: what services are best delivered where?” and “Sustainable Social Services: a Framework for Action”, as well as key health and education policy documents.
- 1.3 The fragmentation in the current arrangements to commission high cost low volume placements, and “proof of concept” derived from work across North Wales on learning disability placements provide good local evidence to support the change.
- 1.4 The initial scope of the services that the Regional Commissioning, Procurement and Monitoring Hub (RCH) will provide is limited to high cost, low volume residential care placements above £500 per week. This includes:

- Learning disabilities
- Mental health
- Physical disability and sensory impairment; and
- Children’s services (no £500 lower limit).

The scope of the Regional Commissioning, Procurement and Monitoring hub will extend to elements of the commissioning cycle, covering the following three key areas:

- Analysis and planning;
- Procurement; and
- Monitoring and review.

It is however, recognised that other activities may lend themselves to regional collaborative working also and could prove effective additions to the work of the RCH.

- 1.5 Financial modelling has shown the proposed development to be cost effective for all partners. The costs and benefits are based on £46m identified in-scope spend. The total running costs of the RCH are estimated as approximately £145k annually in addition to existing commitments. The main principle for cost sharing will be sharing proportionately on the basis of projected savings. Projected total gross financial benefits range from approximately £1.1m to £2m over a 3 year period. However, these figures do not include

potential savings arising from cost avoidance or the commissioning of more cost effective alternative service delivery models.

- 1.6 Benefits to partners will also include qualitative improvements for all individuals within the residential care sector through improved market management and contract monitoring arrangements.
- 1.7 It is proposed that the RCH is hosted by one partner and managed by a Management Board reporting to the Social Services and Health Programme Board. The Management Board will be responsible for setting priorities, developing the work programme, performance monitoring and ensuring the planned benefits for the RCH are realised. Board members will be expected to account for performance to their sponsoring organisations, including local authority Scrutiny Committees.
- 1.8 The team proposed for the RCH comprises 4 staff (3 core staff plus 0.75 FTE contract monitoring capacity) and, while there are HR and other practical issues to be negotiated, these are small in scale and do not present a barrier to implementation.
- 1.9 It is anticipated that implementation of this Full Business Case will begin immediately it has been approved by all 6 Local Authority political processes and BCUHB's Board of Directors and its Full Board.
- 1.10 It is anticipated that cost reductions in residential care will come into fruition 6 -8 months after implementation. Immediate implementation priorities include recruitment to staff posts, setting up the Management Board, finalising the Partnership Agreement and undertaking key awareness/change management work with both partners and providers. A summary of risks can be found in Appendix 4.

2 INTRODUCTION AND PURPOSE

2.1 Background and context

This full business case has been commissioned following consideration of an outline business case (OBC) received from Capita Consulting (formerly Tribal). The outline business case (OBC) was commissioned by the North Wales Social Services Improvement Collaborative (NWSSIC) and Betsi Cadwaladr University Health Board (BCUHB) under the auspices of the Social Services and Health Programme Board as part of a co-ordinated approach to delivering efficiencies and savings in the commissioning of high cost, low volume residential placements for the following service user groups:

- Children's services
- Learning disabilities
- Physical disability and sensory impairment; and
- Mental health.

2.2 The RCH project responds to growing financial pressures facing public sector organisations, and also addresses the Welsh Government's policy and strategy for social care and health services and for increased collaboration in commissioning and procurement activity. The recent Simpson review (*Local, Regional, National; What Service are Best Delivered Where?*), the Welsh Government's paper *Sustainable Social Services For Wales: A Framework for Action*, and its ongoing implementation programmes make it clear that Local Authorities will need to demonstrate that they are working more closely together to plan and deliver social care services.

2.3 Health Boards have an essential part to play in relation to these services, with many service users having both health and social care needs. Joint funding of care packages and services is significant, and it is vital that health boards and Local Authorities work together to maximise benefits and opportunities.

2.4 NWSSIC has already made important progress, with the development of the regional approach to procuring individual learning disability placements which has delivered a number of real benefits, including significant savings. The Children's Services Commissioning Resource has also improved the way which Councils share information about available services and costs.

2.5 The outline business case provided sufficient evidence for partners to agree to commission a full business case to explore the preferred option for a regional approach to commissioning, procurement and monitoring services in adult and children's services. This is an ambitious and challenging approach which covers three services in each of the six councils (adults, children's and education) as well as health. Whilst these partnerships and relationships can be complex and demanding, they offer significant opportunities to improve the way in which resources are used.

2.6 This FBC builds on a preferred option which comprises the staffing levels identified in Option 3 of the OBC and the functions as presented in options 4 and 5 of the OBC. The FBC also sets out the model and benefits that can be delivered.

2.7 Purpose of the full business case (FBC)

The purpose of this FBC is to lay out the strategic, financial and qualitative benefits which can be gained through a collaborative commissioning approach. It builds upon the outline business case and details the preferred model developed by the Project Board.

2.8 Format of the FBC

The FBC details the selected and preferred options in relation to the strategic, economic, commercial, financial and management cases and includes detailed descriptions about how the RCH will work, what the governance arrangements will be, performance management and HR implications of establishing the RCH.

It is recommended that this FBC is read in conjunction with the previous OBC produced by Capita.

3 STRATEGIC CASE

3.1 The Strategic Case sets out the case for change, how the RCH could meet the needs of local authorities and BCUHB and how it would benefit local authorities and the Health Board.

3.2 Drivers for change

3.2.1 National drivers

There are a number of national policy drivers which make a case for changing the way services are currently being commissioned and these point to the adoption of regional, collaborative arrangements which deliver efficiency savings and reduce service costs, whilst at the same time improving the quality of care provided.

The key policy documents which recommend greater collaborative working across Wales are summarised below, along with how they are relevant to the development of the RCH.

3.2.3 Sustainable Social Services: A Framework For Action

The Welsh Government's paper (February 2011) outlines the considerable challenges currently facing the provision of social services in Wales. This paper highlights that social care and social services are facing significant and unsustainable pressures on demand, making the financial outlook increasingly difficult. Whilst pointing to fundamental changes in delivery of service to meet these challenges, the action plan is based on the assumption that efficiencies will be gained from pooling back office functions such as commissioning, and procurement. This will ensure that funds for front line improvements are not diverted to duplicated back office functions, enabling a greater focus of resources on delivery. This paper's priority is to ensure that resources are used in a way that makes better use of existing capacity and it explicitly sets out the Welsh Government's expectation to see commissioning taking place on a regional basis.

3.2.4 Together for Health: A Five Year Vision for the NHS in Wales

This vision document acknowledges the rising demands and expectations placed on the NHS and states that whilst increasing demands have previously attracted increased budgets 'these days are over' as the Welsh NHS staff faces a tougher financial future. As the NHS in Wales strives to develop its services to world-class quality this requires 'a drive for improvement throughout the NHS and beyond'. To enable these changes the NHS will need to work closely with the whole public sector to ensure best possible services and best use of available resources, acknowledging that Local Government is vital to improving health and well-being.

3.2.5 A Picture of Public Services 2011: The key financial challenges facing Welsh public services

This report was presented by the Auditor General in October 2011 with the aim of supporting public services to respond to the financial challenges facing them. It recognises

that public services should be ambitious in finding new ways to deliver services and that long term sustainable solutions can only be achieved through innovation, sharing and acting on good practice and improvement efficiency. The report also acknowledges that Local Authorities and the NHS are facing rising demands for services particularly for older people and vulnerable children. In the past Councils have been able to partially bridge funding gaps by increasing council tax or drawing on their reserves however this is not sustainable in the longer term. It goes on to state that in the short term, in some areas, for instance procurement, there is scope to make savings through collaboration.

3.2.6 Draft SEN Regional Provision: Support Document for Authorities in the development of SEN provision collaboratively

A WG working party is currently developing guidance in preparation for 2014 when the centrally held education budget will be devolved to local authorities. This guidance is being developed to give support to local education authorities in the development of regional provision of education and services in Wales in accordance with Section 191 of the Education Act 2022. This development would dovetail neatly with development of a Regional Hub.

3.2.7 Compact 2012

These national policy drivers sit within an overall context in which WG and local government are developing a strategic agenda of collaboration. It is envisaged this will be formalised through a Compact, early in 2012. It is expected that the development of Regional Procurement Hubs for social care will be a key commitment.

3.3 Regional drivers

3.3.1 Regional Leadership Partnership Board: Vision for Collaboration

In January 2010 the Leaders and Chief Executives of the six North Wales Local Authorities signed up to a regional vision for collaboration. Each Local Authority in North Wales has a strong regional identity and good working relationships and have, to date, successfully worked together and collaborated. The regional vision states that these relationships must be built upon to enable the promotion of radically different models for delivering public services to communities. This vision of collaboration and partnerships sits alongside each Local Authority's individual visions which aim to make the six Local Authorities more efficient, effective and responsive through internal change programmes.

3.3.2 The Regional Leadership Board, augmented by leaders of each of the major public sector organisations, oversees a programme of collaboration led by Programme Boards, each driving a programme of collaboration in specific service areas e.g. School Improvement, Waste, Transport. The RCH is a key project within the portfolio of the Social Service and Health Programme Board. This Board also has a role in responding to 'Sustainable Social Services' overall, and in the governance of a range of other regional and sub-regional social care initiatives.

3.4 Regional context for the commissioning of high cost low volume residential placements

- 3.4.1 In terms of residential placements, specifically, there is a lack of provision in North Wales for children's placements which has led to market control essentially being with providers. There is a need to stimulate the market and identify preferred providers who are willing to provide quality care at sustainable costs.
- 3.4.2 Learning disabilities services are predicted to have a 44% increase in service users over the next 13 years and effective commissioning of alternative services, especially for those with complex and challenging needs, is imperative to ensure that services are sustainable in the future.

3.5 Existing Arrangements

- 3.5.1 Over the last two years North Wales local authorities along with the Social Services Improvement Agency have co-funded the post of Regional Learning Disability Manager to take forward key developments in Adult Services for improved procurement, alternative service delivery and service user engagement. This joint work has delivered 'proof of concept' for the RCH. The development of the RCH will enable learning from the earlier joint work to be rolled out to a broader set of services and formally in conjunction with BCUHB as well as education services.
- 3.5.2 Across North Wales there is fragmentation of existing arrangements to procure placements which has led to duplication of functions by multiple partners. The commissioning and procurement of high cost, low volume placements is a very small percentage of existing posts within partner organisations therefore there is lack of expertise in these functions. For providers there are multiple points of contact across the region. Due to these multiple points of contacts providers have been charging partners differently for similar or the same packages of care. The introduction of the RCH would mean that there would be one point of contact for Providers. Having a helicopter view of information relating to Providers and the market, both in terms of quality and cost, will put the region in a much stronger purchasing position. As the in-scope services are low volume there is also lack of capacity within partner organisations to develop better value alternative services. By working together there will be more opportunity to develop these services via the RCH.

3.6 Risks

The risks associated with delivering the RCH are varied, the relationships between the partners are complex and this could cause issues where perhaps one partner does not benefit as much as others. Therefore it has been essential during the development of this FBC to prioritise detailed governance arrangements, financial protocols and a robust Partnership Agreement in mitigation. Throughout the development of the FBC stage there has been extensive consultation at all levels with Partners across all work streams.

3.7 Summary

There are strong drivers at national, regional and local levels to support the development of a Regional commissioning, procurement and monitoring Hub for high cost low volume placements. In particular this development would put the North Wales region in a position to implement the RCH thus delivering against a key commitment within the Compact.

DRAFT

4 ECONOMIC CASE

4.1 The economic case details current arrangements for commissioning and procuring placements, and appraises sub-options around the form and structure of the RCH. It describes how it will improve commissioning arrangements for in-scope services – in terms of both financial and non-financial benefits to North Wales as a region.

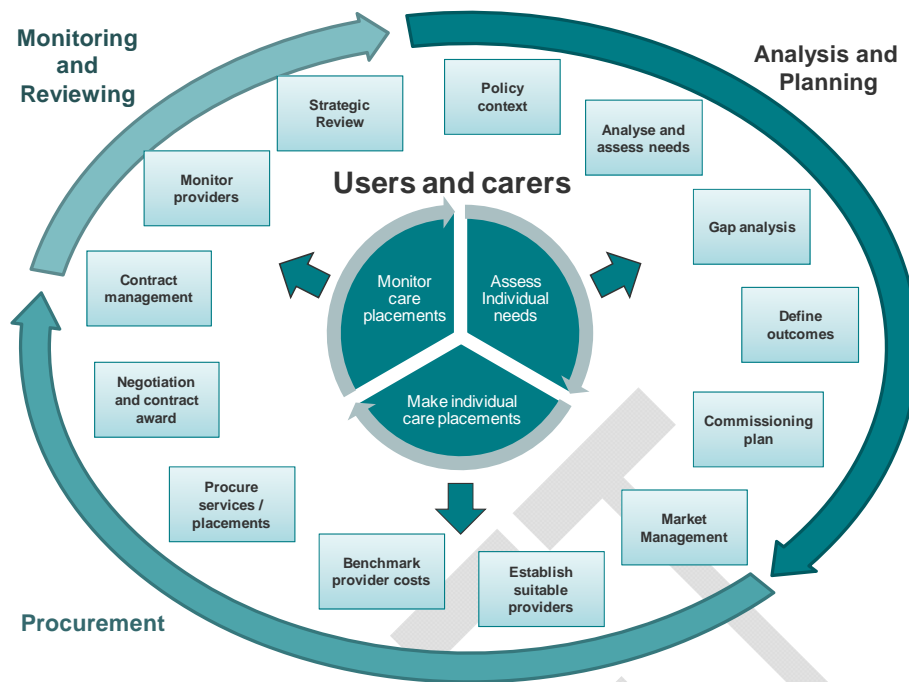
4.2 Current arrangements- the Commissioning Landscape

The existing landscape for commissioning social care services across North Wales paints a complex picture. It spans multiple departments of the six local authorities, and also includes joint commissioning with BCUHB where an individual's health and social care needs are closely linked.

4.3 The large number of organisations and individual departments involved results in a multitude of interfaces which need to be managed in a joined up fashion to ensure that the end user receives seamless care. It also leads to areas of repetition and overlap between commissioning functions and activities, which can cause internal inefficiencies and a diluted, fragmented market place for providers.

4.4 High Cost, Low Volume Placements

With some notable exceptions, the majority of residential high cost, low volume social care placements are commissioned by each individual local authority or BCUHB across North Wales on behalf of their own populations. These arrangements cover the whole commissioning cycle- from assessing an individual's complex needs to procuring residential care placements and monitoring quality of the placements – and are often replicated several times within each local authority and BCUHB across each unique service area. Each of the Local Authority areas and BCUHB have different processes and standards in place within the commissioning process and there are some gaps and areas of duplication within the commissioning cycle outlined below.



4.5 Learning disabilities

In the case of individuals with complex learning disabilities some specific elements of the commissioning cycle, most noticeably procurement and market management activities, are now undertaken on a regional collaborative basis. This has enabled full transparency of all costs, and improved the ability of North Wales as a whole to control and manage the market in an effective and efficient fashion on a regional basis.

4.6 Mental health

The vast majority of mental health commissioning and procurement is funded by and led by BCUHB. Close working with clinicians will be required to embed new commissioning and procurement arrangements and to deliver successfully cost efficiencies and quality improvements.

4.7 Physical disability and sensory impairment

The number of PDSI placements that fall into the high cost low volume category is relatively small. Teams may only have to deal with such cases once every few months or longer, but it can take a large amount of time to find suitable placements to meet what are usually very complex needs.

4.8 Children's Services

There are a significant number of children's placements within residential care and residential schools, funding for which can be joint or tripartite between social care, education and health. All the packages are extremely high cost to the partners and there would appear to be merit in working collaboratively to make efficiencies.

Within children's services there is a requirement to use the Children's Commissioning Support Resource (CCSR) to identify residential placements wherever possible. However, partners report that for the high cost low volume services that are the subject of this FBC, CCSR is often not that relevant or helpful, and a refreshed approach to identifying suitable placements may prove to be very productive.

As part of the RCH development, leaders of Children's Services across North Wales (social care, education and health), have agreed in principle to work with SEWIC (the South East Wales Improvement Collaborative) in terms of becoming part of the All Wales Framework for Foster Care. Foster care is not within the scope of the RCH project currently, but there are strong synergies with the commissioning of children's residential care, which is within scope. They wish to explore the benefits of expanding their collaborative work with SEWIC and equally with the North West of England procurement project- which is also dealing with high cost low volume foster care placements.

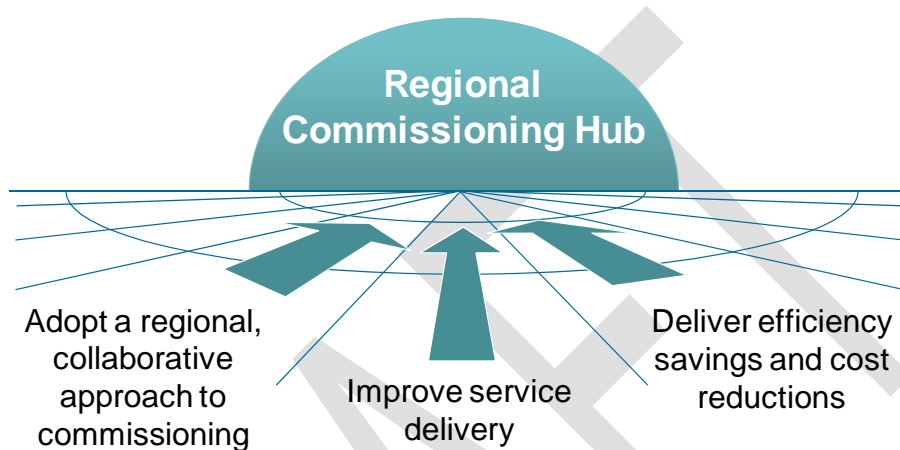
4.9 Vision for the future

- 4.9.1** The Vision for the RCH, developed at Outline Business Case stage is to 'develop a regional commissioning, procurement and monitoring hub for social services, education and BCUHB high cost, low volume placements'.
- 4.9.2** All partners want to work towards developing alternative, more cost effective services in the community but expect there to be a continuing need to procure good quality residential placements which deliver improved outcomes for individuals at a sustainable cost for partners.
- 4.9.3** The vision for the RCH is currently restricted to high cost low volume residential placements or alternative provision which substitutes for such placements. However, partners can see the potential for the RCH to develop beyond its current scope to cover other services and other regional functions, particularly in line with "Sustainable Social Services: a Framework for Action." However, these services and functions are not part of the current FBC and all partners agree that building trust and confidence through delivering on the current scope will be key to expansion.
- 4.9.4** The design of the RCH, however, is such that it does have the flexibility to support other regional or sub-regional collaborative initiatives where opportunities for efficiencies are identified and where the work programme allows. For example, additional commissioning

or contract monitoring capacity, relating to other categories of spend, could be added without fundamentally altering the proposed staffing structure of the RCH.

4.10 Design principles

4.10.1 The process of developing the OBC led to the following Design Principles being generated for the RCH, incorporating three key objectives.



4.10.2 The design principles derived from a series of workshops that were facilitated by Tribal/Capita during the OBC phase and included a strategic workshop comprising executive members and Directors and thematic workshops for Contracts and Commissioning, Learning Disabilities, Mental Health, Physical Disability and Sensory Impairment (PDSI) and Children's services colleagues from each partner organisation.

4.10.3 The key design principles are:

- Collaboration must allow for local accountability, flexibility and delivery
- Emphasis on equity, quality and outcomes
- Collaborative arrangements must place individual needs and carers at the heart of commissioning
- To achieve the best possible value for money, in terms of both commissioning and delivery
- Standardise wherever possible (in particular data, process and outcomes)
- All processes and frameworks should support collaboration
- Do things once as a region where possible
- Decisions should be based firmly on knowledge and information
- Manage and control the market as a single region which supports the North Wales economy
- Everyone must gain from collaboration (or at least no-one should lose)
- Build on existing good practice
- Change needs to be appropriately resourced and managed
- Collaboration needs to reflect cultural and language needs.

4.10.4 To complete the FBC 8 work streams were established to develop the following areas. The Design Principles above were used as benchmarks in developing options and proposals.

Finance and Data – data cleansing, financial profiling, cost sharing principles, protocols between partners (led by Paul McGrady, Denbighshire County Council on behalf of Section 151 officers)

Regional/Local – clarifying the anticipated functions of the unit and sharing of roles/responsibilities between the RCH and each partner (led by Neil Ayling, Director, Flintshire County Council)

Governance – focussed on the governance, performance framework, work programme, partnership agreement (led by Sally Ellis, Director, Denbighshire County Council)

HR – working through issues including job descriptions, person specifications, HR strategy (lead- Joanna Griffiths, Director, Conwy County Borough Council)

IT- identifying short and medium-term IT requirements for the RCH with associated costs and implementation requirements (led by Meilys Smith, Gwynedd County Council)

Communication and Learning – focussing on methods of disseminating information to partners and change management issues (lead- T Gwynn Jones, Director, Anglesey Council)

Provider engagement – focussed on how to communicate with independent sector providers (lead- Steve Williams, Head of Performance, Wrexham County Borough Council)

Children’s services – (led by Heads of Children, Chaired by Leighton Rees, Denbighshire County Council) focussed on identifying new procurement strategies for acquiring placements and commissioning priorities.

The outputs from these work streams and recommendations from various options comprise key content within this FBC. More detailed information can be made available if required.

The desired outcomes of the RCH have been defined in a measurable way. Proposed aims, principles and objectives and the related performance framework are set out in Appendices 1 and 2.

4.11 Options

Five options were detailed in the OBC for potential delivery of the RCH. However this was based on an in-scope spend of £62.1m. Data cleansing has indicated that the current in-scope spend is now £46m.

The options were as follows:

| | |
|----------|-------------------------------------|
| Option 1 | Loose Collaboration |
| Option 2 | Basic Regional Collaboration |
| Option 3 | Co-ordinated Regional Collaboration |

| | |
|----------|-------------------------------------|
| Option 4 | Co-ordinated regional commissioning |
| Option 5 | Fully integrated model |

4.11.1 Option 1 – Loose Collaboration

Description

This option would require the least change and active collaboration from partners. It would build on a range of collaborative activities already in place and place these on a more formal basis. A framework would be developed that would be used by each partner to categorise its commissioning activities and to share information with other regional partners. This framework could also work on a regional or sub-regional level and would be relatively informal. It would not require standard processes or definitions, although these would make it easier to share information and use it effectively.

Costs

Costs associated with this option would be low – virtually zero. It is anticipated that partners could accommodate the proposed collaboration within existing staffing levels and activities.

Benefits

0-2% savings. No additional benefits to accrue in Learning Disabilities. On an expenditure of £38.5m estimated savings £0-770,000 if all 7 organisations participated.

Risks

Contracts would need to be checked and might need to be revised to ensure that commercial information could be shared appropriately.

Data collection and management varies across organisations which might hinder capacity to benchmark.

Level of collaboration might not meet Compact requirements.

Low potential savings

Little different to status quo.

4.11.2 Option 2 – Basic Regional Collaboration

Description

This option envisaged a step up from loose collaboration. What would distinguish this option from loose collaboration is that partners would commit to working together in a basic way to enhance their procurement and commissioning activities. A framework would be developed that sets out some agreed functions and activities that partners would undertake together. It might be agreed that certain partners would undertake particular activities on behalf of others. Staffing arrangements – staffing required would be provided within each partner's organisation. Partners would agree lead partners for particular activities.

Costs

Minimal staffing costs – should not increase but might need re-shaping.

Benefits

0-5% savings. No additional benefits to accrue in Learning Disabilities. On an expenditure of £38.5m estimated savings would be £0-1,925,000 if all 7 organisations participated.

Risks

As Option 1 plus:

Collaborative contract monitoring would depend on effective reciprocal arrangements to provide all partners, service users and carers with necessary assurances

No defined structure or tangible legacy to ensure benefits are achieved.

4.11.3 Option 3 – Co-ordinated regional collaboration**Description**

This option would see the more structured co-ordination of a collaborative approach, with a small dedicated staff team to take on activities as agreed by partners. It is likely that activities would be carried out by existing commissioning teams but these would be supplemented by additional resource, paid for by the partners in order to drive cost savings, quality and efficiency activities.

Staffing arrangements – 1 x Commissioning Manager, 0.5 x Resource Officer (in addition to current regional Learning Disabilities team).

Costs

The annual costs associated with this option would be:

Staffing £67k plus costs of existing learning disabilities team = £42k. Total £109k

Hosting costs £7k

Implementation costs £7k

Benefits

2-7% savings to include additional savings in Learning Disabilities. On expenditure of £62.1m estimated savings £1.24m to £4,347m.

Risks

As options 1 and 2 above plus:

Partners may be reluctant to fund posts without assurance of how benefits will be distributed.

Savings may not be realised

Partners may be vulnerable as there would be only 1.5 additional posts with a heavy workload.

4.11.4 Option 4 – Co-ordinated regional commissioning

Description

This option would establish an RCH with staff resources to focus on each of the four areas in scope for at least two or three years. The focus would be on driving down costs, collaborative commissioning activity, market management and market shaping. The proposed staffing would be 4 commissioning officers (including the current LD Regional Manager), a data officer and two resource officers.

Costs

Staffing £353k
Hosting costs £30k
Implementation costs £28k

Benefits

5-10% savings to include additional savings in Learning Disabilities. On expenditure of £62.1m estimated savings £1.928m - £5.033m.

Risks

As Option 3 above plus:
Impact of RCH would be limited if partners opt out
Data security problems through sharing information between different systems
Benefits in terms of reducing costs for partner organisations' remaining commissioning teams not addressed .

4.11.5 Option 5 – Fully integrated model

Establishment of a fully integrated RCH that would undertake a range of activities ranging from analysis and planning to procurement and commissioning and through to monitoring and review. It would see a number of staff working together across the region, although still operating from within local bases. They would deal with commissioning, service development, contract monitoring and potentially make placements in line with locally identified service user requirements. Staffing arrangements – 1 x Senior Commissioning Manager, 3 Commissioning Managers, 2 x Development Officers, 1 x Contract Monitoring Officer, 2 x Data Manager/Analyst, 3 x Resource Officers.

Costs

Staffing £564k
Hosting costs £50k
Implementation costs £40k

Benefits

8-12% savings. On expenditure of £62.1m estimated savings £3.086m to £5.570m.

Risks

Complexity of bringing staff together

Local partners disempowered
Large step for partners to deal with
Political and corporate agreement required
Net benefits not significantly higher than Option 4
Staff recruitment
Savings may not be realised
Robust performance management indicators
Impact of the model is limited if parties opt out.

4.11.6 When the OBC was discussed partners expressed the following views:

Options 1 and 2 were felt to offer few advantages over current arrangements.

Option 5 was considered high cost and, at OBC stage, there proved little appetite for an option which, while delivering little by way of additional financial benefit over Option 4, was felt to take over activity best delivered locally (eg development of local commissioning plans). Doubts were also expressed as to the evidence base of the higher level savings claimed, and these doubts were not satisfactorily answered by Tribal/Capita. Some features, however, were considered valuable eg provision of a brokerage service.

While many of the features of Option 4 were felt to be attractive, this option, as described at OBC stage, was also felt to be staff heavy and it was felt this aspect needed further scrutiny within a FBC.

The final preference was for an Option which would sit between Options 3 and 4 of the OBC. The process of developing the FBC has enabled this to be fleshed out and the detail of a preferred option to be worked through.

4.12 Preferred Option

4.12.1 Following completion of the OBC by Tribal/Capita the Project Board, NWSSIC, BCUHB and the Social Services and Health Programme Board endorsed the development of this FBC. A 'common script' report was taken through each Local Authority's political processes and BCUHB's Board of Directors which outlined the options presented in the OBC and recommended that further work be undertaken to develop an FBC with features sitting between Options 3 and 4 of the OBC.

The preferred option for the RCH is a **Structured Regional Collaboration and it incorporates features of the OBC Options 3, 4 and 5.**

4.12.2 Description

This option would see the structured coordination of a collaborative approach. It would include a formal partnership agreement and service level agreements or memoranda of understanding between partners, NWPP and other regional collaboratives. Placement information would be shared for analysis and benchmarking. RCH staff would undertake a range of functions for each of the four areas in scope ranging from analysis and planning to procurement (including through a placement brokerage service), commissioning, monitoring and review. Optimum procurement strategies would be developed and, for at least two or three years, the focus would be on improving quality, driving down costs, collaborative commissioning activity, market management and market shaping. Development into further areas would be considered.

4.12.3 Activities

Providing a placement brokerage service for new placements (Capita Option 5)

Negotiating with providers to ensure optimum prices across each of the in-scope services for existing placements (Capita Option 4)

Development and implementation of a regional contract monitoring framework and provision of contract monitoring service where required – including development of outcomes framework/criteria (Capita Option 3)

Within 2 years development of capacity to commission alternative service provision on a regional/sub-regional basis and capacity to support regional and sub-regional commissioning activities networking with other regions (Capita Option 4)

Support and advice to local commissioning teams including supporting them to lead in specific areas (Capita Options 3 and 4)

Co-ordination and management of specific databases for in-scope services (Capita Options 3 and 4)

Co-ordination and analysis of agreed information, datasets and benchmarking across partners (Capita Option 4)

Market management to respond to gap analysis (Capita Option 5)

Being a single point of contact for Providers in relation to in-scope services (Capita Option 5).

4.12.4 Governance arrangements

The recommended approach is for a Host Partner to employ the staff underpinned by a management board and partnership agreement together with memoranda of understanding or service level agreements between partners, the North Wales Procurement Partnership and other regional collaboratives. (See also Management Case section).

4.12.5 Staffing Arrangements

1 x Regional Manager
1 x Commissioning and Procurement Officer
1 x Resource/Data Officer
1 x 0.5 FTE Contracts Monitoring Officer.

Rationale

It has been identified that 3 staff would be needed to deliver the management, procurement and commissioning aspects of the RCH with a further post holder required to deliver a regional contract monitoring framework and a monitoring services for some partners.

Tribal/Capita, who delivered the OBC for this project and also the business case for the regional procurement project use a baseline of £15m of procurement spend per procurement officer needed. Local experience from the Regional Learning Disabilities project was of one officer taking forward work against a £13.5m spend. The current in-scope spend is now £46m therefore 3 officers appears reasonable. One of these officers will have leadership and management responsibilities for the RCH also. The potential savings also justify a staffing investment of this size.

The size of the contract monitoring resource has been calculated based on an equal investment to deliver a contract monitoring framework for all partner and for those partners who have opted to purchase monitoring services calculations have been based on percentage of population.

Given the small size of the team there would be an expectation of flexibility across post holders to enable cover for each other to match work flows and specific demands.

4.12.6 Accessing Other Skills

Such a small team could not be expected to have all the skills that may be needed to maximise the effectiveness of the RCH. It is expected that specialist procurement expertise would be available via the North Wales Procurement Partnership or its successor, and a range of support services would be available from the Host partner (e.g. legal services, audit etc).

4.12.7 Outcomes/ Outputs

- Development of a common approach to analysing local needs and service usage, built on best practice across the region and beyond. This will include collection of common information on the nature of in-scope services, on unit costs, contract prices, providers, capacity and outcomes- to a consistent format
- Benchmarking of data regionally and sub-regionally
- Development of procurement strategies for in-scope services to deliver best possible value for money. Negotiation with providers on behalf of partners to achieve best value for money
- Procurement of placements and services and provision of a regional brokerage service for in-scope services
- Exploring the development and management of databases for partners for each in-scope service
- Exploring the development and maintenance of preferred provider lists
- As opportunities arise exploring better value procurement of other categories of spend, or commissioning alternative service models
- On the basis of needs and gap analysis, development of regional/sub-regional commissioning plans in accordance with agreed work programme priorities
- Commissioning of new services and support for local commissioning teams to commission new services in areas agreed within the work programme
- Development of a regional framework for the contract monitoring of in-scope services, providing a direct service as required and ensuring monitoring information is shared and held to promote safeguarding and appropriate information security
- Networking with other regions in Wales to ensure that practice and initiatives are in line with best practice and well co-ordinated
- Provision of a single point of access for providers of in scope services
- Use of market intelligence to enable the market to be shaped to deliver best use of local provision/capacity
- Monitoring of market sustainability
- Monitoring of trends to anticipate future needs

4.12.8 Financial Evaluation

See Financial Case section for detail

In summary - additional funding required - approximately £145k per year

Gross savings range = £1.1m to £2m or approximately 2.5% - 4% on spend of £46m (NB These figures do not include potential savings from cost avoidance ie that the costs of future placements will reduce as the result of the RCH's procurement work. Nor do they include potential savings from the commissioning of alternative more cost effective services)

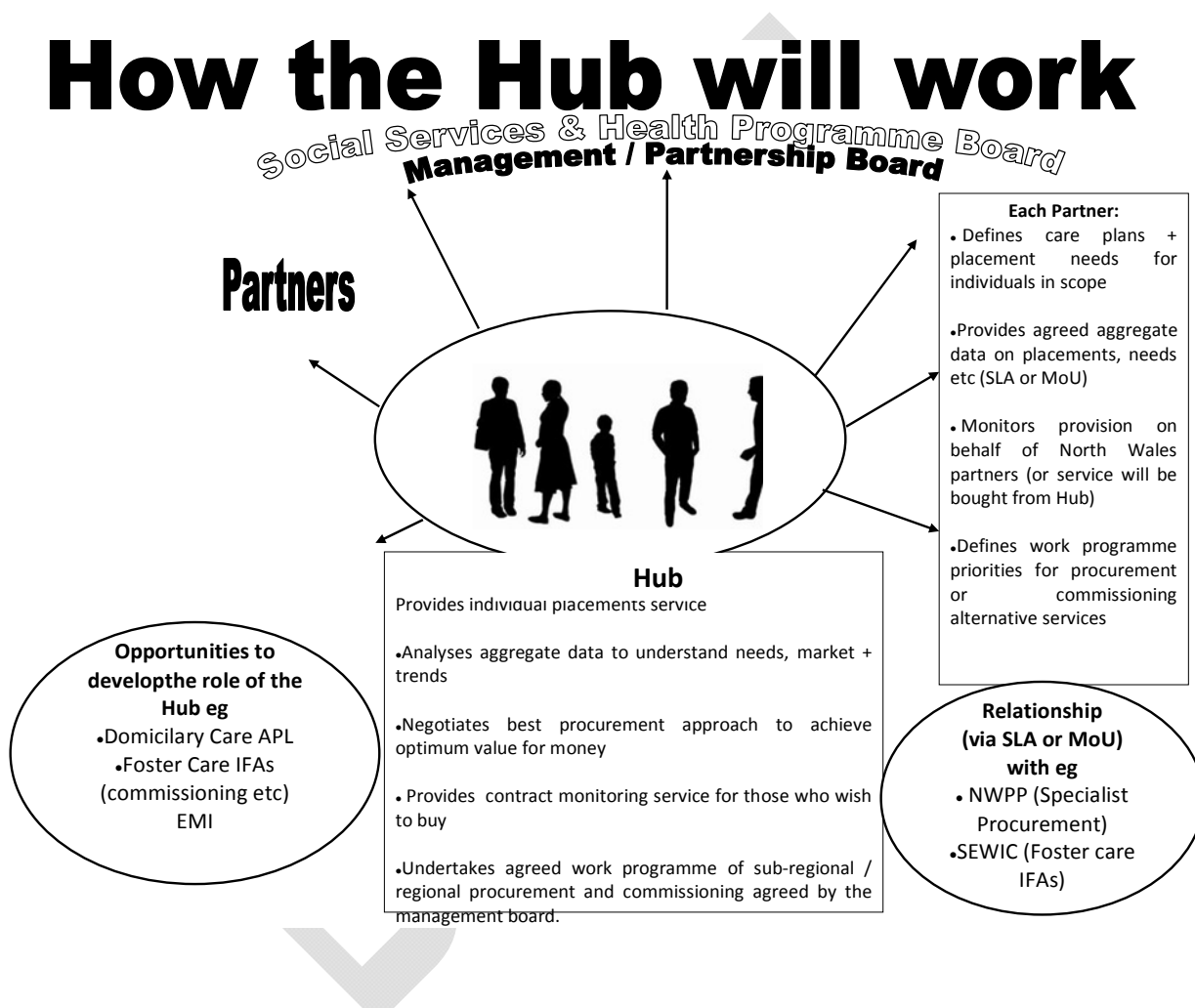
4.12.9 Benefit Analysis

| Benefit Category | Benefit | How this benefit will be realised |
|------------------|---|--|
| Enablement | <p>Regional support for commissioning</p> <p>Development and management of provider database</p> <p>Co-ordinated market management</p> <p>Regional commissioning plan</p> | <p>The regional resource will provide a source of knowledge and expertise with regard to commissioning for the in scope services.</p> <p>Such a database can be managed and maintained on a regional basis and provide accessible information on costs, capacity, quality and other criteria.</p> <p>The regional resource and database will enable more effective market management , which will include an increasing ability to work with potential providers to address gaps in provision as well as driving down costs.</p> <p>This approach could provide the resource for developing a regional commissioning plan, linked to effective market management activity.</p> |
| Financial | <p>Direct cost savings</p> <p>Efficiency savings</p> | <p>On a regional level, improved Management Information will allow market trends to be spotted and analysed across LA boundaries, and enable benchmarking of key factors such as cost and quality to be carried out across the region as a whole – helping to identify savings opportunities.</p> <p>Increased transparency over costs will help partners to reduce costs by paying only for services which are necessary and have actually been delivered</p> <p>Collaborative procurement and leveraging the collective purchasing power of the region will</p> |

It is assumed that the commissioning manager and the commissioning officer will have come from a different service background .

Robust information sharing protocols will need to be in place in order for local authorities to act on behalf of others in terms of collection of data and sharing information about service users in the quality monitoring process.

How the Hub will work



4.12.11 Implementation overview

Implementation of this option is defined as: **Medium.**

Key tasks relating to governance arrangements and financial modelling and savings have already been undertaken for the development of this FBC. However these will need to be finalised at the implementation phase.

A substantial change management programme would need to take place with all partner organisations.

Implementation is expected to take about six to eight months (depending on ability to recruit to all posts at first attempt). Costs will include officer time to recruit and to develop governance arrangements in addition to staff and running costs.

| Initiate | Plan | Implement | Deliver | Benefits realisation |
|------------|--|-----------|---|--------------------------------------|
| March 2012 | April – September plan procurement strategies | September | December – savings from fees negotiated | 2013 onwards (6 months from go-live) |

4.12.12 Risks

The funding required for the RCH staff requires initial outlay. Partners may be reluctant to fund posts when it is not possible to guarantee benefits. Financial modelling has sought to address this issue.

Risks associated with collaborative contract monitoring will be addressed through the development of a regional quality monitoring framework.

It may not be possible to recruit the number of staff required with the appropriate skills, particularly to short term contracts.

The varied way in which partners collect and manage data, and the variable quality of this data, may hinder the capacity to benchmark and collaborate efficiently. However the RCH should help move partners systematically to a more consistent approach to data collection and management information.

Predicted savings may not be realised. This is a risk based on the variation in costs across the region and across providers and different market conditions. The range of benefits quoted reflects the challenges and difficulties that may be encountered. Robust performance management arrangements should be put in place to set and monitor the delivery of targets. The RCH remains viable, however, and delivers savings to all partners. even at lower range assumptions.

The impact of the RCH will be limited if partners opt out of the arrangement. This needs to be addressed by ensuring that a broad and long term approach to measuring gains and losses across all services in scope is taken.

4.13 VARIATIONS FROM THE OBC

4.13.1 Data adjustments

Data collected for the OBC was collated at a range of points in 2010/11 from each of the key stakeholders. The data gave a snap shot picture of the highest costing placements across North Wales on a given date in time.

4.13.2 More intense scrutiny of the data following completion of the OBC revealed that there were a number of high cost placements included in the submissions which were, in fact, out of scope of this particular project. This included placements which were part of a national NHS Mental Health Secure Services Collaborative Procurement Project. Placements in Independent hospitals were also out of scope of this project and this data had to be removed

4.13.3 There were also a number of care packages identified which were community living packages which were out of scope. There were a small number of duplicated cases found within the data too. An adjustment was also made to the cost of Children's Placements in Flintshire- as the result of intensive local work to improve procurement practice. With the removal of these care packages the value of the in scope packages reduced to £46m.

The population within residential care is not static and therefore there is likely to be variation of funding levels by the time of implementation.

4.13.4 Learning Disabilities Network/Project

The 6 Local Authorities have been working together during the past 3 years on several levels to ensure that LD services are sustainable for the future. This has included the "proof of concept" work in learning disabilities placements. Several joint commissioning priorities, have been agreed across local authorities and with BCUHB and these are consistent with the RCH remit. It is therefore recommended that the regional learning disabilities work, and the local authority part funding contribution attached to it, should become an integrated part of the RCH.

4.13 5 Regional Care Home Fee setting project – (Older People)

NWSSIC has established a joint regional group with BCUHB to explore a regional approach to care home fee setting. This is particularly focused on placements for older people. However, the RCH will also need to be involved in the regional work around fee setting for Older Peoples residential care homes to ensure consistency of approach across all adult services. The resource implication for this is negligible and will not impact on RCH staffing.

4.13.6 Administration of the Regional Quality Approved Provider List – (Domiciliary Care)

The administration of the APL is currently undertaken by the North Wales Procurement Partnership. However this arrangement cannot continue for the long term. The function involves providing the administrative function of managing the APL process using Bravo Solutions. As this is a regional contracting approach it is recommended that this becomes a

function of the RCH. The resource implication for this is negligible and will not impact on staffing.

4.13.7 Future suggested projects for inclusion into the RCH are:

A lead role in regional care home fee setting processes

EMI bespoke placements

Specialist day placements

Commissioning of Independent Foster Care Placements.

When the RCH is established these can be considered as part of the process for agreeing the RCH's work programme or considered for additional resourcing, depending on the circumstances.

4.14 Summary

Current commissioning arrangements for high cost low volume social care placements across the three key elements of the commissioning cycle are complex and time consuming, and, with the exception of learning disabilities, are not using the potential collaborative power of partners to manage and shape markets and reduce costs. While projected savings at OBC stage are considered to have been optimistic, the FBC is still viable at more pessimistic assumptions.

No single structural option for a RCH at OBC stage was preferred and further work has been undertaken within the FBC to build an option which incorporates key functions, scales capacity to workload and has potential for further development.

5 COMMERCIAL CASE

5.1 This section of the FBC sets out the commercial benefits from establishing the RCH, and the distinctive contribution of key partners to delivery and risk management.

5.2 In the recent past, residential placements have been arranged through spot purchasing arrangements, in the main using contracts negotiated by each partner separately. Often placements have been made outside the region. However, contract arrangements are changing and prior collaboration work means that national and/or regional “outcomes-based” contracts are coming into place across both local authorities and BCU. This offers a more coherent contracting environment for providers and the RCH will be well placed to build on and contribute further to these developments.

5.3 In addition to more streamlined contracting arrangements, the RCH’s improved approach to market management will bring a number of advantages.

5.4 The RCH will enable North Wales to drive, manage and shape the market as a collective body rather than being driven by the market as individual organisations. This will allow the region to manage capacity as a whole and reduce current gaps between supply and demand. It will enable work in partnership with current providers and potential market entrants to ensure future needs are met. It will encourage competition, ensure the right care is available in the right place and support the North Wales economy.

5.5 The RCH will enable commissioners to improve the steer and advice they offer providers thus enabling them to ensure their businesses are relevant and viable.

5.6 Procurement Strategy

With the advice of North Wales Procurement Partnership, the RCH expects to use a range of procurement approaches to secure value for money. These will include “Open Book Accounting”, which is being used successfully with learning disability placements in North Wales, but other approaches such as tendering, dynamic purchasing or block contracting will also be explored suitable to different market sectors and conditions. Particular focus will centre on enabling providers local to North Wales to develop their businesses to meet current and future needs and market gaps.

5.7 Contractual relationships

The roles and relationships of each of the partner organisations within the RCH are ascribed below

| Organisation | Role/s | Responsibilities |
|--------------|---|--|
| Host partner | Establishment of RCH Employment of staff | Accountancy and s 151 officer support/ financial monitoring Legal, HR, audit support Access to Experian (Provider) |

| | | |
|--|---|---|
| | | credit checks) Performance reporting |
| Local authority partners | Management Board representatives | Ensuring the RCH delivers the benefits planned Reporting to governance structures Ensuring partner organisations comply with agreed systems/procedures to enable the RCH to operate effectively Providing expertise/leadership in agreed areas |
| BCUHB | 3 x Management Board representatives | Ensuring the RCH delivers the benefits planned Reporting to governance structures (CPGs and Board) Ensuring partner organisation complies with agreed systems/procedures to enable the RCH to operate effectively Providing expertise/leadership in agreed areas |
| North Wales Procurement Partnership | Provision of specialist procurement advice | Reporting to NWPP Board Ensuring RCH procurement approaches benefit from best practice |
| Social Services and Health Programme Board | Overseeing implementation of RCH on behalf of the Regional Leadership Board | Political leadership for regional social care/health collaboration |

5.8 Risk allocation

All six local authorities and BCUHB share the risk that savings will be less than projected.

The RCH Manager, with the Management Board and the Social Services and Health Programme Board, bear the risk of ensuring that robust arrangements are in place for the establishment of the RCH, performance monitoring and delivery of the benefits outlined.

All partners face reputational risks around any failure in delivery.

5.9 Summary

There are a range of potential commercial benefits associated with the successful implementation of the RCH both to commissioners and to local businesses. The roles and

responsibilities of each partner have been clearly set out so as to build on strengths, ensure delivery and mitigate risk.

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6 FINANCIAL CASE

6.1 Detailed data and financial appraisal

6.1.1 For the development of the OBC data was collected at a range of points in 2010/11 and further verification and cleansing of the original data revealed the inclusion of out of scope spend. For example the inclusion of independent hospitals and community living packages was identified and this data had to be removed.

6.1.2 Data also confirmed that differential rates were being paid across the region to Providers, for example one Provider generated packages of care ranging from £612 to £3150 per week with no clear differentiation in what was being purchased.

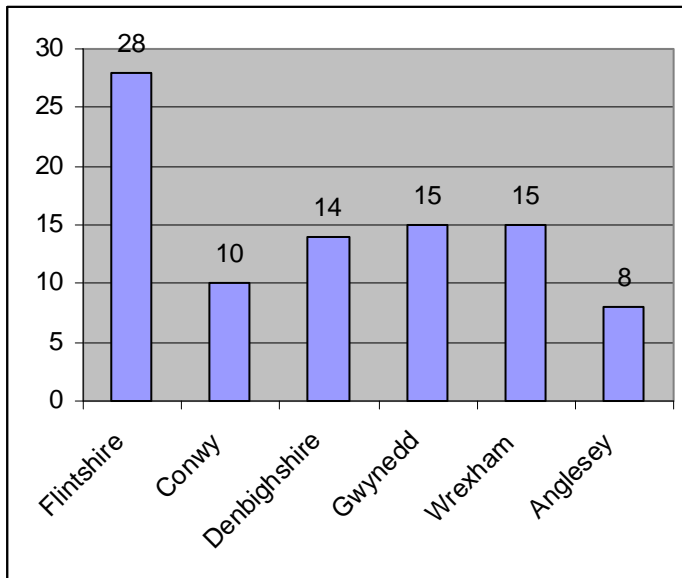
6.1.3 Evidence from the Learning Disability Regional project has revealed that it is less feasible that savings will be made from packages that cost below £1000 a week or from respite. Packages of care that fall into the category of between £500 and £1000 a week and respite have been left in the in-scope spend figures however have not been included in the savings profile within this Financial Case. As the result of intensive local work to improve procurement practice in Flintshire, 5 children's placements have been re-negotiated and therefore have been removed from the expenditure and savings profile. The total in-scope spend therefore, has now reduced from the £62.1m quoted in the OBC to £46m.

6.1.4 Children's placement costs

This table shows the expenditure for children's placements broken down between BCUHB, social care and education.

| Placement Costs | Health | Social Care | Education | Total |
|-----------------|------------------|------------------|------------------|-------------------|
| | £ | £ | £ | £ |
| Flintshire | | 1,925,310 | 1,176,818 | 3,102,028 |
| Conwy | | 748,745 | 593,749 | 1,342,494 |
| Denbighshire | | 899,255 | 733,406 | 1,632,661 |
| Gwynedd | | 1,668,269 | 729,426 | 2,397,695 |
| Wrexham | | 1,803,050 | 258,476 | 2,061,526 |
| Anglesey | | 850,052 | 220,455 | 1,070,507 |
| Health | 2,800,784 | | | 2,800,784 |
| Total | 2,800,784 | 7,894,581 | 3,712,330 | 14,407,695 |
| Under £1000 | | | | 335,486 |
| Respite | | 330,864 | 281,566 | 612,430 |

6.1.5 Number of Children’s placements per authority area which includes BCUHB placements



6.1.6 The total cost of in-scope children’s placements is **£14,407,695**.

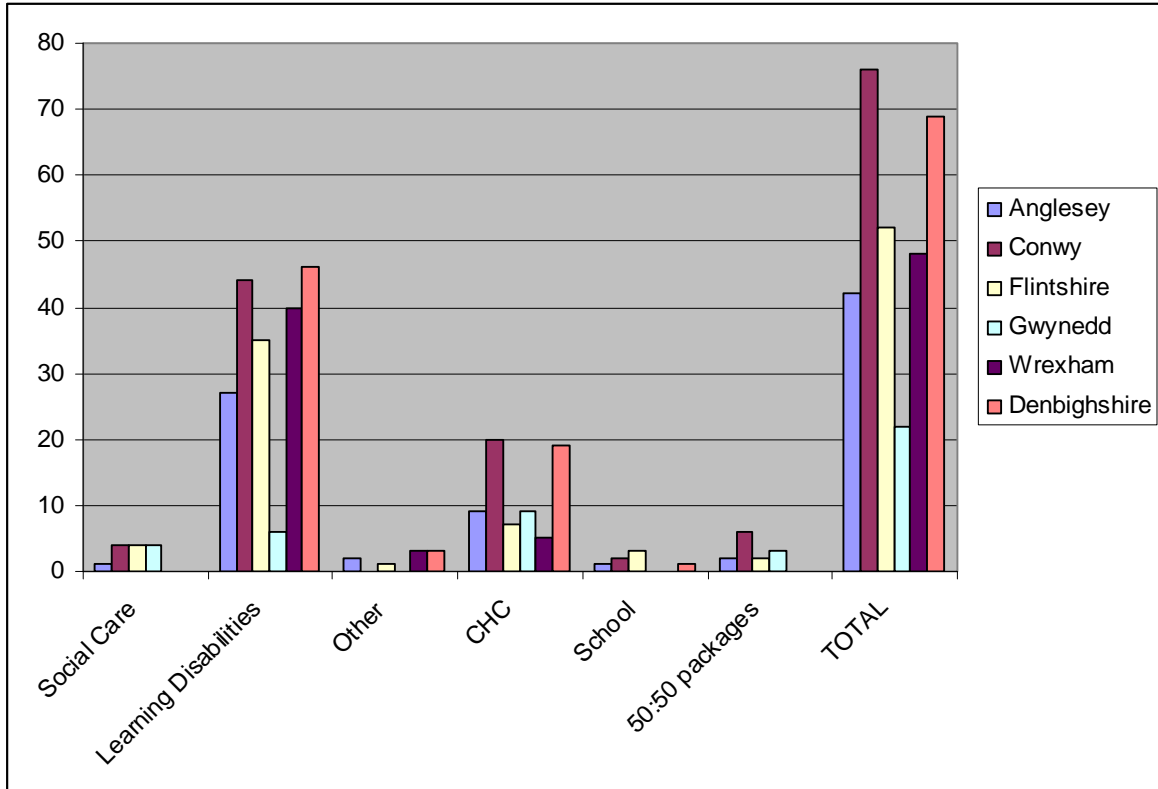
6.1.7 Adults Placement Costs:

This table shows the total expenditure per authority area, BCUHB and client contribution. This table does not include independent hospital or community living costs which were included in the OBC.

| Partner | Gross £ | LA £ | Health £ | Client Contribution £ |
|--------------|--------------------|--------------------|-------------------|--------------------------|
| Anglesey | 3,003,336 | 1,953,724 | 976,957 | 72,654 |
| Gwynedd | 3,537,039 | 2,106,251 | 1,259,931 | 170,857 |
| Conwy | 6,751,126 | 4,436,452 | 2,132,601 | 182,074 |
| Denbighshire | 7,943,339 | 4,738,687 | 2,868,897 | 335,755 |
| Wrexham | 5,284,125 | 3,886,471 | 1,282,577 | 115,077 |
| Flintshire | 4,772,734 | 3,846,697 | 887,650 | 38,386 |
| TOTAL | £31,291,699 | £20,968,282 | £9,408,613 | £914,803 |

6.1.8 Number of adult placements per partner:

This graph shows the number of adult placements broken down into categories.



| | |
|------------------------------|--|
| Social Care | Packages of care in residential/ nursing Homes primarily funded through Local Authorities .This group does include those in receipt of free nursing care contribution of £121 per week . |
| Learning Disabilities | Specialist bespoke packages of care in residential sector funded through LD budgets for both health and social care. |
| Other | Insufficient data received to identify whether funding is from health or social care. |
| CHC | Packages of care either within a nursing home or residential care home fully funded by BCUHB |
| 50:50 | Placements in Residential Care or Nursing home with a proportion of joint funded care |
| Schools | Adult residential colleges costing above £500 per week |

6.1.9 The total number of in-scope adult placements is 309 across the region. The total per local authority area is:

| Local Authority area | Total number |
|----------------------|--------------|
| Anglesey | 42 |
| Conwy | 76 |
| Flintshire | 52 |
| Gwynedd | 22 |
| Wrexham | 48 |
| Denbighshire | 69 |

The anticipated level of savings that can be achieved through procurement from the £46m spend, discounting the packages under £1000 per week and respite, is in the range of £1.1m to £2m (gross) over a 3 year period.

6.2 Financial modelling- savings

6.2.1 The tables below analyse how benefits and costs would be shared on the basis of the data gathered in 2010/11. Data will be updated as part of implementation arrangements to provide the most current picture of projected financial benefits and costs to each partner.

6.2.2 While all partners strive to manage placement costs, the general experience is that the numbers of individuals with complex/challenging needs is increasing. This is in part a reflection of demographic change, for example people with learning disabilities living longer, or children with complex congenital disabilities surviving to adulthood. In some cases, other factors are at play – the increase in the number of looked after children linked to national safeguarding concerns provides an example.

6.3 Projected Savings - Assumptions

The original assumption made was that the methodology adopted in the Regional Learning Disability project would achieve the highest level of savings. However, market sectors vary and work carried out in Flintshire's children services suggests a lower percentage saving there. This may well be because competition in North Wales in the provision of placements for children is less developed than for learning disability placements. We have therefore made our savings predictions based on both local experiences and given a range of outcomes.

6.4 Projected Savings

A range of saving predictions have been calculated including levels of between 2% on packages under £4500 and 5% on packages over £4500, 5% across the board and 5% on packages under £4500 and 10% on packages over £4500 in both adults and children's placements. However, within this range the savings can be anywhere within the 2% and

10% spectrum. A more optimistic prediction could have been made however, based on the Learning disabilities project and Flintshire's children's re-negotiations to generate a saving of between £1.2m and £1.9m appears feasible.

Financial benefits to each partner

The tables below show the anticipated savings on existing care packages broken down into adults, Learning Disabilities and children's services. Savings projections from the Learning Disabilities project for 2012-14 are included within these anticipated savings and will not be in addition.

Scenario 1

Savings

Savings based on adult and childrens savings of 2% under £4500 and 5% over £4500

| Authority | Adults Saving | LD Savings | Children's Saving | Total Saving | % of Overall Saving |
|--------------|-----------------|-----------------|-------------------|-------------------|---------------------|
| Flintshire | £7,074 | £241,151 | £78,798 | £327,023 | 28.40 |
| Conwy | £13,664 | £65,786 | £45,361 | £124,811 | 10.84 |
| Denbighshire | £4,127 | £7,468 | £39,771 | £51,366 | 4.46 |
| Gwynedd | £11,722 | £34,764 | £74,530 | £121,016 | 10.51 |
| Anglesey | £5,268 | £30,450 | £34,721 | £70,439 | 6.12 |
| Wrexham | £5,643 | £162,674 | £62,236 | £230,553 | 20.02 |
| BCUHB | £153,166 | | £73,225 | £226,391 | 19.66 |
| Total | £200,664 | £542,293 | £408,642 | £1,151,599 | 100.00 |

Scenario 2

Savings

Savings based on adults and childrens savings of 5% under £4500 and 10% over £4500

| Authority | Adults Saving | LD Savings | Children's Saving | Total Saving | % of Overall Saving |
|--------------|--------------------|--------------------|-------------------|-------------------|---------------------|
| Flintshire | £17,685 | £241,151 | £183,032 | £441,868 | 22.49 |
| Conwy | £34,160 | £65,786 | £97,976 | £197,922 | 10.07 |
| Denbighshire | £10,317 | £7,468 | £93,496 | £111,281 | 5.66 |
| Gwynedd | £29,304 | £34,764 | £164,179 | £228,247 | 11.61 |
| Anglesey | £13,169 | £30,450 | £75,710 | £119,329 | 6.07 |
| Wrexham | £14,108 | £162,674 | £138,085 | £314,867 | 16.02 |
| BCUHB | £382,915 | | £168,723 | £551,638 | 28.07 |
| Total | £501,657.85 | £542,293.00 | £921,201 | £1,965,152 | 100.00 |

6.7 Financial modelling- costs

- 6.7.1 A number of options for sharing the costs of the RCH were considered. These included sharing costs on an equal basis between partners, or sharing on the basis of head of population served.
- 6.7.2 However, the recommended option at this stage is for 3 core staffing costs to be shared proportionately to projected savings and the Contract Monitoring post costs to be shared proportionately on a population basis and the running costs to be shared on a population basis, and the results of this are set out below. Given that it will not be possible to define actual savings until the RCH has completed negotiations with providers, a process of signing off savings, and reconciling these with costs will be used. A different method of sharing costs may be appropriate in future as the function of the RCH develops and changes (eg if new local services are commissioned as an alternative to out of area placements).
- 6.7.3 The modelling below sets out cost sharing assumptions showing the core staffing plus a 0.75 FTE Contract Monitoring post.
- 6.7.4 Each local authority currently contributes £7k per year to meet the costs of the regional learning disability project, as it is proposed that the functions of this project will essentially be subsumed into the RCH, these financial contributions have been offset against the costs of each Council.

RCH operational costs – 3 core staff plus 0.75 FTE Contract Monitoring plus running costs

| Authority | Staffing Costs – 3 members of staff | Delivery of Contract monitoring framework | Contract Monitoring Visits | Running Costs £20k year 1 | Total | Less Current Contribution to LD Project | Additional Contribution Required |
|--------------|-------------------------------------|---|----------------------------|---------------------------|-----------------|---|----------------------------------|
| Flintshire | £30,986 | £2000 | £2195 | £2,200 | £37,381 | £7,000 | £30,381 |
| Conwy | £13,879 | £2000 | £1725 | £1,600 | £19,204 | £7,000 | £12,204 |
| Denbighshire | £7,804 | £2000 | £1411 | £1,400 | £12,615 | £7,000 | £5,615 |
| Gwynedd | £16,006 | £2000 | £0 | £1,800 | £19,806 | £7,000 | £12,806 |
| Anglesey | £8,368 | £2000 | £0 | £1,000 | £11,368 | £7,000 | £4,368 |
| Wrexham | £22,080 | £2000 | £0 | £2,000 | £26,080 | £7,000 | £19,080 |
| | | | | | | | |
| BCUHB | £38,683 | £2000 | £10,347 | £10,000 | £61,030 | | £61,030 |
| Total | £137,806 | £14,000 | £15,678 | £20,000 | £187,484 | £42,000 | £145,484 |

- 6.7.5 Following the formula used above, and assuming 4 members of staff, these are the anticipated net savings for each of the partners.

Net Savings

| Authority | Net Savings with 4 members of staff assuming adult and childrens savings of 2% under £4500 and 5% over £4500 | Net Savings with 4 members of staff assuming adult and childrens savings of 5% under £4500 and 10% over £4500 |
|--------------|--|---|
| Flintshire | £289,642 | £404,487 |
| Conwy | £105,607 | £178,718 |
| Denbighshire | £38,751 | £98,666 |
| Gwynedd | £101,210 | £208,441 |
| Anglesey | £59,071 | £107,961 |
| Wrexham | £204,473 | £288,787 |
| | | |
| BCUHB | £165,361 | £490,608 |
| Total | £964,115 | £1,777,668 |

6.7.6 Finance protocol

The principal purpose of the RCH is to improve quality and optimise value for money in residential placements through collective approaches to commissioning, procurement and monitoring quality. These placements are frequently funded on a joint or tripartite basis by partners. There is the potential for costs to be moved around between partners rather than focusing on more efficient procurement. For this reason, a protocol setting out rules of engagement and processes for monitoring savings patterns and for dispute resolution have been developed. A draft is attached at Appendix 3.

It will also be necessary to undertake substantial awareness raising/training work with front line staff and managers across partners as part of implementation. This will be required to ensure that the purpose and collective endeavour of the RCH are fully understood and embedded in day to day practice.

6.8 Risks

There is a risk to the financial assumptions if all partners do not sign up to the RCH though sensitivity analysis shows that the RCH is still financially viable without all potential partners

Data collected and used within this FBC is based on that collected for the OBC and some is now out of date.

Savings percentages have been informed by local experience but cannot be guaranteed

Cost sharing has been informed by evidence based estimates of savings but cannot be finalised until actual savings are known.

6.9 Summary

While a range of savings assumptions have had to be made on the basis of local experience, even pessimistic assumptions show the RCH to be financially viable for all partners. This remains true even if one partner decides not to take part and without all partners' buying into the contract monitoring function. This does not take account of further financial benefits from cost avoidance or from local commissioning of alternative service models.

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7 Management Case

7.1 The Management Case sets out the proposed delivery arrangements for the RCH including governance arrangements, HR implications, benefits realisation, implementation and change management requirements.

7.2 Governance Options

The governance options considered for the RCH included an option using existing governance arrangements to a corporate option of establishing an arms length company. Consideration and evaluation of the options, however, using agreed evaluation criteria, has concluded that the preferred option for this project is to have a host partner underpinned by a partnership agreement and management board.

7.3 The governance options considered for the RCH were:

Option 1

Collaborative Option

Using existing governance structures such as NWSSIC plus the Regional Social Services and Health Programme Board.

Option 2

Host Authority single employer/delegation model

Agreeing a host partner to employ the staffing underpinned by a management board and partnership agreement with reporting to the Social Services and Health Programme Board.

Option 3

A new organisation (Corporate option)

An arm's length arrangement would be set up as the 'corporate vehicle' to deliver the service; there are many different options e.g. a company limited by shares, a company limited by guarantee, a limited liability partnership, a co-operative or community company. The parties would still need a contract with this corporate vehicle, whichever form it could take. Staff could be employed by this new organisation.

7.4 Evaluation of Options

Evaluation of the governance options was carried out by members of the governance work stream using pre-set criteria as below.

The outcome of the evaluation was as follows:

| Criteria | Weighting | Option 1 | | Option 2 | | Option 3 | |
|---------------------|-----------|----------|----------|----------|----------|----------|----------|
| | | Raw | Weighted | Raw | Weighted | Raw | Weighted |
| Staff and Structure | 7 | 1 | 7 | 2 | 14 | 2 | 14 |

| | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-------|-----|-----|
| Stakeholder buy-in | 15 | 1 | 15 | 2.5 | 37.5 | 0 | 0 |
| Quality and Service User led | 20 | 1.5 | 30 | 2 | 40 | 1.5 | 60 |
| Scrutiny | 13 | 1 | 13 | 3 | 39 | 2 | 26 |
| Risk and Liability | 10 | 0 | 0 | 2 | 20 | 1 | 10 |
| Collective Influence | 20 | 1.5 | 30 | 3 | 60 | 2 | 40 |
| Business potential and enterprise | 5 | 1 | 5 | 3 | 15 | 3 | 15 |
| Sustainability | 10 | 1 | 10 | 2.5 | 25 | 1.5 | 15 |
| TOTALS | 100 | | 110 | | 250.5 | | 180 |

Full details of the options considered and the valuation criteria are available. Option 2 was the clear favourite following scoring.

7.5 Delegations

Implementation of the preferred governance option will not take away individual partner's responsibilities in relation to providing social care and health services and statutory responsibilities will remain with each partner. Functions however, would be delegated to the RCH as follows:

| Delegating | Not Delegating |
|--|---|
| Collection and collation of accurate information around placements | Care Planning Decision on appropriate placement |
| Contract Monitoring – health, social services and education (at the request of partners) | Care management responsibilities Individual service user reviews |
| Price negotiations | Budget |
| Relationship with Providers | Contract Monitoring – some partners |
| Market management | Safeguarding |
| Commissioning functions | Contract Compliance |
| Information security | Relationship with service users and carers |
| Brokerage of in-space placements | |

7.6 Scrutiny

Each partner will still need to monitor and scrutinise the services of the RCH through regular monitoring involving their scrutiny and other relevant political processes. It is proposed that responsible persons from each partner are identified to be responsible for taking reports through the scrutiny process of their own organisation on an annual basis. Responsible persons will be members of the Management Board for the RCH or members of the Social Services and Health Programme Board. To enable this to happen the RCH will be responsible for compiling a 'common script' report to be used by every partner. Reports for these purposes will be available in both English and Welsh. The strength of this model is that:

- the workload is shared;
- accountability is maintained at partner level;
- it fits in with current constitutional arrangements;
- it requires representatives on the Management Board and Social Services and Health Programme Board to 'own' the performance of the RCH;
- it aligns individual and collective accountability.

7.7 Management Board

7.7.1 The composition of the Management Board has been considered and options range from each partner simply having one officer, plus a representative from NWPP, to more complex options.

7.7.2 To avoid making the Management Board complex, a Management Board consisting of the following representation is recommended:

1 Chair – Director or Associate Chief of Staff level

6 Local Authority representatives – ensuring coverage of adults, children's, business, finance and education

3 BCUHB representatives

1 NWPP representative

7.7.3 Adopting this option will give a maximum of 11 members sitting on the Management Board. A quorum for the Management Board is recommended as 4 out of 7 Local Authority representatives and 1 out of 3 BCUHB representatives. Each member of the Management Board will nominate a named deputy. Members of the Management Board will have voting rights and this voting right will be transferred to the deputy if the named representative cannot attend. In the event that both the named member and deputy are in attendance only one vote will be permitted. It is only envisaged that voting will occur when consensus has not been reached. The Management Board will report to the Social Services and Health Programme Board.

7.7.4 Terms of Reference for the Management Board are being compiled in preparation for implementation.

7.8 Partnership Agreement and Key Content

7.8.1 A draft Partnership Agreement is in the process of development with the assistance of a Denbighshire County Council Legal Officer. This however, will need to be reviewed by legal advisors acting for the partners also. A mature draft of this agreement is available.

7.8.2 The agreement will be based on the following Acts:

- A) Section 33 of the National Health Service (Wales) Act 2006
- B) S2 Local Government Act
- C) S.101 Local Government Act 1972
- D) S.113 Local Government Act 1972
- E) S.111 Local Government Act 1972
- F) S.19 Local Government Act 2000
- G) Local Authority Goods and Services Act 1970

7.8.3 Agreeing work programmes/benefits realisation

It is recommended that an annual work programme, with associated targets, is agreed at least annually to ensure delivery of RCH objectives. The broad phasing of work within the RCH is recommended as follows:

Year 1

Priority will be given to delivering savings from procurement of current care packages.

Establishment of regional contract monitoring arrangements will be finalised in relation to those partners who will conduct contract monitoring themselves and those which have opted to buy this function from the RCH.

Establishment of core services which all partners will buy into ie: information sharing, data collection and sharing, negotiation, procurement arrangements for existing placements, placement brokerage service for new placement.

Year 2 onwards

As capacity becomes available, and as opportunities arise for better value procurement of other categories of spend, or commissioning alternative service models, the following would apply:

- at the beginning of each year (or other time period as agreed) every partner would be asked to propose priorities for the following time period
- these could relate to regional proposals, sub-regional proposals, or local authority/BCU proposals but at least two partners would be expected to be involved

- In deciding on priorities for the work programme, regional proposals involving all partners would generally be prioritised
- Sub-regional proposals with good potential to benefit, or be rolled out wider would be prioritised next
- Over time (a maximum of 3 years) all partners would have access to a 'fair' share of commissioning activity
- For the foreseeable future, it would not be expected to charge partners separately for commissioning activity. This would be in order to keep financial transactions as simple as possible and also to maintain an ethos of consensus and collective advantage rather than a commercial relationship between partners and the RCH.

7.8.4 Performance Management Framework

To manage the success and productivity of the RCH a performance management framework has been drafted based on the benefits identified for the RCH and a results based accountability model (RBA). This has been divided into four quadrants to include reporting on:

- Activity
- Performance
- Feedback
- Finance

The RCH will be responsible for reporting on the performance of the RCH to the Management Board on a regular basis. The performance management framework can be found in Appendix 2.

7.8.5 Equality impact assessment

An initial Equality Impact assessment for the project has been completed based on the Denbighshire County Council assessment tool which has been slightly adapted to incorporate the BCUHB assessment tool. The Equality Impact Assessment will need to be reviewed annually during the lifetime of the project.

The RCH will work with partners in an inclusive way recognising the importance of promoting communication in both Welsh and English. This has been reflected in the HR strategy for the RCH. A translation budget has also been included in the running costs.

7.8.6 Service Level Agreements with partners and what they will cover

It is envisaged that a Service Level Agreement or Memorandum of Understanding will be needed between the RCH and other collaborative projects such as NWPP and possibly South East Wales Improvement Collaborative. Specialist procurement expertise would be available via the North Wales Procurement Partnership or its successor along with a range of support services such as legal and audit from the host partner. North Wales has been in

negotiations with the South East Wales Improvement Collaborative (SEWIC)in relation to their regional developments and should North Wales wish to work with SEWIC to develop any All Wales initiatives in future then an agreement would be needed. A Memorandum of Understanding will be needed between the RCH and each individual partner to ensure clarity about which functions remain local and which functions are delegated to the RCH. It is envisaged that any such agreements could be developed on behalf of the RCH via the Host Authority's legal department.

7.8.7 HR issues

7.8.7.1 Job Descriptions and person specifications

Job descriptions and person specifications for each role within the RCH have been developed drawing on those for similar posts in existence in North Wales. These will be subject to job evaluation by the host partner when the decision about hosting has been taken.

The RCH team will need a mix of professional background and experience in Adult Social Care, Children's Services, Health, Education and Procurement. It may be difficult to get the full range of experience ideally needed and development/training of staff is likely to be required.

7.8.7.2 Welsh Language Policy for posts in the RCH

It is recommended that at least half of the post holders in the RCH will be bilingual. This is to ensure that all aspects of the work of the RCH can be delivered in either language according to need. It is not proposed to designate which posts to give a degree of flexibility in appointment. This will be critical given the small scale of the team and the scarcity of the skills required to undertake these posts.

7.8.7.3 Length of Contracts

Contracts of employment will be offered initially for a 3 year period. The rationale for this is that it is expected that the majority of savings from high cost, low volume residential placements will have been achieved within 2 years. A small brokerage service will be required to maintain services subsequently.

It is also anticipated that there will be a demand to use the RCH to undertake procurement of other services too. However, this is not part of this FBC and has not yet been agreed. In addition it is anticipated that there will be further demand for regional commissioning of alternative services both to improve quality and for cost avoidance but again this has not yet been agreed. There is expected to be growth in demand for regional contract monitoring arrangements however these are new arrangements and there is value in reviewing arrangements before potentially a permanent service pattern is agreed.

7.8.7.4 Consultation process

Staff groups affected by the RCH have been briefed during the development of the OBC and FBC. It is anticipated that formal staff and Trade Union consultation will take place once the FBC has been agreed via partners' governance processes in February 2012.

7.8.7.5 Current post holders potentially impacted by the RCH

Given that this service has only been undertaken as a very small part of the responsibilities of existing post holders previously, it is anticipated that there is only a small risk of redundancy within existing services. In addition, given the nature of the RCH, it is expected that only a tiny number of job holders within existing partners might have a claim on posts in the new structure.

Processes developed for the planned Regional School Effectiveness and Improvement Service (RSEIS) will, however, be used to ensure appropriate rigour to identify post holders who may have a claim and to consider possible ring fenced groups of staff and possible matches. As with RSEIS, it is recommended that independent facilitation be used for job matching purposes to ensure transparency.

TUPE could also arise if there are found to be existing employees with a job match and the RCH is hosted by a partner who is not their current employer. The extent of this needs to be identified and suitable processes need to be put in place. Again, work developed for RESIS will be used as a template. Similarly redundancy could arise if the base for the RCH was located at a distance too far for a post holder with a job match.

7.8.7.6 Size of the RCH Team

The RCH team will be small comprising 4 staff only. In addition, the skills required to undertake the roles are scarce, requiring a mix of professional care and procurement expertise. As such, the delivery of agreed outcomes will be vulnerable to risks such as sickness or maternity leave. To mitigate this risk there are several options:

- A contingency budget could be included in the RCH costings to enable cover, though this may be difficult to source (and contingency budgets can be an unpopular concept)
- Be explicit that the costings do not cover contingencies like this and, if they arise, partners will be expected to make resources available to enable the RCH to function effectively
- Build in training/development opportunities for staff in related services e.g. Commissioning and Contracts staff within local authorities, procurement staff within BCU or the staff of NWPP so that a broader group of staff with relevant skills is built over time.

The third option, possibly in conjunction with either of Options 1 or 2 seems most promising.

7.8.7.7 Advertising and appointment processes

Following conclusion of appropriate job matching/TUPE processes, it is envisaged that any posts not filled by these routes will be advertised internally in the first instance, among partners. This will include consideration of employees in redundancy pools.

All potential internal candidates will be subject to competitive recruitment and selection processes. Prior consideration will be given to employees facing redundancy. Prudence however, will be taken over ensuring that the right staff are employed to ensure the success of the RCH.

7.8.7.8 Secondment arrangements

Given the length of contract, the RCH would welcome applicants from candidates who wish to be seconded from partners. Organisations however, are increasingly placing a limit on the length of secondments and this may limit the feasibility of this option. Detailed possibilities will be worked out through the host partner once agreed.

All candidates who would wish to be seconded will be subject to competitive recruitment and selection process.

If partners want to make their contribution to the RCH via a post rather than cash through offering a potential secondee, this would only be considered if the employee concerned can demonstrate appropriate skills and experience as the case would be for employees being matched.

7.8.7.9 Terms and Conditions of employment

The general principle is that the terms and conditions applying would be those of the host partner. In the event of a secondment, the employee's existing terms and conditions will apply. If there is a financial difference between the salary within the RCH structure and the substantive role, the employing partner would be expected to pay the difference.

7.8.7.10 HR policies and procedures

The HR policies and procedures of the host partner would be applied. In the event of a secondment, the policies and procedures of the employing organisation will apply. However, for simplicity and to support the development of the RCH team, consistency and fairness, partners would be expected to commit to ensuring common approaches across the team as far as possible.

7.8.7.11 Implementation of HR strategy

An indicative HR implementation plan has been compiled identifying actions to be taken, by whom, lead time and HR time. The total HR capacity required to deliver on this plan has been estimated as costing approximately £3k. It is anticipated that this funding will come from the Regional Partnership Board's Transformation Fund and will therefore, not impact on partner contributions.

7.9 Provider Consultation

It is expected that the Regional Manager appointed to the RCH will meet with Providers to introduce the project and thereafter inform them of the strategic direction of the partnership. The RCH will then become the single point of contact in relation to in-scope services.

7.10 Relationship with services retained locally within partner organisations

The RCH Team will have regular contact with local Commissioning, Procurement and Monitoring officers retained within partner organisations.

7.11 Relationship with Providers, Service Users and Carers

Each partner has its own forums with Providers, service users and carers which assists them to inform the commissioning direction required for future service development. These will continue to exist and inform via the Management Board the strategic direction for each particular service area.

At present childrens' services do not specifically consult with families and children in care about high cost low volume residential placements and the RCH could explore methods of improving consultation processes in Childrens' services.

Within Learning Disabilities a regional service user forum has been established which meets twice a year and seeks feedback from service users about their priorities for service improvements. It is envisaged that this will continue and be supported administratively via the RCH.

7.12 IT Arrangements

During the initial implementation, basic databases will be workable, similar to those used in the current Regional Learning Disabilities project. However, for the longer term, IT requirements will need to be further explored with IT colleagues and will require detailed consideration of systems currently available. To develop a database with a secure portal will cost around £10k and a total of 25 days to develop using an in-house IT department. It is anticipated that this funding can be secured through the Regional Partnership Board's Transformation Fund.

There is an All Wales initiative beginning to emerge around an IT system that links CCSR and Bravo in addition to developing an adults version of the CCSR database. It is essential for the preferred system to be able to link to any national systems. However, it is too early to predict whether there will be any costs associated with this development.

7.13 Information Governance Arrangements

It has been recognised that a robust information sharing protocol will be required and this will be incorporated into the Partnership Agreement. In relation to sharing of personal data, partners will be expected to sign up to the WASPI agreement.

7.14 Monitoring and post implementation evaluation arrangements

The RCH would be overseen by the Management Board and the Social Services and Health Programme Board. Both of these meet quarterly or more frequently and comprise high level officers and politicians from partner organisations. They would be responsible for monitoring delivery against the benefits, activity, finance and quality measures in the Performance Management Framework and reporting appropriately to the governance arrangements of each partner.

7.15 Implementation arrangements -Risks

This is a complex partnership involving multiple partners with risk of conflicting priorities and expectations. However, work has already been undertaken on a draft Partnership Agreement, Performance Management Framework and approach to work programming which, when complete, will help to mitigate this risk. Comprehensive awareness raising and training for practitioners and managers will be required to support successful implementation.

The work of the RCH will involve sharing personal and commercially sensitive data. Appropriate information sharing protocols will be part of the Partnership Agreement and development of these is a high priority following agreement of the FBC.

The small size of the proposed RCH team means that the risks of redundancy in partner organisations are small. However, policies and approaches developed for RSEIS are being used to mitigate any risk of HR difficulties. Cultural and linguistic risks have been addressed through the language profile established for the team.

The small scale of the RCH team carries risk of not being able to recruit and of significant impact on realising the benefits of the RCH if staff are off sick or absent for other reasons. The best mitigation for this risk medium term appears to be to ensure staff roles are appropriately flexible and to develop skills within partners so that cover is possible. Making partners aware of this risk, and the need to find additional resource to enable cover, is the other potential mitigation identified.

IT arrangements for this project do not need to be complex and are not considered costly in the short-term. However, development of a secure portal will be needed .

7.16 Summary

Though the RCH team is small in scale, the partner relationships are complex and the commissioning budgets involved are significant. However, work developed for the RCH FBC has begun to address systematically the practical arrangements that will need to be in

place to enable the RCH to operate effectively. Providing this work is finalised in the implementation stage, none of the issues identified present a significant barrier to implementation.

8 Next Steps

- Recruitment of staff to the RCH
- Induction of staff
- Change management training for each partner organisation
- Developing and finalising policies, procedures and protocols for the RCH
- Provider engagement
- Service User consultation
- Finalising and signing of Partnership Agreement
- Development of MoU and SLA's with partners, NWPP and other collaboratives
- Setting up management board
- Agreement of benefits realisation plan ,work programme and targets for year 1
- Re-collection and collating of in-scope data

An action plan with proposed timescales is included in Appendix 5 which will be developed further in the implementation phase and when Regional Manager is in post.

Appendix 1

AIMS, PRINCIPLES and OBJECTIVES

Context

The Regional Commissioning, Procurement and Monitoring Hub will deliver collaborative commissioning activities across North Wales for social services, education and health. “Sustainable Social Services for Wales: A Framework for Action” (2011) notes the Welsh Government’s expectation that more efficient and effective service delivery is carried out through collaboration and integrated working and states that ‘doing things 22 times is not an option’. It also expects to see positive examples of planning of services on a regional or, where appropriate, national basis. Establishing a Regional Commissioning, Procurement and Monitoring Hub in North Wales, based on the LHB’s footprint will begin to deliver on WG’s requirement to collaborate on commissioning of services. We understand commissioning to cover a range of activities including needs assessment, service specification, procurement, monitoring and review. Over time, we see potential to collaborate on a range of initiatives within this cycle.

“Sustainable Social Services for Wales” itself notes that ‘change cannot be achieved overnight’ and recognising this, the North Wales RCH will initially undertake regional commissioning, procurement and monitoring for high cost, low volume residential placements. However, it expects to agree a future work programme of regional and sub-regional collaboration in other service areas too.

In relation to health ‘Together for Health: A Five Year Vision for the NHS in Wales’ and the ‘NHS Wales: Forging a Better Future 2008-2011 documents are pertinent as they advocate the need for partnership working between the NHS and other public sector organisations to drive out waste and maximising efficiencies.

Aims

The aims of the RCH are

- To achieve better quality local authority and health services for vulnerable adults and children- initially in high cost low volume residential placements
- To achieve better value for money for both local authority and health services
- To share and co-ordinate information and intelligence and plan together in service areas of common interest
- To commission different and local services which promote independence and inclusion and offer good value for money
- To develop and maintain sustainable provision in North Wales to meet current and future needs

Principles

- Putting the individual and carer’s needs at the heart of commissioning
- Ensure sustainability of market
- Use of resources in a joined up way
- Using purchasing power/leverage to obtain best value for money for North Wales
- Better outcomes for service users
- Deliver collaborative commissioning arrangements across North Wales allowing for local accountability, flexibility and delivery
- Collaboration to reflect cultural and language needs

Objectives

- Develop a common approach to analysing local needs and service usage, built on best practice across the region and beyond. This will include collection of common information on the nature of in-scope services, on unit costs, contract prices, providers, capacity and outcomes- to a consistent format
- Benchmark data regionally and sub-regionally
- Develop procurement strategies for in-scope services to deliver best possible value for money. Negotiate with providers on behalf of partners to achieve best value for money
- Procure placements and services and provide a regional brokerage service for in-scope services
- Explore the development and management of databases for partners for each in-scope service
- Explore the development and maintenance of preferred provider lists
- As opportunities arise explore better value procurement of other categories of spend, or commissioning alternative service models
- On the basis of needs and gap analysis, develop regional/sub-regional commissioning plans in accordance with agreed work programme priorities
- Commission new services and support local commissioning teams to commission new services in areas agreed within the work programme
- Develop a regional framework for the contract monitoring of in-scope services, providing a direct service as required and ensuring monitoring information is shared and held to promote safeguarding and appropriate information security
- Network with other regions in Wales to ensure that practice and initiatives are in line with best practice and well co-ordinated
- Provide a single point of access for providers of in scope services
- Use market intelligence to enable the market to be shaped to deliver best use of local provision/capacity
- Monitoring market sustainability
- Monitoring trends to anticipate future needs

APPENDIX 2 – Performance Framework

CONTEXT

1. This Performance Framework provides the required key financial, activity, performance and feedback information to be reported to the 'Management Board'. In addition to this data, it will also be expected that the RCH reports on the wider benefits realised in the form of a report.
2. It is envisaged that the measures within the framework will be reported upon by service user group, by partner organisation or collectively.
3. Individual performance indicators, within the final agreed version of the Performance Framework, will be required to have their baselines established in order for the performance curve to be monitored from that point.
4. Performance indicator targets could be established, or preferably, performance could be monitored in terms of ensuring that the curve is turning in the required direction (RBA style).

CRITERIA FOR SUCCESS

1. Evidence of making cost savings (cashable and non-cashable for partners)
2. Improved service provision for service users
3. Ensuring sustainable provision of placements in North Wales

| <i>Indicator</i> | <i>Source of information</i> | <i>Frequency of reporting</i> | <i>Baseline (Q4 11/12?)</i> |
|---|------------------------------|-------------------------------|-----------------------------|
| Activity quadrant | | | |
| Number of placements on Hub database by partner by service type | Hub database | Quarterly | 200 LD |
| Number of referrals received from partners per quarter | Hub database | Quarterly | 13? |
| Number of negotiations carried out | Hub database | Quarterly | |
| Number of new placements made per month | Hub database | Quarterly | 10? |
| Number of providers lost to market | APL | Quarterly | TBC |
| Number of new providers added to market | APL | Quarterly | TBC |
| Number of vacancies (to inform trend information) | Hub database | Quarterly | TBC |
| Number of safeguarding referrals made by Hub to Local Authority | Hub database | Quarterly | TBC |
| Number of safeguarding notifications made by Local Authority to Hub | Hub database | Quarterly | TBC |
| Number of complaints received regarding Hub | Hub database | Quarterly | TBC |
| Performance quadrant | | | |
| Length of individual tendering process (benchmark 3 days to get quote back from Providers). | Hub database | Quarterly | 3 days |

| <i>Indicator</i> | <i>Source of information</i> | <i>Frequency of reporting</i> | <i>Baseline (Q4 11/12?)</i> |
|--|------------------------------|-------------------------------|-----------------------------|
| % of contract monitoring visits to providers completed within timescales [dependent on whether this becomes function of hub]. | APL | Quarterly | TBC |
| % of complaints received by Hub and responded to within Welsh government social services complaint procedures. | Hub database | Quarterly | TBC |
| <i>Feedback –outcomes quadrant</i> | | | |
| % of Providers satisfied with the service | Survey plus forum | Annually | TBC |
| % of Partners satisfied with the service | Survey | Annually | TBC |
| Number of complaints received about Provider by service type | Hub database | Quarterly | TBC |
| Number of compliments received about Provider by service type | Hub database | Quarterly | TBC |
| Feedback from stakeholders regarding monitoring activity | Survey | Quarterly | TBC |
| <i>The following could be reported upon via care management process or quality monitoring process currently being developed.</i> | | | |
| % of service users (and family?) indicating that they feel involved in developing their care plans. | | | |
| % of service users indicating they feel listened to. | | | |
| % of service users indicating they are treated with dignity and respect. | | | |
| % if service users saying their (agreed?) needs are being meet. | | | |
| % of service users saying their independence has improved as a result of the support they receive. | | | |
| <i>Finance quadrant</i> | | | |
| Average unit cost of placements managed by Hub by service type. | Hub database | Quarterly | TBC |
| Confirmed savings by Hub, by partner and by service type | Hub database | Quarterly | TBC |
| Savings made on new placements from original £ quoted by Provider | Hub database | Quarterly | TBC |
| Finance report on the running costs of the Hub | | Quarterly | |

Appendix 3 - DRAFT Finance Protocol/ Rules of engagement

The aim of the Regional Commissioning Procurement and Monitoring Hub (RCH) is to achieve collective advantage through a common approach to procurement, commissioning and improving quality. Achieving overall collective advantage requires a set of collaborative behaviours and agreements, not least in relation to financial matters. This is because what will achieve most benefit to most partners will not necessarily benefit an individual partner most at all times. In addition, a partner may stand to lose financially in occasional negotiations and it will be key to mitigate this in order to maintain commitment and stability in the partnership.

The protocol sets out some key principles and expectations. It has been developed in recognition that public services currently operate in extraordinarily difficult financial circumstances. This can lead to behaviours which put the short term financial interests of organisations above that of the whole system while it is the whole system on which vulnerable residents depend.

Practical Matters

- Partners will be expected to pay their contribution to the running costs of the RCH up front. No services will be delivered until the host authority has received payment from all partners

Cost sharing/benefits

- Costs for core staff to be shared proportionately to each partner's projected savings
- Costs of the contract monitoring post will be shared on the basis of a set amount to deliver the monitoring framework and contract monitoring visits per population of those partners who wish to purchase this service
- Running costs have been divided equally across each partner
- A process for signing off savings will be agreed by the Management Board/Section 151 officer
- A reconciliation process will take place to reconcile costs once savings have been achieved

Key Principles to meet RCH aims and objectives

- achieving collective financial advantage in this partnership means achieving financial advantage both for the NHS and for each local authority during the life of the RCH
- success will be achieved if savings from current baselines are achieved in accordance with savings projections and targets set for the RCH. This may require patience. Not all partners may be winners on Day 1

- achieving savings at the expense of another partner will not constitute success – this will create financial stress in a different part of the system and undermine the collaborative partnership behaviours on which successful partnerships and improved services to vulnerable residents within the scope of the RCH
- local market sustainability, quality and development to meet service user needs are key RCH objectives. Achieving savings at the expense of this will not constitute success

Procurement

- Procurement of all in-scope placements by partners must be made via the RCH
- No organisation is allowed to negotiate fees separately with providers of the in-scope services as this could potentially undermine the collective negotiating position. Where discussions of this nature is required this can only be undertaken with agreement from the RCH Manager who will report this to the Management Board.
- Records will be maintained to evidence savings from procurement activity and these will be verified by the Management Board

Commercially sensitive information

- detailed financial information gathered by the RCH for negotiation purposes will not be shared with any partner in order to protect commercial sensitivity. Aggregated data will be shared.

Commissioning

- where new/alternative services are to be commissioned, partners will be expected to evidence the full costs of providing the current service to groups/individuals. This is to enable clarity on current baseline costs and to enable realistic setting of targets for saving/cost avoidance
- Robust records to evidence savings and quality improvements will be kept by the RCH

The disputes procedure within the Partnership Agreement will be utilised to address any issues arising from this protocol

| Appendix 4 - Risk register | | | | | | | | |
|----------------------------|---|--|--|--------|------------|------------|--|-------------------------|
| Risk No | Risk description | Caused by | leads to | Impact | Likelihood | risk level | Mitigating action | Risk level after action |
| 1 | Insufficient Resources for initial funding the unit | Inequitable investment from Partners. | viability issues for the remaining partners | HIGH | MED | 7 | Robust Financial modelling & profiling has been completed recommending investment based on predicted savings and population stats. | 6 |
| 2 | Projected savings not being achieved | Market Conditions | Loss of investment | HIGH | LOW | 6 | MOA with NWPP which will enable RCH to Draw down advice and expertise re alternative procurement strategies | 3 |
| 3 | Lack of investment in Regional Quality Monitoring service | Partners opting to carry out monitoring responsibilities within their own localities | Inconsistency of quality monitoring across the region | HIGH | HIGH | 9 | Development of Regional Quality monitoring framework in year 1 | 5 |
| 4 | Staff Recruitment | Short term Contracts | Delay in Service delivery and projected savings being achieved | MED | LOW | 3 | HR Strategy & Action plan developed | 1 |
| 5 | HR Difficulties | Proposed staff team is small | Impaired Service delivery & delayed targets | MED | MED | 5 | Policies and approaches for RSEIS are to be implemented & contingency plans will need to be agreed. | 2 |

| | | | | | | | | |
|--|--|--|--------------------------------|--|------|-----|------------|------|
| | | | | | | | | |
| | | | | | High | 6 | 7 | 9 |
| | | | | | Med | 3 | 5 | 8 |
| | | | High risk - prompt action | | Low | 1 | 2 | 4 |
| | | | Medium risk - Contingency plan | | | Low | Med | High |
| | | | Low risk - monitor | | | | | |
| | | | | | | | Likelihood | |

DRAFT

Appendix 5 - IMPLEMENTATION ACTION PLAN

| STEP | Description | Who | Lead Time | Start/Finish | Time | Notes |
|----------------------|--|-------------------------|------------------------|--------------|---------------------------|-------|
| Recruitment of staff | Agree Job Descriptions and Person specs for 4 posts | SS and HR | 2 weeks | | 16 hours | |
| | Evaluate job descriptions | JE Panel | Panel held monthly | | | |
| | Identify job holders across North Wales who are potentially impacted | SS and HR | 2 weeks | | 1 day | |
| | Determine elements of current roles which could be impacted by the Hub | SS and HR | 1 week | | | |
| | Calculate redundancy costs if required | HR/Payroll | | | | |
| | Undertake Job matching/slotting exercise | SS and HR | 1 week | | 2 days | |
| | Recruit to new posts – advertisements /interviews/ assessment centre | | 4 weeks | | 2 days | |
| | Determine whether TUPE/Secondment is appropriate | | | | | |
| | Meeting with trade unions to give them overview of project | Host Authority Director | Can take place Jan/Feb | | Total consultation 4 days | |
| | Consultation meeting with TU | SS/HR | Feb 2012 | | Inc above | |
| | Staff consultation meetings | SS/HR | Feb 2012 | | Inc above | |
| | Individual meetings with staff involved | SS/HR | Feb 2012 | | Inc above | |

| STEP | Description | Who | Lead Time | Start/Finish | Time | Notes |
|--|---|--|---|--------------|--|--|
| | TUPE due diligence and other admin | | Feb 2012 | | 2 days | |
| Induction of staff | Induction via Host Authority process | Host Authority | Commences on start date | | 2 weeks | Depends on successful candidates |
| Change management training sessions | Training sessions with partner organisations and identified partner champions | Project sponsor and RCH Manager | April 2012 | | 3 month programme | Champions responsible for cascading training within their organisation |
| Policies, procedures and protocols for the RCH | Developing and finalising documents and compiling operational guidance manual for RCH | RCH Manager and RCH staff | May 2012 | | 2 months | |
| Provider engagement | Meeting with Providers for both children services and adult services | Lead Officer – Children’s work stream and Lead Officer – Provider engagement work stream [and RCH staff] | Children’s Feb 2012 Adults May 2012 [RCH staff to be involved when in post] | | 1 day event 1 day event | |
| Service User consultation | To be undertaken utilising existing service user forums and planning groups | RCH staff to attend appropriate meetings | TBC – May 2012 | | ½ day event [frequency to be determined] | |
| | Learning Disabilities regional | Facilitated by | June 2012 | | ½ day event | |

| STEP | Description | Who | Lead Time | Start/Finish | Time | Notes |
|-----------------------|--|--|--------------------------------|--------------|----------------|---|
| | service user forum | Regional Manager | | | twice annually | |
| Partnership Agreement | Finalising of partnership agreement and associated protocols | Governance work stream with DCC Legal Officer | Feb/March 2012 | | | Advance draft available at present |
| | Development of MOU's and SLA's with partners | Governance work stream/Management Board with DCC Legal Officer | March/April 2012 | | | |
| Management Board | Management Board members to be agreed | Partner organisation | March 2012 | | 1 day | |
| Work Programme | Agree work programme for year 1 | Management Board [and RCH Manager] | April 2012 | | | RCH Manager to be involved as soon as in post |
| | Agree targets for year 1 | Management Board [and RCH Manager] | April 2012 | | | |
| | Agree verification process for recording savings | Management Board [and RCH Manager] | April 2012 | | | |
| | Agree appropriate procurement strategy(ies) | RCH Staff in conjunction with relevant operational colleagues | June 2012 | | | |
| | Implement procurement strategy | RCH staff | Sept 2012 | | | |
| | Benefits realisation | RCH staff | 2013 onwards | | | |
| Data | Recollection of in-scope data (except LD) | RCH Manager [and RCH team] | As soon as RCH staff recruited | | 1 month | Priority for RCH once 1 or more staff recruited |
| | Collation and verification of in- | RCH Manager [and | | | 1 month | |

| STEP | Description | Who | Lead Time | Start/Finish | Time | Notes |
|-------------|------------------------|------------|------------------|---------------------|-------------|--------------|
| | scope data (except LD) | RCH team] | | | | |

DRAFT

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 16

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **DIRECTOR OF ENVIRONMENT**
SUBJECT : **THE COUNCILS HIGHWAY ASSET MANAGEMENT PLAN**

1.00 PURPOSE OF REPORT

- 1.01 To seek Executive approval of the Council Highway Asset Management Plan (HAMP)
- 1.02 To seek Executive approval of the Councils bid to Welsh Government for highway maintenance funding through their prudential borrowing initiative
- 1.03 To seek Executive approval for the continued involvement in the all Wales Highway Asset Management Group and the joint financial contribution to the consultant engaged by The County Surveyors Society (Wales) to advise each authority on HAMP development

2.00 BACKGROUND

- 2.01 The highway network is the highest value infrastructure asset owned by the Council, with the carriageway and footways asset alone valued in excess of £1 billion. The availability and functionality of the network are key to maintaining economic and social development within the County.
- 2.2 As a highway authority, the Council has a statutory duty to maintain the highway. This is carried out in the face of increasing pressures, namely:
- Limited budgets
 - Limited staff resources
 - An ageing highway network with a backlog of maintenance requirements
 - Increased accountability to the public.
 - Increasing public expectations
- 2.3 The Highway Asset Management Plan (HAMP) sets out how the Council responds to its statutory duty, in the face of these pressures. It sets out how asset management principles will be applied to the management of the individual assets that make up the highway network in Flintshire.

These principles are:-

- A systematic approach to maintenance that takes a long term maintenance view.
- Maximising benefits by balancing competing demands.
- Allocation of resources based on assessed need and a risk based approach to funding allocation.
- Explicit consideration of public expectations.
- Setting achievable levels of service based on the service option,

2.4 In January 2012, Welsh Government announced a new three year initiative to provide additional highway funding to each Council in Wales. The funding is intended to assist, not only with the current repairs needed, but also to address the long standing maintenance backlog and carry out significant highways improvements on the network, should a business case exist which sets out the economic and environmental benefits of the scheme. The additional money is to be provided through prudential borrowing with funding for the future repayments to be provided by Welsh Government. The maintenance element of each Councils bid should be supported by the Councils own HAMP.

2.5 In April 2007 a report to the Councils Executive recommended the Council joined the County Surveyors Society (Wales) HAMP working group in order that a coordinated approach to asset management was developed across Wales. The commission for the consultant then appointed by the County Surveyors Society (CSS) to advise on the HAMP process has now lapsed and a second commission to further develop the document and assist each Council in formulating their bids to Welsh Government, has been tendered by the CSS.

3.00 CONSIDERATIONS

3.01 The first consideration when producing a HAMP is the formulation of an Asset Management Policy, which will be a leading component in driving the asset management system. It sets out the organisation's commitment to asset management and the principles, approach and expectations by which it will be implemented. A Highway Asset Management Policy has been drafted and is included at **Appendix 1** of this report. The Policy is presented to Executive for approval.

3.02 Levels of service are developed within the HAMP. These are expressions of desired outcomes for customers regarding how the asset performs rather than performance in a technical sense.

3.03 Statements of primary and secondary levels of service have been drafted, taking into account the relationship between customer expectation and National/Local legislation, guidance and policy

Primary levels of service are at full network level. Secondary levels of service are at an asset group level (e.g. carriageway, footway, bridges etc.).

The primary level of service statements reflect work carried out by the Transport Research Laboratory and Ipsos MORI which established the priorities and concerns of a cross section of road and footway users and are also linked to the Councils own corporate priorities as outlined below :

Health and Well Being – We will endeavour to provide a service that focuses on the long term sustainability of the network.

Safe and Supportive Communities - We will endeavour to maintain the public highway in a safe condition for all highway users.

Economic Prosperity - We will endeavour to maintain the public highway network that will provide the infrastructure to protect and develop the local economy.

Living Sustainability - We will endeavour to introduce new technology and processes to reduce the environmental cost of the network

The secondary levels of service statements included in the HAMP, have been used to define engineering standards, which in turn define the asset condition. “Steady state” standards i.e. the current condition of assets within current budgets have also been developed. Comparing these standards allows a Gap Analysis to be undertaken, the outcome of which can be risk assessed to prioritise funding allocations to ensure funding is allocated to the asset in most need of investment. .

- 3.04 The lifecycle planning process is a long term prediction of the cost of the continued management and operation of each of the asset on the network. Each lifecycle plan provides a definition of the standards that are applied to the management of the asset group in question and details of the processes that are used to deliver these standards.

The eventual aim of the HAMP is to have full life cycle plans approved for every asset on the network. However this first issue concentrates on the following key assets:

- Carriageways (Road surface)
- Footways
- Street Lights and lit signs
- Highway Structures
- Safety Fences

- 3.05 Further work will be undertaken to develop Lifecycle plans for other asset streams e.g. cycle ways, so that ultimately we will have a comprehensive HAMP document.

3.06 Key facts already emerging from the review relating to current network condition include:-

- Progress has been made in reducing the backlog of carriageway maintenance and the condition of the Councils carriageways are the best in Wales. However, the severe weather of the last two winters has had a significant damaging impact.
- We need to improve our knowledge of the overall footway condition.
- Approximately 30% of the street lighting stock (some 5,200 columns) exceed the design life expectancy of 30 years.
- 10% of Urban safety fences on wooden posts need attention.
- We have limited knowledge of the buried asset i.e. Drainage pipes and street lighting cables.

3.07 Guidance on asset valuation was published by The Chartered Institute of Public Finance & Accountancy (CIPFA) in March 2010. The aim of the guidance is to provide a consistent approach to calculation of asset values and depreciation to assist asset management.

3.08 An Improvement Action Plan has been set out in the HAMP. The improvement Action Plan sets out priorities and milestones that will improve the asset management processes.

3.09 The HAMP report is not an end in itself; it sets out the methods by which the Asset Management Policy will be delivered. Delivering the HAMP is an ongoing process. Our approach will be kept under continual review and refinement. The HAMP Report will be subject to an annual review and the contents will be presented to Members for approval every three years

3.10 A copy of the full HAMP is available in the Members Library and once approved will be available on the Councils website

3.12 The cost of the all Wales consultant (EXP) to be engaged by the CSS will be shared equally by the 21 authorities involved in the project (One Council has chosen not to take part). The cost to Flintshire in the first year is £8,280.00.

3.13 The indicative figure for funding available in Year 1 of the Welsh Government initiative is £2.7m. The Risk Assessment/Gap Analysis process, identified within this report indicates that the allocation to each asset will be as follows:

£ 890k Bridge works - Replacing substandard/weak bridges

£ 285k Safety fencing - Replacing substandard sections

£ 250k Highway subsidence - Repair work at known sites

£ 228k Highway flooding - Remedial work at known sites

- £ 746k Replacing structurally unsound street lighting columns
- £ 244k Carriageway resurfacing work - priority based through HAMP
- £ 56k Improving disabled access to the highway asset

Note. The final bid is subject to scrutiny and approval by Welsh Government which may result in minor reallocation of funding across the assets.

- 3.14 Detailed works programmes will now be developed based on the recognised asset management principles within the HAMP and all of the work will be completed in the financial year 2012 - 13. The final works programme will be available on the Council website once it has be completed.
- 3.15 Details of the bid for Year 2 of the funding will be presented to Executive for approval later in 2012

4.00 RECOMMENDATIONS

- 4.01 That the Executive approve the Highway Asset Management Policy - **Appendix 1**
- 4.02 That the Executive approve the content of the HAMP as the mechanism for allocating future highway maintenance funding and method of delivering its statutory duty to maintain each individual asset within the Highway infrastructure
- 4.03 That the Executive approve the outline bid for the first year of funding from Welsh Government under the Prudential Borrowing initiative as set out in paragraph 3.13 of this report.
- 4.04 That the Executive approve the continued membership of the all Wales HAMP development group utilising the consultant engaged by the CSS to coordinate the development of the HAMP document and ensure national consistency in the format of the current bids to Welsh Government.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The HAMP will ensure the all funding allocated to Highway maintenance from what ever source is spent on the appropriate asset and in the most cost effective manner.
- 5.02 The HAMP will ensure the Council meets the requirements of the Year 1 bidding process required by Welsh Government for the funding available under the new initiative.
- 5.03 All of the Welsh Government funding is in addition to the previously allocated Council maintenance budgets.
- 5.04 In order to gain the maximum benefits in utilising the Welsh Government initiative it is essential that funding is collectively treated with the Council's Capital Programme

for 2012/13. This will provide the most impact in delivering Highways infrastructure improvements.

6.00 ANTI POVERTY IMPACT

6.01 Not applicable

7.00 ENVIRONMENTAL IMPACT

7.01 The HAMP considers the impact of the network on the Environment as one of its primary level of service

8.00 EQUALITIES IMPACT

8.01 A desk top assessment concluded that the HAMP process does not discriminate against any particular group

9.00 PERSONNEL IMPLICATIONS

9.01 The HAMP will be further developed by staff within the Streetscene structure

9.02 The works programmes driven from the Welsh Government bid will be delivered by the existing staff

9.03 The site works will be carried out by specialist contractors following a formal tendering exercise

10.00 CONSULTATION REQUIRED

10.01 The proposed works programme will be published on the Councils website

11.00 CONSULTATION UNDERTAKEN

11.01 The Executive Member has been consulted on the HAMP development

12.00 APPENDICES

12.01 Appendix 1 - Asset Management Policy

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None

Contact Officer: Stephen O Jones

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Environment Department – Streetscene

Highway Asset Management Policy

Flintshire County Council places a high significance on its transport infrastructure. The highway network is the most valuable community asset under our control. It is vital to the economic wellbeing of our customers. The comfort and safety in which we travel on our roads and the cleanliness of streets is important to our quality of life.

Flintshire County Council is a Highway Authority and as such, has a statutory duty to maintain, operate and improve the highway network. We must discharge our statutory duties despite increasing pressures that include:

- Inadequate budgets
- Limited resources
- Mature highway networks with a backlog of maintenance requirements
- Increased accountability to our customers
- Increasing public expectations

Flintshire County Council is committed to managing its highway network on behalf of our customers through providing high value services in a legally and environmentally compliant and sustainable manner, without compromising the health and safety of our employees or customers.

We have adopted the County Surveyors Society definition of Asset Management which is:-

“Asset Management is a strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure to meet the needs of current and future customers.”

Our primary focus will be on achieving the following objectives:-

Network Safety

- Complying with statutory obligations;
- Meeting users’ needs for safety.

Network Serviceability

- Ensuring availability;
- Achieving integrity;
- Maintaining reliability;
- Enhancing condition.

Network Sustainability

- Minimising cost over time;
- Maximising value to the community;
- Maximising environmental contribution.

We will achieve this by:-

- Defining desired levels of service for highway assets in consultation with elected representatives.
- Adopting a lifecycle approach to planning asset investment and management decisions.
- Balancing competing needs across the highway network and selecting options which best meet desired outcomes.
- Monitoring, evaluating and improving service delivery.
- Managing the risks of asset ownership and operation to ensure continuity of service.
- Providing for present needs whilst sustaining resources for future generations.
- Adopting a continuous improvement approach to asset management policies and practices.

This policy will be kept under review and improvement in the light of developments in appropriate fields such as technology, operations, asset care techniques etc or in the face of other external or organisational drivers for change.

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 17

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF HUMAN RESOURCES AND ORGANISATIONAL
DEVELOPMENT**
SUBJECT : **SINGLE STATUS PROJECT - UPDATE**

1.00 PURPOSE OF REPORT

1.01 To provide Members with an update on the progress achieved in moving towards implementation of a Single Status Agreement for Green Book employees across the Council.

2.00 BACKGROUND

2.01 In November 2009, the Council made the decision not to proceed with the first proposed Single Status Agreement and agreed a 'nine point plan' of actions to review the content of the agreement and the Job Evaluation outcomes in particular, and work towards achieving a more acceptable Single Status Agreement overall.

2.02 Since that time, significant work has been undertaken under the guidance of a Single Status Project Board, comprising Group Leaders, Local and Regional Trade Union representatives and Senior Management to carry out a fundamental review of the agreement.

2.03 The 'nine point plan' agreed by Elected Members resulted in the production of a detailed Project Plan consisting of two phases of activities. The first phase is complete. This phase included a review of the Job Evaluation Conventions and how these are applied in Flintshire, the design and evaluation of generic jobs, (for example - Teaching Assistants in Schools), a comprehensive benchmarking exercise to compare our jobs with similar jobs in other Local Authorities, a review of all Relief Workers across the workforce and a sore-thumbing / consistency checking exercise which identified jobs which appeared to be 'at odds' when compared with other equivalent jobs in the Council.

2.04 In 2009, it was also recognised that many of the apparent inconsistent or "extreme" Job Evaluation scores were as a result of poor organisation structures and job design. For this reason, throughout this interim period, significant work has been undertaken to converge the Organisation Change and Job Redesign reviews and processes with the Single Status Project to improve the service structures and job designs within them. This has impacted positively on the resultant Job Evaluation scores.

3.00 CONSIDERATIONS

- 3.01 On 15 December 2011, the Single Status Project Board met and considered the Project Plan and timeframe for completion of phase two of the project. This included the key milestones and stages of the project through to implementation, together with a proposal for amending the approach for reviewing the final set of sore thumb jobs, resulting in achieving the Rank Order of jobs for the Council (the Rank Order being the list of all jobs in the Council, from the smallest job through to the biggest job).
- 3.02 The Board were presented with this proposal which was to use a new 'Jobs at this Level' framework. This framework set out the typical profile of jobs at each level of the organisation. The proposal was to use this framework as a tool for reviewing the remaining sore thumb jobs (approximately 450 jobs) prior to finalising the Rank Order in preparation for commencing the Pay Modelling exercise (creating a number of sample Pay and Grading models by drawing gradelines at different places on the Rank Order leading to the design of a new Pay and Grading structure).
- 3.03 A Moderation Panel comprising two Job Evaluation representatives and a Trade Union representative had tested the use of the framework by reviewing a sample of the sore thumb jobs and the results of this work was also shared with the Board.
- 3.04 The Board confirmed their acceptance of the new 'Jobs at this Level' framework and its use in this context and acknowledged that the pilot had demonstrated that this appeared to be a more effective and appropriate method for reviewing Job Evaluation outcomes and achieving a more acceptable final Rank Order of jobs.
- 3.05 It was acknowledged that the Council had taken the decision some months ago to separate the Part III terms and conditions of employment negotiations from the Pay and Grading element of Single Status. This approach was taken to support the implementation of more flexible, modernised and customer-focused service delivery arrangements (for example, Streetscene and Housing) and to reduce service costs. Whilst some good work had taken place in defining the Council's proposals for a new set of terms and conditions and in the completion of a comprehensive Equality Impact Assessment, it was accepted that from an organisational perspective, it would be more appropriate to bring both elements back together. The Board also approved this proposal.
- 3.06 The Board fully endorsed the work that had already been delivered under the Project and supported the next phase of the Project Plan, which included the target implementation date of November, 2012 (the Single Status timetable is attached at Appendix 1).
- 3.07 All three parties on the Board - the Group Leaders, Trade Union representatives and Senior Management, expressed their collective commitment in ensuring that the project was delivered in accordance with the Project Plan. All confirmed that they had confidence in the project and were fully supportive of the proposed way forward.

3.08 It was agreed that a detailed Workforce Communication was required as soon as possible to inform the workforce of the final stages of the plan, the target implementation date and to convey the shared confidence of the three parties on the Board in delivering the project. A communication was drafted and circulated by individual letter to all employees in scope of the project on 8 February 2012. Further information was posted onto the Council's Infonet site and on Moodle for Schools-based employees, to explain the stages of the project in more detail.

4.00 RECOMMENDATIONS

4.01 That Executive Members note the progress of the Single Status project and the agreed Project Plan, together with the target implementation date of November 2012.

5.00 FINANCIAL IMPLICATIONS

5.01 The financial implications for the Single Status project are set out in the 'Pay Strategy' section of the Executive report - 'Final Settlement 2012/13 and Council Fund Reserve Budget 2012/13' which was presented on 20 December 2011. Further consideration will be given to the financial implications at the Pay Modelling stage of the project which is due to take place from late March through to April 2012.

6.00 ANTI POVERTY IMPACT

6.01 Consideration will be given during the various stages of the project on the financial impact of the proposals on employees.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 A full Equalities Impact Assessment will be undertaken on the final proposal of a Single Status Agreement - this will be prepared between March and June 2012.

9.00 PERSONNEL IMPLICATIONS

9.01 Employees will receive full details of the proposed Single Status Agreement and their proposed grade by letter in June - July 2012. Employee Roadshows are planned to take place through to August 2012 to raise awareness further on the proposed agreement and to respond to any queries.

10.00 CONSULTATION REQUIRED

10.01 Consultation will take place via the recognised Trade Unions. The Council will also engage with the workforce directly via communications and at the Employee Roadshows. Employees who are members of a Trade Union will have the

opportunity to vote in a Ballot on whether they wish to accept the proposed agreement.

11.00 CONSULTATION UNDERTAKEN

11.01 See above.

12.00 APPENDICES

12.01 Single Status Timetable - February 2012 is attached at Appendix 1.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Report to Executive - 20th December 2011

Contact Officer: Helen Stappleton
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SINGLE STATUS TIMETABLE – FEBRUARY 2012

| 2012 | ACTION |
|---------------------------|---|
| JANUARY – FEBRUARY | Verify the final Rank Order - the Rank Order is the list of jobs from the smallest (lowest scoring) job up to the highest. The Rank Order is reviewed to check that the jobs are sized and ordered appropriately before paymodelling commences. |
| MARCH – APRIL | Carry out the Paymodelling process - this involves creating a number of sample Pay and Grading models by drawing gradelines at different places on the Rank Order. This process identifies which grade each job will fit into on the sample of different Pay and Grading models. |
| MARCH – APRIL | Complete the design of new Pay & Grading model - from the Pay and Grading model options identified above, the Council will decide what the recommended Pay and Grading model will be ensuring that it meets the criteria of Acceptability, Affordability and Legality (equality proofed). |
| JANUARY – JUNE | Determine content of the Collective Agreement - Senior Management and the Trade Unions (TUs) will work towards recommending a new Pay and Grading model and a new set of terms and conditions of employment (e.g. overtime, standby allowance, travel allowance etc). |
| MARCH – JUNE | Conduct the Equality Impact Assessment (EIA) - the assessment is designed to ensure that the new Pay and Grading model is legally compliant which means that there is no actual or perceived pay discrimination. |
| MAY – JUNE | Finalise and agree the content of Collective Agreement - all three parties - senior management, TUs and Members need to agree / approve the contents of the proposed Collective Agreement |
| JUNE – AUGUST | Advise employees of the details of Collective Agreement - Inform all employees in writing of the proposed Pay and grading model, new grade and new terms and conditions of employment. Deliver Employee Roadshows to enable employees to fully understand the contents of the Collective Agreement and how it impacts on their own position. |
| SEPTEMBER | Carry out an Employee Ballot - Employees who are members of a TU will have the opportunity to vote to accept or reject the proposals. The outcome of this ballot will determine whether an agreement is reached and where this is the case, the new agreement is implemented for all employees (including non - TU members). |
| AUGUST – OCTOBER | Make adjustments to iTrent (HR / Payroll system) - When the Collective Agreement is reached, the pay parameters for shift and overtime allowances and the new Pay and Grading model will need to be configured on the iTrent system, together with each employee's new grade. |
| OCTOBER | Issue final notification of outcome to employees - when an agreement is reached, all employees will need to be notified in writing of the outcome of the ballot. Contracts of Employment will be re-issued after the Single Status Agreement is implemented. |
| NOVEMBER | Target date for implementing Single Status Agreement - this is the date when we expect to see the impact of the new grades and new terms and conditions in employees' pay. |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 18

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT : **REVENUE BUDGET MONITORING 2011/12 (MONTH 8)**

1.00 PURPOSE OF REPORT

1.01 To provide members with the revenue budget monitoring information at Month 8 for the Council Fund and the Housing Revenue Account in 2011/12.

1.02 INDEX OF CONTENTS

| | |
|----------------|---|
| Section 2 | Executive Summary |
| Paragraph 3.01 | Council Fund Summary Table |
| Paragraph 3.06 | Programme of Efficiencies |
| Paragraph 3.08 | Risks and Assumptions |
| Section 4 | Non Standard Inflation / Central Contingencies |
| Section 5 | Unearmarked Reserves |
| Section 6 | Housing Revenue Account |
| Appendix 1 | Council Fund - Movement in Variances from Month 7 |
| Appendix 2 | Community Services - Variances Summary |
| Appendix 3 | Environment - Variances Summary |
| Appendix 4 | Lifelong Learning - Variances Summary |
| Appendix 5 | Corporate Services - Variances Summary |
| Appendix 6 | Central & Corporate Finance - Variances Summary |
| Appendix 7 | Council Fund Unearmarked Reserves Summary |
| Appendix 8 | Housing Revenue Account - Variances Summary |
| Appendix 9 | Council Fund - Achievement of Efficiencies |

2.00 EXECUTIVE SUMMARY

2.01 Members are requested to note the projected year end position as estimated at Month 8 which is :

- Council Fund - Net underspend of £0.901m
- Housing Revenue Account - Net underspend of £0.130m

3.00 CONSIDERATIONS

COUNCIL FUND

3.01 The table below shows a projected in-year underspend of £0.901m.

| TOTAL EXPENDITURE AND INCOME | Original Budget | Revised Budget | In-Year Over / (Under) spend | | Non Ring-fenced | | Ring-fenced | |
|-------------------------------|-----------------|----------------|------------------------------|----------------|-----------------|--------------|----------------|----------------|
| | | | Month 7 | Month 8 | Month 7 | Month 8 | Month 7 | Month 8 |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Directorates | | | | | | | | |
| Community Services | 57.374 | 57.118 | (0.746) | (0.960) | (0.232) | (0.341) | (0.514) | (0.619) |
| Environment | 32.262 | 32.480 | (0.053) | (0.144) | (0.053) | (0.144) | - | - |
| Lifelong Learning | 109.110 | 109.259 | 0.900 | 0.908 | 1.323 | 1.331 | (0.423) | (0.423) |
| Corporate Services | 16.436 | 17.435 | 0.133 | 0.171 | 0.133 | 0.171 | | |
| Total Directorates | 215.182 | 216.292 | 0.234 | (0.025) | 1.171 | 1.017 | (0.937) | (1.042) |
| Central and Corporate Finance | 26.190 | 25.080 | (0.848) | (0.876) | (0.848) | (0.876) | | |
| Total | 241.372 | 241.372 | (0.614) | (0.901) | 0.323 | 0.141 | (0.937) | (1.042) |

3.02 The Original Budget column reflects the budget approved by Council on the 1st March 2011. The Revised Budget column reflects in-year virements which have been approved in compliance with Financial Procedure Rules, and includes a number of technical adjustments such as the allocations from central contingencies, non-standard inflation and the contributions to the Cost of Employment efficiency.

3.03 The significant in-year projected variances to date are detailed in Appendices 2 - 6 (Council Fund), and Appendix 8 (HRA), and in addition to giving the reasons for the variances, the actions required to address each variance is provided. The significant changes for the Council Fund from Month 7 are detailed in Appendix 1.

3.04 The underspend of £0.901m is made up of a £0.025m underspend on services increased by a contribution of £0.876m from Central and Corporate Finance.

3.05 The Out of County Placement budget (ring-fenced) is currently projected to underspend by £0.889m (by £0.466m and £0.423m within Community Services and Lifelong Learning respectively). This projection is based on existing placements up until March 2012 and also reflects some reductions in payments to providers following renegotiation of contracts. The projected outturn also reflects the approval of a £1.255m budget pressure during the 2011/12 budget process. The task and finish group are continuing their work with regard to improving processes, benchmarking and the North Wales project focusing on high cost placements. This budget will continue to be monitored very closely due to the volatility of the risks and assumptions (see 3.08).

PROGRAMME OF EFFICIENCIES

3.06 The 2011/12 budget contains £8.920m of specific efficiencies and the table below summarises the current status of these items. This analysis indicates that it is currently projected that £7.714m (86 %) will be achieved, resulting in a net under-achievement of £1.206m.

| Status of Efficiency | Value of Budgeted Efficiency £m | Value of Projected Efficiency £m | (Under) Over Achievement £m |
|---------------------------------|---------------------------------|----------------------------------|-----------------------------|
| ALREADY ACHIEVED | 3.262 | 3.262 | 0.000 |
| EXPECTED TO BE ACHIEVED IN FULL | 2.455 | 2.842 | 0.387 |
| ACHIEVABLE IN PART | 2.790 | 1.610 | (1.180) |
| NOT ACHIEVABLE | 0.413 | 0.000 | (0.413) |
| Total | 8.920 | 7.714 | (1.206) |

3.07 Appendix 9 provides further details of the assumptions behind the projections, and where relevant the actions required to address items not currently expected to be achieved in full. It is important to note that the impact of this analysis has already been included in the overall Month 8 projection.

RISKS / ASSUMPTIONS

3.08 The in-year over / (under) spends shown in the table at paragraph 3.01 reflect the following risks and assumptions :-

1. Community Services

- Social Services for Adults
 - o Projections based on current client numbers / care packages
 - o Demand led services susceptible to changes outside the Directorate's control e.g. severity of winter, flu epidemics
 - o Local Health Board income cannot be guaranteed at the levels assumed
- Development & Resources
 - o Domiciliary and Property client income is dependent on individual client circumstances
 - o Wider economic recession may have an impact
- Social Services for Children - Out of County Placements
 - o Length of current placements uncertain - court led timeframes
 - o Number of new placements difficult to predict - needs led
 - o High cost of any new placements can have an adverse impact on outturn
 - o Uncertainty of income level from Local Health Board
- Social Services for Children - Family Placement
 - o Service dependent on sufficient numbers of carers being attracted and retained

2. Lifelong Learning

- Out of County Placements
 - Uncertainty of lengths of current placements
 - Difficult to predict number of new placements
 - High cost of any new placements can have an adverse impact on outturn
 - Varying income levels from Local Health Board
- Youth & Community Services
 - There is urgent repair work required at Mynydd Isa Community Centre to replace the heating system. The estimated cost for this is not included in the projected outturn as there is a bid in place to secure capital funding.
- Primary and Secondary Non-Delegated budgets
 - Negotiations with Primary Schools commenced in September regarding the maternity payments. The outcome of these discussions will be reported in future monitoring reports.
 - Service Level Agreements with schools have recently been received in full and the effect on non-delegated budgets are currently being analysed.
- Facilities Service - Schools Catering
 - Should there be further industrial action, this would result in further loss of income for the School Catering Service.

3. Environment

- Directorate-wide
 - The ongoing economic situation is having a continuing affect on all fee income areas and any further downward trend would have an adverse impact on the projected outturn.
- Winter Maintenance
 - The projections are based on an average winter and all costs being met from within existing budget provision.
- Managed Weekly Collections

- o Further costs are likely in order to maintain the service standards of the Managed Weekly Collections roll-out
- Streetscene
- o Current projections are based on implementation of the revised service structure by March 2012.

3.09 At this point in the financial year it is usual to consider requests for carry forward of resources for items that cannot be completed within the current financial year. The requests identified at this stage are detailed in sections 3.10 to 3.14 below.

3.10 **REQUEST FOR CARRY FORWARD - CORPORATE SERVICES**

Amounts of £0.049m (Project team costs) and £0.070m (HR costs) are currently held by HR&OD as invest to save costs relating to Flintshire Futures. Permission is sought to carry forward the funding into 2012/13 to meet these ongoing costs.

4.00 **NON STANDARD INFLATION/CENTRAL CONTINGENCIES**

NON STANDARD INFLATION

4.01 Included in the budget are the following amounts relating to non standard inflation:

- £0.060m for fuel costs - this is confirmed to be required in full and will now be released
- £0.037m for energy for street lighting - this is now not projected to be required and is recorded as an underspend within Central and Corporate
- £0.450m for other energy costs - this is currently projected to be required in full and the majority of this amount has already been released (£0.083m remains to be allocated)

These budgets continue to be monitored closely and the funds will be released when a full assessment of the need has been completed.

CENTRAL CONTINGENCIES

4.02 The budget for 2011/12 included base budget provision of £0.337m in respect of increased employers pension contribution and £0.150m relating to the review of relief staff. A full assessment has now been completed and it has been determined that these amounts are no longer required and are now reported as underspends (see Appendices 1 and 6). A further one-off contingency of £2.159m is also included in the 2011/12 budget relating to one-off exit costs associated with service modernisation. Although work regarding this is still ongoing it is now projected to be required in full either in 2011/12 or 2012/13 depending on the timing of service reviews. The amount required in 2012/13 will be requested to be carried forward in future monitoring reports once the exact figure is known.

5.00 **UNEARMARKED RESERVES**

- 5.01 The 2010/11 final outturn reported to Executive on 19th July showed unearmarked reserves at 31st March 2011 (above the base level of £5.476m) of £2.099m.
- 5.02 Appendix 7 details the movements to date on unearmarked reserves and the level of contingency sum available. As a result of these movements, the estimated amount currently projected in the Contingency Reserve is £1.387m. The Contingency Reserve is held to meet :
- (a) Organisational re-design and modernisation of services
 - (b) Invest to Save initiatives
 - (c) Additional costs on ringfenced and / or volatile budgets
- 5.03 The estimated amount available of £1.387m in the contingency reserve is £0.287m more than the £1.100m reported at month 7, prior to reflection of the approval by Executive on 24th January 2012 to use £0.714m to meet the budgeted cost of one-off and time limited costs in 2012/13.
- 5.04 The latest estimated cost of one-off and time limited costs in 2012/13 is £0.973m, as detailed within Appendix 6 to the Council Fund Revenue Budget report 2012/13 which is also on this agenda.
- 5.05 The revised estimated level of total contingency reserve at 31st March 2012 is now £0.414m, after allocation of a total of £0.973m to meet the costs of one-off / time limited costs in 2012/13.

6.00 HOUSING REVENUE ACCOUNT

- 6.01 On 15th February 2011, the Council approved a Housing Revenue Account (HRA) budget for 2011/12 of £25.262m. The budget provides for a closing balance of £0.885m, which at 3.5 % of total expenditure satisfies the prudent approach of ensuring a minimum level of 3 %.
- 6.02 The 2010/11 final outturn reported to Executive on 19th July 2011 showed a closing balance at the end of 2010/11 of £1.487m which was £0.236m higher than when the 2011/12 budget was set. This had the effect of increasing the closing balance for 2011/12 by the same amount.
- 6.03 The overall projected underspend of £0.130m represents an increase of £0.010m on the projected underspend position reported at Month 7. The HRA shows a projected closing balance at Period 8 of £1.250m which at 5 % of total expenditure satisfies the prudent approach of ensuring a minimum level of 3 %.
- 6.04 Appendix 8 details the reasons for significant variances occurring to date and the actions planned to deal with them.

Risks Assumptions (HRA)

6.05 The in year over / (under) spends shown in Appendix 8 reflect the following risks and assumptions :-

- The average cost of repairing a vacant property is £500 per property more than 2010/11. Should this continue it will mean a budgetary pressure on repairs to vacant properties.
- If the weather conditions are as severe as the winter last year, there will be a further pressure on call outs and emergency repairs.

7.00 RECOMMENDATIONS

7.01 Members are recommended to:-

- a) Note the overall report.
- b) Approve the carry forward request included in the report (para 3.10).
- c) Note the Council Fund Contingency Sum available as at 31st March 2012. (Section 5).
- d) Note the projected final level of balances on the Housing Revenue Account. (para 6.03)

8.00 FINANCIAL IMPLICATIONS

8.01 The financial implications are as set out in Sections 3.00 - 6.00 of the report.

9.00 ANTI-POVERTY/ENVIRONMENTAL IMPACT

9.01 None.

10.00 PERSONNEL IMPLICATIONS

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Council Fund - Movement in Variances from Month 7 - Appendix 1
Council Fund Variances - Appendices 2 - 6
Council Fund - Movements on unearmarked reserves - Appendix 7
Housing Revenue Account Variances - Appendix 8
Council Fund - Achievement of Efficiencies - Appendix 9

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Month 8 Monitoring Papers

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**COUNCIL FUND - REVENUE BUDGET 2011/12
FLINTSHIRE COUNTY COUNCIL**

**Budget Monitoring (Month 8)
Summary of Movement from Month 7**

| | £m | £m |
|---|---------|----------------|
| Month 7 | | |
| Out of County Ringfenced Budget | (0.785) | |
| Service Directorates | 1.019 | |
| Central and Corporate Finance | (0.848) | |
| Variance as per Executive Report | | (0.614) |
| Month 8 | | |
| Out of County Ringfenced Budget | (0.889) | |
| Service Directorates | 0.864 | |
| Central and Corporate Finance | (0.876) | |
| Variance as per Directorate Returns | | (0.901) |
| Change Requiring Explanation | | (0.287) |
| <u>Community Services</u> | | |
| • Out of County Pooled Budget (Children's Services) - net impact of a number of changes to placements. | (0.104) | |
| • Other minor changes of less than £30k | (0.110) | |
| | | (0.214) |
| <u>Environment</u> | | |
| • Public Protection - Increased net vacancy savings ahead of service review implementation | (0.080) | |
| • Industrial Units - reduction of shortfall against budgeted rent income | (0.036) | |
| • Managed Weekly Collections - additional R&M costs for relocation of the recycling function from Buckley to Flint | 0.047 | |
| • Minor changes of less than £25k | (0.022) | |
| | | (0.091) |
| <u>Lifelong Learning</u> | | |
| • Minor changes of less than £20k | 0.008 | |
| | | 0.008 |
| <u>Corporate Services</u> | | |
| • Chief Executives - Corporate Communications - underspend due to employee consultation not occurring during this financial year (-£0.028m), plus other minor efficiencies (-£0.003m) | (0.031) | |
| • Human Resources and Organisational Development - ISA Registration budget flaw resulting in a £0.025m pressure due to budget efficiency identified in 2010/11 being non recurring - this flaw has been rectified in current 2012/13 budget proposals, plus other minor variances (£0.005m) | 0.030 | |
| • ICT and Customer Services - Increase in the projected overspend within Design and Print (£0.018m), other minor pressures (£0.019m) | 0.037 | |

- Minor changes of less than £25k

0.002

0.038**Central and Corporate**

- Corporate efficiencies - Printer review (-£0.030m)

(0.030)

- Minor changes of less than £25k

0.002

(0.028)**Total changes**

(0.287)

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|---|--|
| Day Services (Services for Older People) | 1.263 | 1.155 | (0.108) | (0.100) | Mostly due to savings from a number of vacant posts and reduced costs in transport and third party providers. | Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme. |
| Domiciliary Support (Services for Older People) | 7.632 | 7.656 | 0.024 | 0.049 | Increase in complexity of need and number of clients supported to live at home. This is resulting in an increase in the amount of support to clients in need of double manning and complex care which has a significant impact on cost. | Continual review of individual care packages will contribute to reducing the overspend. Trend analysis continues to be used to improve projections of service demand. Reablement service is rolling out in line with TSSA. |
| Living Well (Services for Older People) | 0.091 | 0.058 | (0.033) | (0.025) | Mainly the result of reduced staffing levels due to maternity leave, a vacancy and a Social Worker seconded to PDSI. | The current service provision is being reviewed which may result in changes and is part of TSSA. |
| Residential Services (Services for Older People) | 8.390 | 8.670 | 0.280 | 0.305 | The cost of covering for staff leave within this statutory service, (e.g. annual or sick leave), continues to be an issue resulting in a net overspend on staff costs. | Use is being made of temporary capacity, as it arises in other areas, to minimise the need for agency staff. |
| | | | | | The impact of internal catering & cleaning costs above inflation, (£0.144m) are contributing to the projected overspend position. | Actions in place to review all expenditure in this area. |

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---|---------------------|------------------------|---------------|--------------------------|---|--|
|cont Residential Services (Services for Older People) | | | | | Purchased residential care is projected to overspend. This is mainly due to an additional week of payments in 2011/12 which is a 53 week year (impact approximately £0.145m). | |
| Professional Support (Services for Older People) | 2.946 | 2.734 | (0.212) | (0.226) | The projected underspend is mostly due to a number of vacant posts (£0.251m) offset by minor overspends in other areas. It is requested that approval be given to carry forward £5k to fund 3 months of a temporary post in 2012. | The service is being reviewed as part of TSSA. |
| Domiciliary Support (Physical Disability and Sensory Impairment). | 1.591 | 1.539 | (0.052) | (0.047) | This service is projected to underspend due to a combination of reduced third party care costs together with income expected to exceed its budget. | All care packages are being reviewed to ensure that they remain appropriate; this may, in some cases, lead to a reduction in payments and is part of TSSA. |
| Residential Services (Physical Disability and Sensory Impairment) | 0.882 | 0.857 | (0.025) | (0.033) | The Service is projected to underspend on purchased care (£0.045m) which will be offset by a projected shortfall in income (£0.020m). | |

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---|---------------------|------------------------|---------------|--------------------------|--|--|
| Professional Support (Physical Disability and Sensory Impairment) | 1.488 | 1.657 | 0.169 | 0.171 | This mainly relates to additional staff and agency costs required to meet an increase in the waiting list for OT assessment and support. | A review is being undertaken with the aim of reducing the need for agency staff. No new assessments are being undertaken by the third party provider. Review the Service Level Agreement. Review budget allocations. |
| Community Living (Learning Disability Services) | 9.363 | 9.257 | (0.106) | (0.091) | The underspend is due to a number of reasons including vacant posts, reduced spending on supplies and services and purchase of care. | Continue work on the identification of new clients to move into supported living service. Continual review of care to existing clients. Continued monitoring and negotiation with Health of CHC packages. In dispute with Health on funding of some care packages. |
| Work Opportunities (Learning Disability Services) | 1.883 | 1.852 | (0.031) | (0.026) | Vacancy savings (£0.105m) mainly offset by a projected shortfall in income of (£0.049m) and an overspend in client transport (£0.034m). | Continue to monitor - part of phase II of TSSA. |

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|---|--|
| Day Services (Learning Disability Services) | 0.962 | 0.936 | (0.026) | (0.024) | Projected underspend on employee costs together with a reduction in the use of independent sector relief staff totalling £0.047m offset by overspends in other areas but mostly client transport. | Continue to monitor - part of phase II of TSSA. |
| Ringfenced Budgets (Mental Health) | 0.324 | 0.166 | (0.158) | (0.160) | Projections reflect current client packages for 2011/12. | Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts. |
| Business Systems (Development & Resources) | 0.790 | 0.765 | (0.025) | (0.026) | The underspend in this service is mostly due to vacancies offset by an overspend in supplies and services. | Continue to monitor. |
| Business Services Income (Development & Resources) | (1.511) | (1.689) | (0.178) | (0.180) | This is partially due to six weeks of income at the old, higher, rate being received in 2011/12 due to the timing of debtor invoices. | This income is one-off. Continue to review the average weekly income. |
| Vacancy Management (Development & Resources) | (0.061) | 0.000 | 0.061 | 0.061 | This is exceeded by vacancy savings within the Directorate. | The balance relates to Children Services. Progress is being made to reduce this amount to zero which will reduce staff cost savings in |

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|---|--|
| Family Placement (Children's Services) | 1.775 | 2.052 | 0.277 | 0.272 | The projected overspend is mainly as a result of an increase in the number of foster care places within the service. The overspend includes the estimated effect of the additional week included in 2011/12 | A close evaluation of the Family Placement Team is to commence in Jan 12 which will examine the function of the team and an expenditure analysis review. |
| Family Support (Children's Services) | 0.340 | 0.293 | (0.047) | (0.041) | The underspend in this service is mostly due to a reduction in the use of sessional staff. The use of sessional staff can fluctuate monthly depending on caseload. | |
| Prevention & Support (Children's Services) | 0.100 | 0.072 | (0.028) | (0.027) | The underspend in this service is mostly the result of an underspend in transport costs, however fluctuations in monthly projections can occur depending on caseload. | |

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---|---------------------|------------------------|---------------|--------------------------|--|--|
| Out of County Pooled Budget (Children's Services) | 4.057 | 3.591 | (0.466) | (0.362) | Revised projection based on updated information on existing placements up until March 2012. This reflects initial reductions in payments to providers following re-negotiation of contracts. The movement since period 7 reflects the net impact of a number of changes to placements. | The task and finish group are continuing their work and benchmarking work has been completed. The focus of high cost placements is now a North Wales project and meetings have taken place. External consultants have been commissioned to assist with the negotiation process with providers within Flintshire and to make recommendations regarding the current processes deployed. |
| Homelessness (General) (Housing Services) | 0.450 | 0.371 | (0.079) | (0.065) | £0.045m savings as vacancies will not be filled until 2012. | |
| | | | | | An additional one off £0.020m contribution from Supporting People for the sheltered Housing improvement project | |
| Resident Wardens (Housing Services) | 1.250 | 1.134 | (0.116) | (0.102) | Projected under spend as vacancies will not be filled until the new structure is in place in 2012/13. | Approval of the proposed new structure. |

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-----------------------------|---------------------|------------------------|----------------|--------------------------|--------------------------|--|
| Other variances (aggregate) | 13.113 | 13.032 | (0.081) | (0.069) | Various minor variances. | Continue to review but not expected to be recurrent. |
| Total : | 57.118 | 56.158 | (0.960) | (0.746) | | |

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|------------------------------|---------------------|------------------------|---------------|--------------------------|---|--|
| Industrial Units | (1.616) | (1.476) | 0.140 | 0.176 | Shortfall of £0.214m from Industrial Estate Rental Income, due to the current economic climate reducing occupancy levels. Repairs & Maintenance projected to exceed budget by £0.044m. Salary savings of £0.100m mitigate some of the above shortfalls. | Maximise occupancy levels throughout industrial units. |
| Property Asset & Development | 0.826 | 0.814 | (0.012) | (0.014) | Net Vacancy Savings | |
| Regulatory Services | 0.309 | 0.240 | (0.069) | (0.069) | Over recovery on Streetworks income | |
| Car Parks | 0.025 | 0.051 | 0.026 | 0.029 | Car Park income is anticipated to be £0.045m short of target offset by a £0.017m reduction in planned maintenance works | Keep income levels closely monitored and ensure the reduction in planned maintenance does not have a detrimental effect on car parks |
| Transportation | 1.586 | 1.452 | (0.134) | (0.142) | Savings on Bus Operator payments for Bus Subsidies. | |
| Routine Maintenance | 1.743 | 1.793 | 0.050 | 0.050 | Increased tipping fees for gully emptying between August and March | Keep other routine maintenance work areas closely monitored to determine if overspend can be offset to some extent. |

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|---|---|
| Neighbourhood Services (Streetscene Service Structure) | 0.882 | 1.074 | 0.192 | 0.192 | Impact of not implementing the Streetscene service staff structure by 1st October 2011. This also includes the loss of income from the North Wales Trunk Road Agency Technical Investigations Unit that was transferred to Gwynedd Council. | If possible, implement the new structure within the current financial year |
| Waste Disposal and Civic Amenity Sites | 6.804 | 6.417 | (0.387) | (0.380) | Diversion from the pilot of Managed Weekly Collections up to the end of October. Early indications from the full roll out of the service indicate significant diversion from landfill to recyclates and the variance at Period 7 now reflects this. The savings reflect the reduction in landfill tax and tipping fees. | This underspend is the reason that no budget pressure is required for landfill tax and tipping fees in 2012/13. Keep tonnage levels closely monitored which will provide further savings going forward. |

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---|---------------------|------------------------|---------------|--------------------------|--|--|
| Managed Weekly Collections - Waste Collection, Recycling, Sustainable Waste Management Grant and Waste Collection - Trading Account | 3.119 | 3.506 | 0.387 | 0.340 | The full roll out of the Managed Weekly Collection service commenced from November, on a five day work pattern, rather than six, reflecting the outcome of the Streetscene ballot. As a result of full roll out, significant numbers of new containers for recycling were required, totalling in excess of £0.100m, due to the demand for these from householders. In addition, to meet the demands of full roll out, vehicles were required to be hired and additional staff taken on to maintain the service provision requirements. Additional costs have been incurred for R&M relating to relocating the recycling function from Flint to Buckley, as anticipated in Period 7 | Keep diversion closely monitored to determine if further savings from landfill tax and tipping fees can be achieved. Additional costs incurred for relocating the recycling function from Flint to Buckley have been realised in period 8, and further equipment purchase has added to the variance. |
| Planning Control | 0.362 | 0.459 | 0.097 | 0.117 | Costs awarded against the Council in relation to the Public Inquiry for the proposed development on Ruthin Road, Mold. Planning fee income has reduced against projections due to the ongoing economic climate and it is now anticipated to be £0.010m short of target. | It is anticipated that vacancy savings from other areas of Planning Services can assist with negating the majority of this variance over the remainder of the year. |
| Planning | 1.535 | 1.449 | (0.086) | (0.072) | Vacancy savings ahead of service review implementation | |

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|----------------------------------|---------------------|------------------------|----------------|--------------------------|--|-----------------|
| Management Support & Performance | 1.371 | 1.321 | (0.050) | (0.049) | Vacancy savings ahead of service review implementation. | |
| Public Protection | 3.397 | 3.128 | (0.269) | (0.189) | Net vacancy savings ahead of service review implementation, together with in-year leavers from posts within the new structure. The underspend position has increased further at Period 8 due to anticipated start dates for vacancies not now being realised until the new financial year. | |
| Other variances (aggregate) | 11.983 | 11.992 | 0.009 | 0.001 | A number of variances of no more than £0.021m individually. | |
| Total : | 32.480 | 32.336 | (0.144) | (0.053) | | |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|--|--|
| Out of County (Special – ringfenced budget) | 3.090 | 2.667 | (0.423) | (0.423) | Revised projection based on updated information on existing placements up until March 2012. This reflects initial reductions in payments to providers following re-negotiation of contracts. | The task and finish group are continuing their work and benchmarking work has been completed. The focus of high cost placements is now a North Wales project and meetings have taken place. External consultants have been commissioned to assist with the negotiation process with providers within Flintshire and to make recommendations regarding the current processes deployed. |
| | | | | | Following notification at Inclusion Senior Management Team (ISMT), 6 placements ended during the Summer Term. | |
| | | | | | Agreements for further income of £35k from the University Health Board for joint funded payments have been received. | |
| | | | | | 3 high cost placement have been heavily reduced and others have been slightly reduced following the involvement of Commercial and Clinical Solutions. Discussions are still ongoing with current placements. | |
| A further 4 placements have been reduced following Commercial and Clinical Solutions involvement. An additional placement has ended. | | | | | | |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|------------------|---------------------|------------------------|---------------|--------------------------|---|--|
| Leisure Services | 3.458 | 3.670 | 0.212 | 0.214 | <p>Within Leisure Services, Deeside Leisure Centre will suffer a loss of income due to closures caused by redevelopment of £0.061m.</p> <p>A large number of efficiencies and reduction of overspends which totalled £561k were made in the Leisure Service through Flintshire Futures and most of the expected savings are likely to be achieved. The one efficiency that will not be made during 2011-12 relates to the original staff re-organisation plan being delayed for 12 months for full review. This has caused many of the posts in the original plan to be appointed on 12 month temporary posts whilst the new organisational chart is being created. The on-going effects of this are still cascading their way through the service but the most recent calculations show this is estimated to cause a one off £0.121m overspend in 2011/12.</p> | <p>Other methods of recovering this overspend are being explored and have so far contributed £0.039m.</p> <p>Staffing restructure plan is currently being devised.</p> |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---------------------------|---------------------|------------------------|---------------|--------------------------|--|--|
| cont.... Leisure Services | | | | | <p>The Energy Unit has advised that Gas price increases of up to 35% are to be expected this year. This affects all services that have premises, particularly Leisure. This is being monitored throughout the year as invoices are paid, thus far the costs are up 11% compared to last year which equates to £0.020m. This is currently within the provision of Non Standard Inflation currently held centrally.</p> <p>A Remedy Hearing following an Employment Tribunal judged that an employee had been unfairly and wrongfully dismissed at a cost of £55k.</p> | <p>Further work is ongoing in liaison with the Energy Efficiency Unit.</p> <p>Any request to fund Corporately would require Executive approval, but would not effect the Council's overall projected outturn..</p> |

LIFELONG LEARNING

APPENDIX 4

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---------------------|---------------------|------------------------|---------------|--------------------------|--|-----------------|
| Inclusion Services | 5.819 | 6.174 | 0.355 | 0.355 | <p>The Inclusion Service has received grant streams in the region of £0.302m in previous years which have mitigated their overspend. These are no longer available from 2011/12 onwards. Therefore, based on current and past expenditure patterns this is currently projected to be the overspend for the Service. The major cause of the overspend is on ASWs providing pupil support in schools.</p> <p>Amendments to other grants on which the service could draw on previously have been tightened further.</p> | |
| Youth and Community | 1.228 | 1.293 | 0.065 | 0.061 | <p>Implementing only staffing changes in relation to the approved Youth Service Strategy in 2011/12 leaves a budget shortfall in relation to accommodation. The Accommodation Review has been rescheduled for 2012/13.</p> | |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---------------------------------|---------------------|------------------------|---------------|--------------------------|---|---|
| cont.... Youth and Community | | | | | The Workwise/Wheels to Work project is in the final stages of being wound up. No further costs are expected. There are 22 motorcycles which are due to be auctioned off. Depending on the income realised from these, the net effect is likely to be a one off cost to the service of £0.030m. | Various grant streams were approached to reduce this without success. |
| Pupil / Student Transport | 6.388 | 6.560 | 0.172 | 0.180 | It is currently expected that the School Transport service will overspend on College Transport by approximately £0.152m as there is insufficient budget to cover the additional costs of increased numbers of students attending college courses, particularly at the start of the academic year when student numbers are at their highest. | Progress Policy Review and consultation on Post 16 entitlements. Efficiency projects within existing policy 1) Special needs project 2) Hazardous routes |
| | | | | | Approximately £20k of savings were realised due to the school buses not running during the recent Industrial Action day. | |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---------------------|---------------------|------------------------|---------------|--------------------------|--|---|
| Service Units | 2.138 | 2.184 | 0.046 | 0.057 | The figures received from September showed that there is a larger take up of Free School Meals than is budgeted for. | The level of budget provision for free school meals will be re-assessed during the current service planning/ budget process in order to keep pace with changes within the wider economic climate. |
| Facilities Services | 1.034 | 1.409 | 0.375 | 0.362 | <p>Within the Facilities Service, figures extracted from the Office for National Statistics show food price inflation to be 3.8% above our 2% budget uplift which equates to a £0.065m overspend.</p> <p>The Cleaning Service is struggling to find the £0.100m in year efficiency target, further work is currently being undertaken.</p> | Implementation of agreed daytime cleaning at County Hall. |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-----------------------------|---------------------|------------------------|---------------|--------------------------|---|--|
| cont....Facilities Services | | | | | <p>The Catering Service is continuing to overspend in the absence of a comprehensive efficiency and kitchen rationalisation strategy. The draft APSE review has now been received which will be used to form the basis of this strategy.</p> <p>Prudently revised the anticipated number of strike days</p> | Flintshire Futures are confirming a project scope for Facilities Services to review organisational structure design principles. This includes the whole service of Facilities. |
| | | | | | <p>Sickness rates amongst school cooks since September is considerably higher than average</p> <p>Initial indications are that take up of school meals has been less than anticipated</p> | |
| Other variances (aggregate) | 86.106 | 86.210 | 0.106 | 0.094 | Variances under £0.050m. The majority of this variance at Month 8 relates to staffing issues within the Music Service (£0.025m) and the ICT Service (£0.026m). | |
| Total : | 109.259 | 110.167 | 0.908 | 0.900 | | |

CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-----------------|---------------------|------------------------|---------------|--------------------------|---|--|
| Chief Executive | 2.274 | 2.214 | (0.060) | (0.029) | Vacancy savings in Policy, Performance & Partnerships Unit £0.029m. | |
| | | | | | Consultation efficiency £0.028m - small in year efficiency plus budget carried forward from 2010/11 to remain unspent. | |
| | | | | | Other minor efficiencies £0.003m. | |
| Finance | 3.286 | 3.266 | (0.020) | (0.030) | The net position on staffing costs is an underspend of (-£0.057m) , this is after taking into account several vacancies and the additional costs of senior interim staff and essential additional resources. This is due to the delay in the implementation of the Finance Function Review and also the increased workload within Benefits. These are being carefully monitored and will continue until the results of the Finance Function Review are implemented. This is in line with the anticipated revised cost of the Finance Structure. | The HB position is being closely monitored |

CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-----------------------|---------------------|------------------------|---------------|--------------------------|---|-----------------|
|cont. Finance | | | | | Due to an increase in Case load within Housing Benefits it has been necessary to engage an outside data centre to process claims (£0.057m). | |
| | | | | | Savings on essential car allowances and transport costs due to staff vacancies (-£0.012m). | |
| | | | | | Additional costs of software, software maintenance and consultants due to legislative changes and upgrades to systems (£0.014m) | |
| | | | | | Additional funding received from WAG (-£0.040m) | |
| | | | | | Various decreases in running costs/increases in income received, (£0.018m). | |

CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|---|-----------------|
| Legal & Democratic Services | 3.247 | 3.145 | (0.102) | (0.094) | Various vacancy savings, (-£0.014m). | |
| | | | | | Reduction in Members' Allowances payable and expenses, (-£0.078m). £11k of the underspend on Members Allowances has been utilised to purchase tablets and a server for the pilot scheme to trial the use of tablets with Members. Should this trial prove successful then the purchase of the additional tablets would be purchased from this underspend. | |
| | | | | | Various decreases in running costs/increases in income received, (-£0.010m). | |
| Human Resources & Organisational Development | 2.024 | 2.239 | 0.215 | 0.185 | During the identification of the 1% efficiencies in 2010/11, £0.025m was surrendered on a permanent basis for ISA registration although the budget allocation was only temporary. The efficiency has therefore reduced the CRB checks budget by £0.025m. | |

CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|---|---|
|cont. Human Resources & Organisational Development | | | | | ISA Registration budget flaw resulting in a £0.025m pressure. | ISA Registration/CRB checks. A budget pressure form has been completed for 2012/13. A review is currently underway to identify possible ways of reducing CRB check expenditure. |
| | | | | | CRB Checks £0.043m pressure. | A report on CRB checks is currently being prepared for CMT which will make recommendations to reduce future costs. |
| | | | | | Corporate Training Accommodation costs £0.007m pressure. | |
| | | | | | Organisational Design pressure of £0.121m. | This expenditure relates to the OD Project which will generate efficiencies through ongoing service reviews. |
| | | | | | HRMIS Phase 2 in year pressure of £0.023m. | |

CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--|---------------------|------------------------|---------------|--------------------------|--|---|
|cont. Human Resources & Organisational Development | | | | | Other minor efficiencies equating to £0.004m | |
| | | | | | | HR & OD would like to request permission to carry forward the following amounts which were approved as invest to save costs relating to Flintshire Futures. It is intended for existing staffing arrangements to continue into 2012/13. <ul style="list-style-type: none"> ●£0.049m Flintshire Futures Project Team Costs; ●£0.070m Flintshire Futures HR Costs. |
| ICT & Customer Services | 5.591 | 5.729 | 0.138 | 0.101 | Estimated deficit D&P £0.296m. | DESIGN & PRINT We are currently projecting a £0.296m deficit for Design & Print for 2011/12. This figure may increase in future months if income drops more than we have anticipated. |
| | | | | | Pressure - Software Maintenance £0.019m | |

CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---------------------------------------|---------------------|------------------------|---------------|--------------------------|--|-----------------|
|cont. ICT & Customer Services | | | | | Vacancy Savings (vacancies on hold pending outcome of Service Reviews) £0.196m | |
| | | | | | Other minor pressures £0.019m | |
| | | | | | | |
| Clwyd Theatr Cymru | 1.013 | 1.013 | 0.000 | | | |
| Total : | 17.435 | 17.606 | 0.171 | 0.133 | | |

CENTRAL CORPORATE FINANCE

APPENDIX 6

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|---|---------------------|------------------------|---------------|--------------------------|--|------------------------------|
| Central Loans & Investment Account | 13.974 | 13.950 | (0.024) | (0.024) | The projected outturn of £13.950m reflects a net decrease in Interest/Principal/Debt Management expenses of £0.019m, a net increase in Temporary Investment and Other Interest income of £0.031m and an increase in the Minimum Revenue Provision of £0.026m. | Continue to monitor closely. |
| Financing & Funding (insurance, banking etc.) | 2.447 | 1.947 | (0.500) | (0.491) | The projected outturn of £1.947m reflects an anticipated decrease in Audit Fees of £0.033m, write-offs income of £0.010m and an adjusted Windfall Income total of £0.457m, which takes account of Rateable Value reductions, the write-off of unclaimed NNDR credits and the refund of VAT following a recent House of Lords decision (Fleming and Conde Nast Publications Ltd). | Continue to monitor closely. |
| Corporate Other | 4.957 | 4.604 | (0.353) | (0.323) | An increase in Special Expenses of £0.001m. | Continue to monitor closely. |

CENTRAL CORPORATE FINANCE

APPENDIX 6

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-----------------------------|---------------------|------------------------|---------------|--------------------------|---|--|
|cont Corporate Other | | | | | Overspend due to delay in identifying savings to offset the committed payment to Exchange Wales (e-procurement system) of £0.027m. | |
| | | | | | Non-Standard Inflation of £0.037m relating to energy for Street Lighting not currently projected to be required in 11/12. | |
| | | | | | Flintshire Futures Cost of Employment £0.245m shortfall in achievement of full efficiency. | Delays in negotiations for the Terms and Conditions element of the Cost of Employment project are likely to lead to an under achievement of the efficiency by £0.245m. CMT to discuss alternative options. |
| | | | | | Part year savings of £0.045m identified relating to the implementation of the Occupational Health collaboration project with Wrexham. | Full year savings have been included in the current budget proposals |
| | | | | | An overachievement of the centrally held Matrix efficiency is now projected resulting in an underspend of £0.180m | This will continue to be monitored closely. An increase in the efficiency is also included in the current budget proposals |

CENTRAL CORPORATE FINANCE

APPENDIX 6

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|----------------------------|---------------------|------------------------|---------------|--------------------------|--|--|
| ...cont Corporate Other | | | | | An underspend has now been confirmed on the 1st and 2nd Tier Officer Appraisal Review budget of £0.075m, this is offset by a one-off committed payment of £0.075m to the Regional Transformation Fund. | |
| | | | | | Early indications of the effects on pay of the day of industrial action suggests a reduction in costs in the region of £0.233m for non teaching staff | Deal with queries arising and confirm the actual figure in February pay. |
| | | | | | A centrally held procurement saving target of £0.511m has not been allocated. | This is now included as a pressure in the current budget proposals |

CENTRAL CORPORATE FINANCE

APPENDIX 6

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-------------------------------------|---------------------|------------------------|---------------|--------------------------|--|---|
| <p>....cont Corporate Other</p> | | | | | <p>As indicated in the Month 7 report the budget for 2011/12 included base budget provision of £0.337m in respect of increased employers pension contribution and £0.150m relating to the review of relief staff. The further detailed work has now been completed and it can be confirmed that these amounts are not now required resulting in a saving of £0.487m. A further projected saving of £0.260m has also been identified relating to the reductions in the total superannuation payable by the Council due to early payment.</p> <p>It is currently estimated that £0.200m of the £0.328m Single Persons Discount Efficiency will be achieved. Other items effecting the Collection Fund include banding adjustments on 86 properties. The net effect is a pressure of £0.150m.</p> | <p>The ongoing saving of £0.260m will be monitored closely. Future year impacts of these savings will be included in the budget strategy going.</p> |

CENTRAL CORPORATE FINANCE

APPENDIX 6

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|-----------------------------|---------------------|------------------------|----------------|--------------------------|--|---|
| ...cont Corporate Other | | | | | An anticipated surplus of £0.016m on the cycle to work and nursery vouchers schemes. | |
| | | | | | Print and Printer review efficiency of £0.030m. | |
| | | | | | Miscellaneous write-offs expenditure of £0.001m. | |
| Other variances (aggregate) | 3.702 | 3.703 | 0.001 | (0.010) | Anticipated overspend in Coroners' fees of £0.003m. | This service is managed and monitored by Wrexham C.B.C. |
| | | | | | £0.002m underspend due to less-than-anticipated requests for rate relief. | Continue to monitor closely. |
| Total : | 25.080 | 24.204 | (0.876) | (0.848) | | |

APPENDIX 7

Movements on Council Fund Unearmarked Reserves

| | £m | £m |
|---|----------------|--------------|
| Un-earmarked Reserves as at 1 April 2011 | 7.575 | |
| Less - Base Level | <u>(5.476)</u> | |
| Amount Available for Delegation to Executive | | 2.099 |
| Less repayment of temporary use of reserves for 2011/12 budget. | (1.613) | |
| Add Projected Underspend as at 31 st March 2012 | <u>0.901</u> | |
| Estimated balance in contingency reserve at 31 st March 2012 (before allocation to meet one-off time limited costs in 2012/13) | | 1.387 |
| * Less use of increase in contingency reserve to meet one-off / time limited costs in 2012/13 | (0.714) | |
| ** Less further increase in use of contingency reserve to meet one-off / time limited costs in 2012/13 | <u>(0.259)</u> | |
| Total allocation from contingency reserve to meet one-off / time limited costs in 2012/13 | | (0.973) |
| Estimated Level of Total Contingency Reserve as at 31st March 2012 | | 0.414 |

* As approved by Executive at the meeting on 24th January 2012

** As per the recommendation to Executive within the report on the Council Fund Revenue Budget 2012/13 which is also on this agenda

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--------------------------------------|---------------------|------------------------|---------------|--------------------------|--|---|
| Rental Income | (24.529) | (24.425) | 0.104 | 0.118 | A £81k projected adverse variance on voids, averaged at 2.69% over the full year against a budget of 2%. Voids projected at 2.2% which reflects a positive downward trend. | Monitor closely. |
| Building Maintenance Trading Account | 0.000 | (0.214) | (0.214) | (0.214) | £214k projected favourable variance reflects the additional income on emergency repairs and day to day capital works on heating | |
| Repairs and Maintenance | 9.302 | 9.525 | 0.223 | 0.214 | £223k projected adverse variance to budget. £130k adverse variance anticipated for bad weather this year placing a strain on emergency repairs and call outs and £20k projected additional spend to service all central heating systems. | Monitor emergencies closely - Ensure that all emergencies are correctly assessed and all follow up works are undertaken during the day. |
| Estate Management | 1.812 | 1.730 | (0.082) | (0.087) | £0.102m savings on salaries, as there are still a number of vacancies to fill after restructure has been implemented and we have not yet needed to implement 24 hour evacuation in high rise flats. | |

Budget Monitoring 2011/12 (Month 8)

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Variance Last Month (£m) | Cause of Variance | Action Required |
|--------------------------------|------------------------|---------------------------|------------------|-----------------------------|---|-----------------|
| Finance and Support | 2.211 | 2.069 | (0.142) | (0.130) | £44k savings on the re-negotiation of the insurance contract for 2011/12. £42k saving on non reimburseable ballot costs. | |
| Other variances (aggregate) | 11.572 | 11.553 | (0.019) | (0.021) | | |
| Total : | 0.368 | 0.238 | (0.130) | (0.120) | | |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected Efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|--|--------------------------|---------------------------|---|--|--|
| Grouped Operational (APPENDIX 6a) | | | | | |
| <i>Community Services</i> | | | | | |
| Reduce NVQ Assessor Post | 0.015 | 0.015 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Regional Telecare Service | 0.080 | 0.080 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Implementation delayed but will be achieved and budget has been reduced to reflect this. |
| TOTAL | 0.095 | 0.095 | 0.000 | | |
| Strategic (APPENDIX 6b) | | | | | |
| <i>Community Services</i> | | | | | |
| Arosfa development changes | 0.130 | 0.130 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| TOTAL | 0.130 | 0.130 | 0.000 | | |
| Tactical (APPENDIX 6c) | | | | | |
| <i>Community Services</i> | | | | | |
| LD and Mental Health Ringfenced budget | 0.050 | 0.050 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| 1% Recurring Efficiencies from 10/11 in-year process | 0.075 | 0.075 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Performance Management Development Fund | 0.038 | 0.038 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Homelessness | 0.036 | 0.036 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| IRO reduction | 0.015 | 0.015 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Merger of GHGC and PPQA Team | 0.048 | 0.048 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| MH & SM Asset Management | 0.025 | 0.025 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected Efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|--------------------------|---------------------------|---|--|---|
| Minor Adaptations Refocus | 0.064 | 0.064 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Reduction of Admin Flint | 0.022 | 0.022 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Reduction of PARIS team | 0.034 | 0.034 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Refocus Warden Service | 0.100 | 0.100 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Service Review underway and efficiency will be achieved. Budget reduced to reflect this. |
| Rent Abatement | 0.027 | 0.027 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Review of LD Work and Day Services | 0.025 | 0.025 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| Social Work Capacity | 0.140 | 0.140 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Budget has been reduced to reflect the efficiency. Achieved within Adult Services. Plans in place to achieve within Children's Services |
| Allocation of Housing Strategy Team salaries to HRA | 0.040 | 0.040 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| TOTAL | 0.739 | 0.739 | 0.000 | | |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|--|--------------------------|---------------------------|--|--|---|
| Grouped Operational (APPENDIX 6a) | | | | | |
| <i>Environment</i> | | | | | |
| Income generation through discretionary charging e.g. Pre-application advice | 0.020 | 0.010 | (0.010) | EFFICIENCY ACHIEVABLE IN PART | Introduction of fees discussed with Planning User Group in April and implementation will follow Planning Protocol Working Group's authorisation in September 2011. |
| TOTAL | 0.020 | 0.010 | (0.010) | | |
| Strategic (APPENDIX 6b) | | | | | |
| <i>Environment</i> | | | | | |
| Rationalisation of Leasehold Accommodation | 0.018 | 0.018 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Budget has been reduced to reflect the efficiency |
| TOTAL | 0.018 | 0.018 | 0.000 | | |
| Tactical (APPENDIX 6c) | | | | | |
| <i>Environment</i> | | | | | |
| Energy Awareness initiative | 0.002 | 0.002 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Energy Services in a minor underspend position at Period 3 |
| 1% Recurring Efficiencies from 10/11 in-year process | 0.081 | 0.081 | (0.000) | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Budget Managers are now working to revised budgets on the basis of recurring efficiencies |
| Rationalisation of Traffic Orders and Traffic Counter Site budgets | 0.007 | 0.007 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Budget has been reduced to reflect the efficiency |
| Re-drafting of the SLA with the Energy Efficiency Advice Centre | 0.002 | 0.002 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Energy Services in a minor underspend position at Period 6 |
| Reorganise Sexton arrangements at cemeteries | 0.012 | 0.012 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Reduction in Sexton costs at Hope Cemetery being reflected in Budget Monitoring |
| Landfill Tax Adjustment | 0.402 | 0.789 | 0.387 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | The efficiency for £402k was offset from a Landfill Tax pressure for £504k. There will be savings from reduced landfill tax and tipping fees due to reduced tonnages from the diversion to food waste and kerbside recycling through the onset of the Managed Weekly Collection Service with full roll-out in operation from November 2011. |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|--------------------------|---------------------------|--|--|---|
| Collaborative working with DCC & CCBC to undertake bus stop maintenance | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Budget has been reduced to reflect the efficiency |
| Denbighshire and Conwy to use FCC to issue free travel passes - additional income | 0.015 | 0.015 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Further work will be undertaken to establish if the £15k can be fully achieved |
| Efficiencies resulting from Planning Services Review | 0.065 | 0.065 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Part of Planning Service Review |
| Provision of Managed Weekly Collection and service reorganisation | 0.657 | 0.270 | (0.387) | EFFICIENCY ACHIEVABLE IN PART | The efficiency for £657k was offset from a pressure for £457k and it is projected that due to delays in rolling out the full MWC service from the original date of July to November and subsequent additional costs in doing so, the full saving will not be realised. This is reflected in P8 Budget Monitoring. |
| Rationalisation of Supplies & Services Budgets following disaggregation of former Community and Housing Support Service | 0.016 | 0.016 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Reduction in supplies and services budget under Directorate Support |
| Rationalise operations and working procedures to reduce supplies and services costs | 0.015 | 0.015 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Part of Directorate Support Service Review |
| Reduce frequency of window cleaning to offices | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Budget Pressure has also assisted in the cost of window cleaning coming in on target |
| Review of Consultancy Support in line with providing more in-house services | 0.010 | 0.010 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Part of Planning Service Review |
| Staff Savings in collaboration with DCC on Service Manager | 0.015 | 0.015 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Head of Transportation - collaborative working project with Wrexham being established |
| Streetscene Review | 0.250 | 0.058 | (0.192) | EFFICIENCY ACHIEVABLE IN PART | Based on new service structure being implemented from 1st March 2012 |
| Vacancy Management and joint working with Denbighshire CC on European Projects | 0.015 | 0.015 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Part of Regeneration Service Review |
| Public Protection Service Review | 0.082 | 0.082 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Part of Public Protection Service Review |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|---------------------------------|----------------------------------|---|--|--|
| Flintshire Business Services Service Review | 0.037 | 0.037 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Part of Regeneration Service Review |
| Changes in operations to allow sharing of administrative support in County Hall, Mold and Flint Offices with lower level of employee resource | 0.050 | 0.050 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Part of Directorate Support Service Review |
| Fundamental review of Directorate Support & Performance Structure | 0.076 | 0.076 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Part of Directorate Support Service Review |
| Reduce Homes of Multiple Occupation (HMO) budget | 0.019 | 0.019 | 0.000 | EFFICIENCY ALREADY ACHIEVED | Part of Public Protection Service Review |
| Grounds Maintenance - HRA Amenity Areas | 0.181 | 0.181 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Environmental Maintenance are anticipated to achieve income totalling £181k from the HRA. The internal invoice for the full year charge is anticipated to be raised in November. |
| TOTAL | 2.019 | 1.827 | (0.192) | | |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|--------------------------|---------------------------|--|--|---|
| Grouped Operational (APPENDIX 6a) | | | | | |
| <i>Lifelong Learning</i> | | | | | |
| Rationalisation of number of kitchens in light of possible large requirement for capital investment in order to rectify LPG Health and Safety issues. | 0.175 | 0.000 | (0.175) | EFFICIENCY NOT ACHIEVABLE | Draft APSE review received during January. Any efficiencies that arise from it are unlikely to impact on this financial year. |
| Review of cleaning services at Council Premises | 0.100 | 0.000 | (0.100) | EFFICIENCY NOT ACHIEVABLE | Implementation of agreed daytime cleaning at County Hall could result in a partial achievement of efficiency in 2012/13. A budget pressure bid of £70k has been submitted for 2012/13 |
| TOTAL | 0.275 | 0.000 | (0.275) | | |
| Strategic (APPENDIX 6b) | | | | | |
| <i>Lifelong Learning</i> | | | | | |
| Reduction to delegated budgets - secondary schools | 0.392 | 0.392 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Reduction to delegated budgets - nursery schools | 0.001 | 0.001 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Reduction to delegated budgets - special schools | 0.037 | 0.037 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Reduction to delegated budgets - primary schools | 0.449 | 0.449 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Cease transport subsidy to Deeside Consortium | 0.011 | 0.003 | (0.008) | EFFICIENCY ACHIEVABLE IN PART | Discussions are ongoing regarding Deeside Consortium's transport subsidy. |
| Rationalisation of 5 small Libraries | 0.043 | 0.043 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Rationalisation of Youth/Community premises | 0.066 | 0.000 | (0.066) | EFFICIENCY NOT ACHIEVABLE | Action not met in year, this has been put forward as a pressure bid for 2012/13. |
| Rationalisation of Inclusion Welfare Provision | 0.050 | 0.050 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|--|--------------------------|---------------------------|--|--|--|
| Reduction in development funding in more able and talented - Primary / Secondary Phase | 0.036 | 0.036 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction of Galaxy budget | 0.007 | 0.007 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction of ICT replenishment budget | 0.007 | 0.007 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Target to reduce subscriptions to external organisations | 0.015 | 0.015 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| TOTAL | 1.114 | 1.040 | (0.074) | | |
| Tactical (APPENDIX 6c) | | | | | |
| <i>Lifelong Learning</i> | | | | | |
| Demographic change in Schools | 0.137 | 0.137 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| 1% Recurring Efficiencies from 10/11 in-year process | 0.254 | 0.254 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Rationalisation of Cafés in Flint and Holywell | 0.017 | 0.017 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Closure of Creche at Flint Lesiure Centre | 0.006 | 0.006 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Decrease contingency budget for unknown items such as Bad Debt provision | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Deletion of Community Events Officer Post | 0.021 | 0.021 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Deletion of Senior Information Librarian Post | 0.028 | 0.028 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Directorate embargo on First Class Post | 0.003 | 0.003 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|---------------------------------|----------------------------------|---|--|---|
| Increase contribution from Denbighshire County Council for Libraries Newnet | 0.004 | 0.004 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Non-replacement of staff - Early Years | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Not replacing vacant position of part-time warden at Bailey Hill Lodge | 0.002 | 0.002 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Rationalisation of ICT Teacher Adviser section | 0.053 | 0.053 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Rationalisation of Mobile Library Service | 0.040 | 0.040 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Rationalisation of museum stores provision | 0.009 | 0.009 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Rationalisation of Rugby Coaching | 0.008 | 0.008 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduce BSF Match Funding in line with 33% reduction in grant | 0.250 | 0.250 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduce collection of off-site records | 0.004 | 0.004 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduce expenditure on library books | 0.024 | 0.024 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reducing Middle Management Layers within Leisure Centres | 0.021 | 0.021 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction in discretionary spend on projects - Cymorth | 0.029 | 0.029 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction in Museum's artefact purchasing budget | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|--|---------------------------------|----------------------------------|---|--|--|
| Reduction in use of part time staffing within Youth Service | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction of Management Fee to Greenfield Valley Trust | 0.012 | 0.012 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction of Youth Service minibus service (by 1 bus) | 0.006 | 0.006 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Reduction of opening hours of Hawarden Records Office | 0.023 | 0.023 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Organisational Redesign of Leisure and Cultural Services | 0.133 | 0.012 | (0.121) | EFFICIENCY ACHIEVABLE IN PART | 12 month delay in staffing restructure, this should be fully in place by April 1st 2012 |
| Removal of Director's and Asst Director's discretionary spend | 0.008 | 0.008 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| Removal of Swimming Development Post | 0.022 | 0.022 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Remove AVA service to schools | 0.060 | 0.029 | (0.031) | EFFICIENCY ACHIEVABLE IN PART | |
| Review of operating structure at Connah's Quay, Hope and Saltney Leisure Centres | 0.088 | 0.055 | (0.033) | EFFICIENCY ACHIEVABLE IN PART | The efficiency has been achieved in the reduction of staff, however due to the lone worker arrangements casual income has decreased by £33k as cash payments are no longer taken at these sites. |
| Target to increase take-up of school meals | 0.049 | 0.000 | (0.049) | EFFICIENCY NOT ACHIEVABLE | This was trialled in September in a selection of schools and the figures showed a 12% drop in take-up. This efficiency has been monitored since and is showing no sign of being achievable. |
| Rationalisation of LEA run Music Service | 0.177 | 0.177 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | All necessary action has been taken. |
| TOTAL | 1.508 | 1.274 | (0.234) | | |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|--------------------------|---------------------------|--|--|---|
| Grouped Operational (APPENDIX 6a) | | | | | |
| <i>HR & OD - Corporate Services</i> | | | | | |
| Cost of Employment | 1.000 | 0.755 | (0.245) | EFFICIENCY ACHIEVABLE IN PART | Directorate teams have achieved the Management Control Items which make up the majority of the efficiency. Officers are currently consulting with Unions regarding the Proposals for Changes to Terms and Conditions. Delays in negotiations mean that the full efficiency is unlikely to be achieved unless alternative action is approved by CMT. |
| TOTAL | 1.000 | 0.755 | (0.245) | | |
| Tactical (APPENDIX 6c) | | | | | |
| <i>Chief Executive - Corporate Services</i> | | | | | |
| Voluntary Sector Efficiencies | 0.008 | 0.008 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | |
| Reduction in hours of Clerical Assistant | 0.004 | 0.004 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | |
| Nuclear Free Local Authorities Membership | 0.002 | 0.002 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | |
| WLGA Subscription | 0.015 | 0.000 | (0.015) | EFFICIENCY NOT ACHIEVABLE | Corporate Subscriptions budget overspent by £0.006m at month 5. A number of invoices are still outstanding. |
| Policy Performance & Partnerships Review | 0.024 | 0.024 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Implementation date of review further delayed however efficiency should be achievable through existing vacancy savings |
| Consultation and Publications | 0.005 | 0.005 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | |
| <i>HR & OD - Corporate Services</i> | | | | | |
| Corporate Training move to Northop | 0.008 | 0.000 | (0.008) | EFFICIENCY NOT ACHIEVABLE | Accommodation required at Greenfield Business Centre for First Aid Training provision until September. Efficiency will be achieved in full from 2012/13. |
| <i>Finance - Corporate Services</i> | | | | | |

Month 8

| Efficiency Description | Budgeted Efficiency (£m) | Projected efficiency (£m) | Variance Negative = underachievement Positive = overachievement (£m) | Current Position | Further information to support current position status or other relevant information |
|---|--------------------------|---------------------------|--|--|---|
| Financial Status Enquiries | 0.002 | 0.002 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| <i>ICT & Customer Services - Corporate Services</i> | | | | | |
| Efficiency Savings - reduced supplies & services spend | 0.106 | 0.106 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | |
| Corporate Administration Review | 0.138 | 0.138 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | Delays in implementation may incur a slight budget pressure. |
| Undertake a Telecommunication tariff review. | 0.040 | 0.040 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | This is a Corporate efficiency which is still to be apportioned across directorates |
| <i>Legal & Democratic - Corporate Services</i> | | | | | |
| Legal Staffing Review | 0.074 | 0.074 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| Member Training | 0.007 | 0.007 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| <i>Corporate Finance - Corporate Services</i> | | | | | |
| Pay Award (09/10) | 0.968 | 0.968 | 0.000 | EFFICIENCY ALREADY ACHIEVED | All necessary action has been taken. |
| 1% Recurring Efficiencies from 10/11 in-year process | 0.243 | 0.218 | (0.025) | EFFICIENCY ACHIEVABLE IN PART | £0.025m further ISA Registration saving not achievable. |
| ISA Registration | 0.030 | 0.030 | 0.000 | EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL | |
| Single Persons Discount Review | 0.328 | 0.200 | (0.128) | EFFICIENCY ACHIEVABLE IN PART | Review not due for completion until the end of January 2012. However savings of £0.200m to date have been identified. |
| TOTAL | 2.002 | 1.826 | (0.176) | | |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 19

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF HUMAN RESOURCES AND ORGANISATIONAL
DEVELOPMENT**
SUBJECT : **MATRIX CONTRACT UPDATE (MANAGED AGENCY STAFF
SOLUTION)**

1.00 PURPOSE OF REPORT

1.01 This report provides an update on the contract for the provision of agency workers. The report shows quarter 3 of 2011/12 savings and provides an update on the development of procedures to maximise efficiencies and improve practice in relation to the use of agency workers.

2.00 BACKGROUND

2.01 The Matrix Contract has been established as a result of a collaborative procurement project with Denbighshire County Council and Wrexham County Borough Council. Flintshire County Council led the project and employed a Contract Manager to manage the contract on behalf of the three local authorities. Flintshire County Council went live on Matrix on 20 October 2008. The contract was for an initial period of 3 years. Following consultation with the collaborative partners, this was extended in October 2011 for an additional 12 months.

3.00 CONSIDERATIONS

3.01 The savings reported under 5 (Financial Implications) of this report represent the net savings (i.e. after deducting the Matrix SCM management fee) from the use of Matrix to procure agency workers as a result of negotiated rates with supplying agencies.

3.02 Flintshire's share of the cost of the Contract Manager position is to be funded out of these savings. This cost is split three ways between Flintshire County Council, Denbighshire County Council and Wrexham County Council at a rate of £4,500 per quarterly period.

3.03 The Housing Revenue Account (HRA) savings will be transported back to the HRA, which equates to the sum of £17,431.47 for quarter 3 of 2011 /12.

3.04 The revised process for the extension of temporary agency staff beyond 6 weeks has been in place for 4 months. In this quarter, there has been a slight increase month on month based on last year, this is mainly due to the Service Review within Street Scene which has taken longer than anticipated to complete and the introduction of

Managed Weekly Collections which has necessitated a temporary increase in resources.

- 3.05 The following statistics provide a breakdown of the average number of agency workers per month during this quarter and the associated expenditure. In the last quarter, the average headcount was 206 agency workers, which has decreased to an average of 184 in this quarter.

| Month | Spend £ | Net Savings £ | Net Savings % | Average number of agency workers (headcount) |
|-----------------|-------------|---------------|---------------|--|
| October | £404,529.32 | £50,763.18 | 12.55% | 188 |
| November | £311,699.30 | £40,762.68 | 13.08% | 167 |
| December | £346,339.25 | £42,296.97 | 12.21% | 196 |

- 3.06 The information held in the table below provides details of the length of placements of agency workers, by Directorate. In summary, there are 33 placements with a duration of under one month, 78 placements have a duration of between one and six months, 48 placements with a duration of six to twelve months and 47 placements with a duration of over one year.

| Directorate | <1 Month | <6 Months | <12 Months | >12 Months |
|---------------------------------|----------|-----------|------------|------------|
| Community Services | 4 | 18 | 16 | 13 |
| Chief Executive's Department | | | | |
| Lifelong Learning | | 1 | | 1 |
| Environment | 28 | 57 | 30 | 33 |
| Finance | | | 2 | |
| HR & Organisational Development | 1 | 1 | | |
| ICT & Customer Services | | | | |
| Legal and Democratic Services | | 1 | | |
| Clwyd Theatr Cymru | | | | |

- 3.07 This information indicates that further significant work must be undertaken to reduce the number of longer term placements across the organisation. There has been a reduction of between 15% and 25% in the number of agency placements in every Directorate, apart from Environment, when compared with last quarter. The rationale for the number of agency placements for Environment is provided at paragraph 3.11 of this report.
- 3.08 The European Union's Agency Workers Directive became UK law on 1st October 2011 (now known as the Agency Worker Regulations). This covers the relationship between end-user, temporary work agency and the worker and guarantees the right to equal treatment: basic employment and working conditions after 12 weeks in the job (working time, holidays, public holidays and pay) in comparison with directly recruited counterparts.

- 3.09 In preparation for these Regulations and to mitigate risk for the Council, a number of additional measures were put in place from August 2011. The extension process was reduced to 6 and 10 weeks in order to manage the issues which impact after 12 weeks. It was proposed that the corporate principle be adopted that Agency Workers would not ordinarily be engaged beyond a 12 week period. The only exception was where a Business Case could demonstrate that to bring a placement to an end at 12 weeks would cause substantial business or service continuity risks.
- 3.10 The table below provides details of the number of agency placements that exceeded 12 weeks as at 24th December 2011 (i.e. 12 weeks after the Agency Worker Regulations were introduced on 1st October 2012) and which then qualified for equal treatment (as stated in 3.07).

| Directorate | Qualifying Placements |
|---------------------------------|-----------------------|
| Community Services | 33 |
| Chief Executive's Department | 0 |
| Lifelong Learning | 2 |
| Environment | 88 |
| Finance | 2 |
| HR & Organisational Development | 1 |
| ICT & Customer Services | 0 |
| Legal & Democratic Services | 0 |
| Ciwyd Theatr Cymru | 0 |

- 3.11 The reason for this increase in the total number of placements in Environment, and the high number of placements that have exceeded the 12 week threshold, relates to the Street Scene service review. The reasons for this are two-fold. Firstly, additional resource was required to support the rollout of the Management Weekly Collection (MWC) which was introduced during the course of this quarter. Secondly, Business Cases were provided by the Environment Directorate to enable longer term placements to continue to allow the Street Scene service to be delivered during the interim period, pending the outcome of the Trade Union ballot to introduce the new Street Scene service in its entirety.
- 3.12 It is anticipated that there will be a significant decrease in the numbers of agency worker placements in Environment during the next quarter, following an advertisement for 55 posts in Street Scene which will result in agency worker placements ceasing. Under the new regulations, existing agency workers who have exceeded 12 weeks in their placement will have the opportunity to apply for these posts.
- 3.13 The continuation of longer term placements in the Community Directorate have all been approved via the submission of appropriate Business Cases. In most cases, the Business Cases have been approved on the basis that a temporary extension to the placements will allow the service to introduce alternative arrangements to mitigate and manage associated service continuity risks. It is expected that the number of placements will reduce during the course of the next quarter.

4.00 RECOMMENDATIONS

4.01 That Members note this update and endorse the approaches being taken to manage the use of agency workers more closely and to explore further options for increasing efficiency savings for Flintshire.

5.00 FINANCIAL IMPLICATIONS

5.01 The figures shown below have been generated by the Matrix system and have been reconciled with the general ledger accounts. The tables show the spend and savings on agency workers during the third quarter of 2011/12. The management fee for Matrix SCM and the agency margin has already been deducted from these figures.

5.02 A total saving of £358,271.48 was made for the financial year 2010 / 11. The net savings for the third quarter for the financial year 2011/12 are £133,822.83.

5.03 From the savings of £133,822.83, there are two further figures that need to be deducted, i.e. Flintshire's share of the cost of the Contract Manager at £4,500 per quarter and the savings achieved for the Housing Revenue Account which must be passported back to that account. This will give a total net saving for this quarter of £111,891.36.

| Period | Total Charge | Rebate | Rebate % |
|---------------|------------------------------|---------------|--------------------|
| | £ | £ | |
| Q1 | 981,935.24 | 106,212.83 | 10.82% |
| Q2 | 1,145,760.09 | 132,727.20 | 11.58% |
| Q3 | 1,062,567.87 | 133,822.83 | 12.59% |
| Q4 | | | |
| | Less Contract Manager | | £4,500.00 |
| | Less HRS Savings | | £17,431.47 |
| | Revised Total | | £111,891.36 |

6.00 ANTI POVERTY IMPACT

6.01 None

7.00 ENVIRONMENTAL IMPACT

7.01 None

8.00 EQUALITIES IMPACT

8.01 None

9.00 PERSONNEL IMPLICATIONS

- 9.01 The Council has an objective to reduce the numbers of agency workers and the length of their placements by ensuring that the procurement of agency workers is properly managed and that agency workers are being used only in appropriate circumstances. The process for the approval of extension of placements at 6 and 12 months has supported the Council in meeting this objective, together with the recent implementation of the reduced process to 6 and 10 weeks in supporting the AWR. Where Business Cases have been approved to extend placements, it is expected that during the temporary extension, alternative measures will be taken to allow the agency placement to cease within an agreed timeframe.

10.00 CONSULTATION REQUIRED

- 10.01 None

11.00 CONSULTATION UNDERTAKEN

- 11.01 None

12.00 APPENDICES

- 12.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 20

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **DIRECTOR OF LIFELONG LEARNING**
SUBJECT : **ESTYN INSPECTION OF LOCAL AUTHORITY EDUCATION
SERVICES FOR CHILDREN AND YOUNG PEOPLE**

1.00 PURPOSE OF REPORT

- 1.01 To provide Executive with details of the outcome of the recent Estyn Inspection into Local Authority Education Services for Children and Young People (LAESCYP).
- 1.02 The purposes of inspection are to:
- provide accountability to the users of services and other stakeholders through public reporting on providers;
 - promote improvement in education and training; and
 - inform the development of national policy.

2.00 BACKGROUND

- 2.01 Flintshire County Council was subject to a full LAESCYP inspection by Her Majesty's Inspectorate for Education and Training in Wales (Estyn) in October 2011.
- 2.02 As part of the preparation for inspection, the Council produced an updated Self evaluation report (SER), which was compiled with the support of the Council corporately and partners involved in the provision of support to children, young people and schools. The SER and extensive background documentation was provided to the inspection team in advance of the inspection process.

3.00 CONSIDERATIONS

- 3.01 A copy of the inspection report is attached at Appendix 3. This was published on 31 January 2012.
- 3.02 Several sections of the report match the local authority's own views of it's progress and performance including support for additional learning needs, promoting social inclusion and well-being, access and school places, partnership working and resource management.
- 3.03 The local authority has registered concerns about Estyn's judgement of 'adequate' in relation to 'Standards'. The issues are set out at Appendix 1 and key performance outcomes as set out at Appendix 2. Key outcomes at Appendix 2 contradict statements within the Estyn report 'Standards' section. The Standards judgement is a

key component in assessing "How Good are Outcomes" and other key questions across the inspection framework.

3.04 Estyn grade descriptions are: -

- Good - many strengths and no important areas requiring significant improvement
- Adequate - strengths outweigh areas for improvement

4.00 RECOMMENDATIONS

- 4.01 - Executive receives the Estyn Report and considers the conclusions about the Local Authority's Education Services.
- Executive commissions the Director of Lifelong Learning to prepare an Action Plan in response to Estyn's recommendations.
- The Action Plan be considered by the Lifelong Learning Overview & Scrutiny Committee (LLOSC) prior to adoption by the Executive and submission to Estyn.

5.00 FINANCIAL IMPLICATIONS

5.01 There are no financial implications arising from this report.

6.00 ANTI POVERTY IMPACT

6.01 There are no anti poverty implications arising directly from this report.

7.00 ENVIRONMENTAL IMPACT

7.01 There are no environmental implications arising from this report.

8.00 EQUALITIES IMPACT

8.01 The inspection report and action plan should comply with the Council's equalities requirements. The inspection report notes good practice in Social Inclusion and Additional Learning Needs.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no personnel implications arising directly from this report.

10.00 CONSULTATION REQUIRED

10.01 The Action Plan will be consulted upon with schools and service partner representatives.

11.00 CONSULTATION UNDERTAKEN

11.01 Not applicable.

12.00 APPENDICES

- 12.01
1. Statement on LAESCYP Inspection - October 2011
 2. Standards in Flintshire
 3. LAESCYP Inspection Report - October 2011

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None.

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Appendix 1 – Statement on LAESCYP Inspection

Estyn Inspection- October 2011

Flintshire County Council is committed to securing high quality lifelong learning opportunities and outcomes for all.

Schools and the wider education service have shaped significant service change and have been securing improved outcomes for learners. Performance outcomes for 2010 and 2011 are attached. They include Flintshire's outcomes against other Welsh Authorities. A rank of 6th or better indicates that outcomes are at or above the level expected when allowing for levels of social deprivation. The positive outcomes reflect well on the commitment of learners, families, staff, governors and support services. Flintshire is one of the top performing education services in Wales.

The Authority is committed to further improvement. We will do this through implementation of our Primary, Secondary, Inclusion and School Modernisation strategies.

Flintshire County Council welcomes external accountability. Inspection and review are key approaches to recognising progress and bringing an external perspective on further opportunities for improvement. Attached is a copy of the report arising from the October 2011 inspection of Local Authority services. It particularly recognises good progress in provision of Additional Learning Needs, social inclusion, well-being and Partnership Working.

Unfortunately, the current report does not clearly identify the progress and achievement being made by children, young people and schools in Flintshire. The accuracy of the section on standards has been under dispute since October 2011. We believe that a narrow interpretation of data by the inspectors, within an inflexible inspection framework, has led to a doubtful judgement. This judgement is not supported by a good judgement on our recent inspection of 14-19 year old provision in Flintshire, learner outcomes and a series of excellent inspection outcomes for local schools in their individual inspections. At this point, we will have to agree to disagree and accept the judgement as it is owned by Estyn. Standards also determine the outcomes of other judgement criteria.

The Authority agrees with Estyn's recommendations and will continue to work with schools and other partners to ensure that all our learners are offered appropriate education opportunities and secure the highest possible levels of achievement.

| SUBJECT (NB Annual Performance Report Goes to March LLOSC) | | PERFORMANCE | | | | | | | | |
|--|--|-------------|---------------|--------------------------------|---------|---------------|--------------------------------|---------|---------------|--------------------------------|
| | | LA 2008 | Wales 2008 | Rank 2008 (out of 22) | LA 2010 | Wales 2010 | Rank 2010 (out of 22) | LA 2011 | Wales 2011 | Rank 2011 (out of 22) |
| KS1 (7) | ENGLISH | 84.8 | 82.4 | 6 | 81.4 | 82.9 | 14 | 85.8 | 84.1 | 8 |
| | WELSH | 92.7 | 88.5 | 5 | 95.1 | 90.2 | =3 | 92.6 | 90.9 | 8 |
| | MATHS | 87.0 | 86.8 | 11 | 83.8 | 87.5 | 19 | 88.5 | 88.0 | 12 |
| | SCIENCE | 90.6 | 89.7 | 9 | 90.5 | 90.3 | =8 | 92.2 | 90.4 | 5 |
| | CORE SUBJECT INDICATOR (CSI) | 81.7 | 80.7 | =9 | 77.6 | 81.6 | 19 | 83.8 | 82.7 | 9 |
| KS2 (11) | ENGLISH | 81.9 | 79.8 | 5 | 82.8 | 81.9 | 10 | 83.8 | 83.4 | =13 |
| | WELSH | 81.7 | 77.0 | 9 | 82.4 | 81.0 | 15 | 77.9 | 82.0 | =20 |
| | MATHS | 84.0 | 81.3 | 4 | 84.3 | 83.3 | 7 | 85.5 | 84.9 | =12 |
| | SCIENCE | 88.6 | 85.6 | =2 | 86.9 | 86.4 | 11 | 87.1 | 87.1 | 12 |
| | CSI | 77.9 | 75.5 | 5 | 78.3 | 78.2 | 11 | 80.8 | 80.0 | =12 |
| | CSI boys | 73.7 | 71.6 | 8 | 74.3 | 74.4 | 12 | 76.2 | 76.2 | 13 |
| | CSI girls | 82.0 | 79.6 | 5 | 82.7 | 82.2 | 11 | 85.6 | 84.0 | =6 |
| KS3 (14) | ENGLISH | 75.5 | 69.5 | 2 | 76.8 | 72.5 | 5 | 82.5 | 76.0 | 2 |
| | WELSH AS FIRST LANGUAGE | 61.4 | 72.3 | 17/17 | 66.7 | 76.8 | 16/17 | 78.7 | 81.3 | 13/18 |
| | MATHS | 76.7 | 72.5 | 3 | 81.0 | 75.5 | 3 | 82.0 | 77.9 | =5 |
| | SCIENCE | 78.2 | 73.7 | =3 | 82.4 | 77.1 | 4 | 85.5 | 80.3 | 2 |
| | CSI | 64.6 | 59.6 | 4 | 69.3 | 63.7 | 6 | 73.8 | 68.0 | 4 |
| | CSI boys | 61.8 | 54.8 | 1 | 66.1 | 58.7 | 4 | 68.1 | 63.0 | 4 |
| | CSI girls | 67.5 | 64.5 | 6 | 72.5 | 69.0 | =6 | 79.4 | 73.3 | 3 |
| | ART | 82.6 | 75.3 | 2 | 87.2 | 78.9 | 4 | 90.9 | 82.2 | 1 |
| | DESIGN & TECHNOLOGY | 83.7 | 75.1 | 1 | 84.0 | 78.1 | 4 | 87.1 | 81.3 | 4 |
| | GEOGRAPHY | 82.2 | 71.9 | 1 | 83.4 | 74.2 | 2 | 84.9 | 77.7 | 2 |
| | HISTORY | 81.2 | 71.8 | 1 | 82.8 | 74.4 | 1 | 85.9 | 77.7 | 2 |
| | IT | 81.4 | 76.4 | 3 | 86.9 | 80.6 | 3 | 89.0 | 83.1 | 3 |
| | MODERN FOREIGN LANGUAGE | 73.2 | 61.6 | 2 | 74.0 | 67.0 | 3 | 79.3 | 70.4 | 3 |
| | MUSIC | 75.0 | 71.5 | 7 | 85.2 | 77.0 | 1 | 85.2 | 80.4 | 5 |
| | PHYSICAL EDUCATION | 70.1 | 72.0 | =15 | 78.1 | 73.9 | 5 | 81.5 | 78.0 | 6 |
| WELSH AS SECOND LANGUAGE | 58.4 | 54.1 | 8 | 66.4 | 59.4 | 4 | 69.9 | 64.6 | 4 | |
| KS4 (16) | L2 Threshold (incl. E/W&M)* | 45.2 | 45.6 | 10 | 58.5 | 49.4 | 1 | 58.2 | 50.1 | 1 |
| | L1 Threshold * | 90.1 | 86.8 | 3 | 94.0 | 89.7 | 1 | 93.7 | 90.3 | 2 |
| | CSI * | 45.2 | 45.6 | 10 | 57.6 | 48.0 | 1 | 57.3 | 48.7 | 1 |
| | AVERAGE WIDER POINTS SCORE | 347.8 | 356.0 | 14 | 385.1 | 394.0 | 13 | 414.0 | 423.0 | 15 |
| | Attendance | 92.5 | 91.0 | 1 | 92.2 | 91.1 | 1 | 92.4 | 91.4 | =2 |
| Unauthorised Absence | 0.8 | 1.8 | 2 | 0.6 | 1.6 | =2 | 0.5 | 1.5 | =1 | |
| NEETS | Not in Education, Employment & Training (NEET) | 7.2 | 7.1 | 14 | 2.8 | 5.4 | 2 | x | x | x |

* Definitions:

KS4 CSI - A*-C at GCSE in Eng/Welsh + Maths +Sc

KS4 L2 - 5A* - C at GCSE (or equiv) in A* - C in Eng/Welsh + Maths

KS4 L1 - 5A* - G at GCSE (or equiv)

x Data not available yet

CSI Core Subject indicator (CSI) at Key Stage 1,2 & 3 measures how well pupils are doing at English or Welsh as a first language, Maths and Science

Yellow Yellow above is benchmark for Free School Meals. The recorded figures were:

. January 2008 10.8% (3rd Wales on FSM/deprivation)

. January 2011 14.7% (6th in Wales on FSM/deprivation)



WALES AUDIT OFFICE

SWYDDFA ARCHWILIO CYMRU

**A report on the quality of local authority
education
services for children and young people**

in

**Flintshire County Council
County Hall
Mold
Flintshire
CH7 6NB**

October 2011

by

**Estyn, Her Majesty's Inspectorate for Education
and Training in Wales**

During each inspection, inspectors aim to answer three key questions:

Key Question 1: How good are the outcomes?

Key Question 2: How good is provision?

Key Question 3: How good are leadership and management?

Inspectors also provide an overall judgement on the provider's current performance and on their capacity to improve.

In these evaluations, we use a four-point scale:

Excellent

Good

Adequate

Unsatisfactory

The report was produced in accordance with section 38 of the Education Act 1997, the Children Act 2004 and the Learning and Skills Act 2000.

Every possible care has been taken to ensure that the information in this document is accurate at the time of going to press. Any enquiries or comments regarding this document/publication should be addressed to:

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Context

Context

Flintshire is located in north-east Wales and has a population of 149,923.

Of the working population in Flintshire, 8.6% have no qualifications, which is lower than the Wales average of 13.7%. The employment rate in year ending 31 December 2010 in Flintshire was 71.8%, compared to the Wales average of 66.4%. There were 11.5% of children living in workless households.

The percentage of pupils of compulsory school age eligible for free school meals in 2011 is 14.7%, lower than 19.4% nationally. This level of eligibility is the sixth lowest in Wales (PLASC 2011). Four areas in Flintshire are in the 10% most deprived areas in Wales.

Ethnic minorities account for 0.8% of the population, lower than the Wales average of 3.6%. Just under a third of people over the age of three say they can speak Welsh compared to the Wales average of 25.6%.

As of 31 March 2010, Flintshire had 160 children being looked after by the authority. There were 105 children on the Child Protection register.

Financial context

The Welsh Government's Standard Spending Assessment (SSA) for Flintshire County Council for 2011-2012 was £1,609 per head of population. The Council's SSA per head of population has consistently been one of the lowest in Wales in recent years.

In 2011-2012, the authority set its education budget, net of grants, at £105.1 million. This was slightly below the education component within the SSA and represents £4,581 per pupil. This is below the Welsh average of £4,770 per pupil. The authority's net education budget for 2011-2012 was marginally lower than for 2010-2011.

The authority gives high priority to expenditure on schools within its education budget. Total budgeted expenditure on schools represents £4,773 per pupil, a figure close to the Welsh average.

Welsh Government figures show that the authority delegates 74.2% of the available education budget to schools. Whilst this level of delegation showed one of the highest increases since 2010-2011, it is still below the Welsh average of 76.2%. Average delegated budgets in Flintshire are £3,629 per pupil in primary schools – the third lowest in Wales – and £3,974 per pupil in secondary schools, which is the lowest in Wales.

Summary

Overall judgement: Adequate

The local authority's education services for children and young people are adequate because:

- since 2007, performance in Flintshire schools has improved at a similar rate to that of Wales in key stages 1, 2, and 3. In 2011, the percentage of pupils gaining the core subject indicator (CSI – the expected performance in English, or Welsh, mathematics and science in combination) was above the average for Wales. In 2010, performance at key stage 4 improved at a faster rate than that of Wales as a whole on four of the five main indicators;
- there are few permanent exclusions; and
- the authority works well with a range of partnerships including the Local Service Board, Youth Offending Team, Children And Young People's Partnership, 14-19 network, and with other neighbouring authorities.

However:

- overall standards are adequate. In 2011 at key stage 3 three-quarters of Flintshire secondary schools are well below average and one third are in the bottom quarter for the core subject indicator. There have been too many schools in the bottom 25% over the last two years and too few schools in the top 25%;
- in 2011 performance at key stage 4 declined on three indicators;
- in key stages 1, 2 and 3 the gap in performance between boys and girls is wider than that across Wales;
- the local authority does not perform to expected Welsh Government benchmarks when compared to similar authorities on free school meal rankings in key stage 1 and in key stage 3. It has average performance at key stage 2. At key stage 4, the authority has only met or exceeded its expected benchmarks once in the last three years. This is an important area for improvement;
- there are a range of areas requiring improvement in the primary sector, including declining attendance, behaviour, quality and standards, and financial management;
- too many schools require some level of follow-up activity after Estyn inspections, including one primary school being placed in significant improvement and another in special measures; and

- elected members have not worked satisfactorily to reorganise secondary schools, reduce surplus places and make better use of resources.

Capacity to improve: Adequate

The local authority is judged as having adequate prospects for improvement because:

- standards declined in 2011 on three key stage 4 indicators;
- the pace of securing improvements is often slow;
- it is not clear how the authority will address all the areas for improvement it identifies in its self-evaluation report; and
- elected members have been unwilling to act strategically in the needs and interests of children and young people, particularly with regard to their secondary school modernisation strategy.

However:

- senior officers have recently put new initiatives in place to improve the performance of pupils in receipt of free school meals and vulnerable pupils; and
- the authority is establishing good working relationships with five other authorities in the North Wales regional consortia to establish a regional school effectiveness service.

Recommendations

In order to improve, Flintshire County Council needs to:

- R1 improve standards and performance to reduce the percentage of schools that are in the bottom 25% when compared to similar schools across Wales and reduce the gap in performance between boys and girls;
- R2 improve the standard and quality of provision in primary schools by:
- addressing a trend of declining attendance;
 - reducing fixed term exclusions; and
 - reducing school balances and deficits in line with national guidelines;
- R3 improve how senior officers and all elected members work together to:
- improve standards for all learners;
 - improve self-evaluation and reporting to members; and
 - reorganise secondary schools, reduce surplus places and make better use of resources;
- R4 reduce the number of days' education that learners in Flintshire miss due to fixed term exclusions of six days or more in all of its secondary schools;
- R5 improve the monitoring arrangements for the Children and Young People's Partnership to effectively track the progress of children and young people; and
- R6 prioritise areas for improvement identified in its self-evaluation of education services.

What happens next?

Flintshire County Council will produce an action plan to show how it will address these recommendations within 70 days (50 working days) of receipt of the report. Progress in addressing the recommendations will be monitored by Estyn.

Estyn is of the opinion that the authority falls into the category of follow-up activity and will require an Estyn monitoring visit. The date and focus of this monitoring visit will be determined by Estyn in due course.

During all core inspections, the inspection team will consider whether the local authority needs any follow-up activity.

There are five types of follow-up activity:

- 1 good practice case study;
- 2 link inspector monitoring;
- 3 Estyn monitoring visit;
- 4 significant improvement; and
- 5 special measures.

Any follow-up inspection work will be planned in consideration of other inspection and regulatory activity within an authority. All follow-up inspections will be fed into the Local Authority Regulatory Calendar to avoid duplication and take advantage of any opportunities to work more closely with the Wales Audit Office (WAO) and the Care and Social Services Inspectorate Wales (CSSIW).

Main findings

Key Question 1: How good are outcomes? Adequate

Standards: Adequate

Since 2007, performance in Flintshire schools has improved at a similar rate to that of Wales in key stages 1, 2, and 3. In 2011 the percentage of pupils gaining the core subject indicator (CSI) is above the average for Wales.

In 2010, performance at key stage 4 improved at a faster rate than that of Wales as a whole on four of the five main indicators. However, in 2011 performance at key stage 4 declined on three indicators. Although performance remains among the best in Wales in three indicators, it does not compare as well as might be expected to that of other authorities across Wales on the remaining two.

When primary schools in Flintshire are compared to similar schools across Wales on the free-school-meal benchmarks, performance in 2011 is slightly below average in key stage 1 and only average in key stage 2.

In key stage 3, performance is well below average. Three-quarters of Flintshire secondary schools are below average and one third are in the bottom quarter for their performance, when compared to similar schools across Wales on free-school-meal benchmark data. There have been too many schools in the bottom 25% over the last two years and too few schools in the top 25%.

In 2011 performance at key stage 4 is well below average on the wider points score (comprising all approved qualifications at the age of 16), with just over 40% of secondary schools in the bottom quarter and 66% performing below average. This has been the same picture for the past three years. Performance against the level 2 threshold including English, Welsh and Mathematics was not as good as in 2010. Less schools were in the top two quartiles, whilst the percentage of schools in the bottom quartile increased by 25 percentage points.

The Welsh Government sets expectations for performance based on free-school-meal entitlement. Flintshire has met only one out of nine of these expected benchmarks for the last three years.

Progress between primary and secondary schools is good for all subjects except Welsh first language in key stage 3.

The percentage of 16-year-olds not in education, training or employment (NEET) and the percentage continuing in full-time education improved in 2010 and are amongst the best in Wales. However, in 2010, the percentage of learners leaving full-time education without any recognised qualification was not as good as in the previous year. In 2010 there was an increase in the number of Flintshire learners gaining key skills qualifications, particularly at post-16.

In key stages 1 and 2 the gap in performance between boys and girls is wider than that across the rest of Wales. This is because girls in Flintshire perform better compared to girls across Wales than boys in Flintshire compared to boys across Wales. In key stage 3, the gap is exactly the same as that of Wales as a whole.

In 2010 in key stage 4, the gap between girls' and boys' attainment was less than the average gap across Wales on all five main indicators. This is because boys' performance compares better to that of boys nationally than is the case for girls compared to girls across Wales.

The gap in performance between learners in receipt of free school meals and other learners is larger than that across Wales. Generally, pupils with additional learning needs achieve well. In 2009-2010, 15 out of 16 (94%) looked-after children left compulsory education with a formal qualification. This is significantly higher than the Welsh average of 74%.

The authority does not have an agreed standardised reading test across its schools to analyse reading standards. As a result, it does not analyse standards in literacy well enough.

Performance in Welsh first language at key stages 2, 3 and 4 is below the average for Wales. In Welsh second language, at key stage 4 those learners entered for qualifications attain well. Performance at key stage 3 is good although in key stage 2 it is below average.

Whilst there are examples of young people achieving in both formal and informal settings, the authority does not analyse data on young people's achievements in non-school settings well enough. As a result the authority is unable to evaluate the standards achieved by these young people.

Wellbeing: Adequate

Standards of wellbeing are generally adequate. The authority has a good range of initiatives and strategies that encourage learners to take part in and enjoy learning.

Attendance in secondary schools is good. Rates have remained high over the last three years and are the highest in Wales. Attendance in primary schools is above the Wales average. However, the trend over the last three years shows a decline.

Most learners from vulnerable groups take part well in learning. All Gypsy and Traveller primary-age pupils attend primary school. Attendance rates for those of secondary age are good.

There are few permanent exclusions from most schools in Flintshire. However, a very small number of primary schools have too many fixed-term exclusions and, in secondary schools, exclusions of six days or more remain above average. The authority recognises that it does not support some pupils quickly enough. These learners miss too many days of school. To help improve this, the authority has introduced a managed moves protocol that helps learners to move successfully to a new school, rather than becoming excluded.

All schools and the Pupil Referral Unit (PRU) participate in the local Healthy Schools Scheme. There are good examples of pupils influencing the content of menus and of those from vulnerable groups, such as young offenders, learning to prepare healthy meals.

Learners' participation in education, employment and training post-16 is very good. Targeted interventions aimed at young people at risk of becoming disengaged help learners to make good and successful transitions back into education. The good support that young offenders receive helps them to remain in education and make effective transition into post-16 options, and helps reduce the rate of their reoffending.

Although education and training providers engage well with young people, the local authority's youth support services do not have robust strategies to engage effectively with young people. The impact of school councils and the youth forum on local authority strategic planning is low and, despite the commitment of the young people involved, the authority does not involve them well enough in developing its services.

Key Question 2: How good is provision? Adequate

Support for school improvement: Adequate

The authority sets out clear principles and criteria its school improvement support service in the partnership agreements in primary schools. These are well understood by headteachers. Officers carry out a programme of monitoring reviews in schools, which are starting to be effective in identifying issues relating to standards and provision. However, the outcomes of the partnership agreements do not consistently identify schools needing extra support well enough. Also, the authority does not use the full range of powers available to it well enough, and consequently is not able to improve schools requiring support quickly enough. As a result, too many primary schools are put into follow-up categories after an Estyn inspection. One school in special measures required an extended period before making the necessary progress. At present, the authority has one primary school requiring significant improvement and another in special measures.

The authority's monitoring of school performance is generally effective with its secondary schools. Generally, school improvement officers provide helpful reports following monitoring reviews. In a few instances however, these reports do not identify clearly enough how standards of achievement or quality of teaching should be improved. The quality of data provided to schools is good and appropriately used by officers as part of the challenge process.

Some aspects of the authority's support for literacy, numeracy and information and communication technology (ICT) in primary schools are generally effective. For example, the authority supports a literacy pilot in 19 schools chosen according to clear criteria to do with underperformance. The pilot is showing clear measurable progress by pupils. Basic skills work in literacy and numeracy in 25 schools is helping pupils make good progress and achieve closer to their chronological age. Although there is no whole local authority reading test, all schools are expected to undertake their own tests. Literacy officers monitor individual school processes and

listen to pupils read in order to inform pupil development at school level. However, the authority does not have effective enough procedures for analysing standards in reading across its schools.

The authority provides good support for the Foundation Phase, and curriculum support in secondary schools is generally good. The authority provides appropriate support for schools to help improve the accuracy of teacher assessments at the end of key stages 1, 2 and 3.

The authority has developed a good model for its professional learning communities. It uses the lessons learned from a recent review to improve support for teachers and to concentrate on the Welsh Government's national priorities. However, the authority has yet to evaluate the impact of professional learning communities on teaching and learning.

The authority provides good training opportunities for school leaders and aspiring leaders. However, it does not evaluate the quality of leadership and management across its schools well enough. Officers attend governing body meetings in most schools to present data and the outcomes of the partnership reviews. This helps governors to carry out their roles more effectively and the authority provides good support for governors.

Support for additional learning needs: Good

Flintshire fulfils its statutory obligations for pupils with additional learning needs (ALN) well. Processes to support ALN are clear, efficiently managed, and effectively monitored. Well-understood procedures and rigorous multi-agency moderation of requests for additional support provide schools with responses that are consistent.

The authority monitors the progress of pupils with ALN effectively. This has recently led to a focus on improving achievements in reading and writing for pupils with ALN. As a result, pupils make good progress. The authority has recently improved its system for monitoring and evaluating a broad range of data on the achievements of pupils with additional learning needs. It is piloting the system for the Welsh Government. There are positive early indicators of its effectiveness as a tool for school improvement.

The authority has undertaken a review to ensure that it meets the needs of all pupils. This is having a positive impact, such as supporting pupils with speech and language needs and those with hearing impairment in cluster-based mainstream schools. Currently, Flintshire educates 56% of pupils with statements of special educational needs (SEN) in mainstream schools. However, only just over half of these pupils have opportunities to learn from their peers by receiving their education in mainstream classes. This is less than the Wales average of 67%.

The service provides good quality support and comprehensive training for teachers. As a result, more schools have found that they can respond to the needs of many pupils from within existing resources. This is having a significant impact on referrals for additional support and has reduced the number of referrals to the service from 64 in 2009 to 29 in 2010. However, the number of teaching assistants supporting pupils

with ALN being taught in mainstream schools is too high and as a result the local authority consistently overspends on the non-delegated budget for the provision of this additional support.

The authority monitors the progress of the high numbers of pupils educated out-of-county well. Placement decisions are made on up-to-date assessments of pupils' needs. Multi-agency planning to make provision locally is slow to progress. Special schools form an integral part of the range of provision offered by the authority, but currently they are not able to provide the social care required to meet the complex needs of some pupils.

The head of the ALN support service has a clear understanding of how to make improvements in the service. The authority is effectively building the capacity of schools to meet learners' additional learning needs. Effective work with partners is helping the authority to plan a regional response to meeting pupils' needs. The local authority works well with parents, as evidenced by the consistently low numbers of appeals to the special needs tribunal for Wales (SENTW). There are useful handbooks for parents/carers providing advice and signposting for further support and guidance.

Promoting social inclusion and wellbeing: Good

The authority's wellbeing plan sets out its priorities clearly. However, arrangements for the monitoring and evaluation of the plan are not rigorous enough.

Inclusion welfare officers are based in secondary schools. These arrangements help secondary schools to maintain good levels of attendance. However, their work with primary schools has not prevented an increase in pupil absenteeism in the last three years.

Overall, there is a good range of provision that supports nearly all learners who need behavioural support well. However, this has not reduced longer fixed-term exclusions of six days or more quickly enough. In a very few cases, the authority has not provided behaviour support quickly enough to learners in primary schools.

Overall, the authority looks after vulnerable groups well. It works well to help young offenders stay in education and reduce their offending rates. The English as an additional language (EAL) service supports learners well and helps teachers to develop useful strategies to ensure that learners make good progress. The authority provides effective support to Gypsy and Traveller learners, which has helped them to improve their literacy levels and to achieve better attendance. The authority provides looked-after children with effective, individualised support, which helps them to progress in education. However the authority's approach to corporate parenting has not been effective enough to ensure that it has met all targets relating to looked-after children, including the production of Personal Education Plans within two weeks.

The local authority has not embedded its initiative to challenge bullying in schools quickly enough. Neither has it undertaken any strategic monitoring of its impact yet.

The Children and Young People's Partnership (CYPP) engages with a broad range of partners. The authority works well in partnership with other agencies such as Careers Wales to support young people at risk of disengaging. This has helped to ensure very high participation rates in education, employment and training.

Since 2009, the authority has made good progress to improve the referral and monitoring systems for training in safeguarding. There is a clear safeguarding policy. At the time of the inspection, there were effective systems and guidance in place to provide CRB checks and to offer appropriate and comprehensive safeguarding and child protection training to all education staff.

Access and school places: Adequate

Since the last Estyn inspection in 2009, the authority has started to deliver its School Modernisation Strategy through a programme of infant and junior schools amalgamations and a reduction in the number of mobile classrooms. However it has not made effective use of the review of formula funding to inform the school modernisation process. Welsh Government data for 2010 shows that the percentage of surplus places in Flintshire schools is below the Welsh average, although there is a higher percentage of surplus places in both primary and secondary schools than in 2009.

Elected members did not support a plan to close the authority's smallest school with fewer than 20 pupils. In addition, headteachers report that schools were not well involved in the options appraisal or involved early enough in the development of the School Modernisation Strategy. Currently, the authority has halted its programme for modernising secondary schools due to low political support from members for its strategy.

The authority co-ordinates admissions arrangements effectively. Systems for forecasting pupil numbers, and the requirements for places, are generally effective. The authority provides clear and transparent information on the admission procedures to parents. The admissions forum is effective and meets almost all parental preferences. Appeals are dealt with appropriately.

Officers review the quality and sufficiency of early years and play provision effectively. Overall, it meets the needs of children and their families. The authority has good procedures in place to monitor and improve the quality of this provision.

The authority's asset management planning is good and information on condition, sufficiency and suitability of school buildings is accurate and regularly updated. Budgets are closely matched to where there is the greatest need. Work undertaken is on time and to budget.

The Youth Support Service offers a wide variety of services to young people that allows them access to their entitlements. Partnership work is developing well to offer a wide range of non-formal and informal learning activities. However, although the authority has invested in resources to improve the monitoring of young people's outcomes and the impact of the service, it does not know well enough whether young people have the right support as well as access to appropriate qualifications.

Key Question 3: How good are leadership and management? Adequate

Leadership: Adequate

The quality of leadership and management is adequate.

The authority has a range of plans that set out most of its vision and priorities clearly. There are good links between the priorities of different plans at all levels. However, high level plans do not place a sharp enough focus on outcomes for all learners. For example, they do not include performance targets that relate to academic attainment at the various key stages.

The authority is addressing the Welsh Government's national priorities of the school effectiveness framework and the Children and Young People's plan. Officers work well with a range of partners, including schools, to develop and implement plans for children and young people. They have recently put in place actions to improve how schools support pupils in receipt of free school meals to improve their outcomes.

Senior officers have, since the last inspection, improved the information they provide to elected members. Senior elected members work together with officers to monitor the performance of the authority and of individual schools satisfactorily. However, senior elected members do not understand the extent of the need to improve standards for all learners well enough.

Senior officers gained agreement from senior elected members for the authority's strategy for modernising schools. However, senior elected members were unable to gain the endorsement of all other elected members and the public to implement the strategy. In addition, elected members did not work together effectively to take a strategic approach to improving provision across the county and promoting the needs of children and young people. As a result the authority has been unable to make progress in reorganising secondary schools to reduce surplus places, or making better use of its resources to benefit learners.

The authority does not always act quickly enough in improving education services for children and young people. For example, it has been slow to review its funding formula for schools and has not included this review in discussions on school modernisation. This prevents the authority from fully realising a vision regarding the range and quality of its schools for the future.

Quality improvement: Adequate

The authority's self-evaluation process is adequate. Much of the self-evaluation report is evaluative and uses a range of evidence, including appropriate data. However, the authority did not include other stakeholders and agencies or young people well enough in making judgements about quality and standards. In a few areas, the authority does not support its judgements well enough with reliable evidence.

The authority makes appropriate use of the self-evaluation report to plan improvements. It has produced primary and secondary school improvement plans,

which are starting to have a positive impact on standards. The authority plans to extend this approach to its new inclusion strategy, but it is too early to judge how effective this will be. However, it is not clear how the authority will prioritise the remaining areas for improvement identified in the self-evaluation report.

The CYPP has recently implemented a new partnership plan that sets out a clear range of priorities and success criteria. However, the plan does not describe how the partnership will gather and analyse information from all agencies to measure performance well enough.

Overall, the authority has made good progress against most recommendations from previous inspection reports. However, the authority has generally been too slow to act on reviews it has carried out, such as of the youth service.

Partnership working: Good

The authority has good partnership arrangements in place to deliver its education services. It works effectively with the health board, youth justice system, youth service, community safety groups, Local Safeguarding Children Board (LSCB), 14-19 network and the third sector.

The CYPP works well to provide a good range of learning opportunities for children and young people. Members have a clear understanding of their roles and responsibilities and how they contribute to the partnership's priorities. There is a high level of trust and co-operation within the partnership. The partnership reviews how it funds projects regularly, and decommissions projects appropriately to make sure that it allocates resources to where they are needed most.

The Flintshire Local Service Board's Community Strategy provides a clear vision and five priority areas. This helps to shape the authority's future planning. The Children and Young People's plan for the next three years has clear links to these priority areas and other strategic plans. However, the CYPP does not have clear and measurable outcomes in place to help the CYPP management group to monitor, at a strategic and operational level, the progress of children and young people. The lack of appropriate outcome measures also means that partners cannot gauge the impact of their contributions towards delivering the priorities in the Children and Young People's plan. The authority acknowledges this shortcoming in its self-evaluation report as an area for development.

There is a strong commitment by partners and stakeholders to work together in the 14-19 learning network. Schools and the local further education college work well in partnership to plan and deliver a wide range of learning activities for young people. The 14-19 Learning Core Centre has been particularly effective in supporting partnership working. Youth support services, early years and play provision make a valuable contribution to the work of the CYPP network.

The authority works well with neighbouring authorities to deliver some services, including governor training, curriculum support and outdoor education. Flintshire County Council is working well with the five other authorities in north Wales to establish a regional consortium to deliver a school effectiveness service. The

partners have worked well together to develop a business plan to provide high quality provision and to improve outcomes for learners across north Wales.

Resource management: Adequate

Financial management is generally adequate. The authority's expenditure on schools within its education budget is close to the Welsh average, even though the authority's total education budget is below the Welsh average. Members are involved in the budget setting process and monitor the budget regularly.

The authority as a whole underspent on its budget in 2010-2011. However, the Lifelong Learning budget was overspent. The cost of out-of-county placements for pupils with additional learning needs partly accounts for this. The authority has the second highest number of pupils placed out-of-county in Wales. Whilst it has made improvements to these arrangements it is too early to see the impact on budgets.

The authority's approach to dealing with school balances and deficits is neither well co-ordinated nor robust enough. The total amount of balances held by schools has increased by about a third between 2009 and 2010. At the end of March 2011, just over a third of Flintshire schools had reserves between 5% and 10%, and almost one-in-ten of schools had reserves over 10%. Thirteen per cent of schools have deficits in their budgets. There is insufficient challenge or timely holding to account of schools with large balances or deficits within year.

The authority recognises the need to improve the targeting of its budget to its priorities. It is refining this through a new medium-term financial plan. Service areas in education are beginning to consider how they resource their plans and activities.

The authority's cost savings programme includes several education projects. However, these are at the early stages of planning. The management of capital work has improved in the last two years. There is now regular financial monitoring.

The council is continuing to improve its workforce data and to make sure that it has accurate information about staff-in-post. However, workforce planning is underdeveloped and therefore not contributing to service development plans. This results in the service not having a clear understanding of what skills and capacity it has, or might require in the future.

Schools receive a range of services from the authority. However, there are limited examples where the authority has evaluated the impact that these services have for children and young people. The authority does not have effective systems in place to make judgements about whether initiatives and services offer good value for money. This impedes progress when planning efficiency savings.

The overall value for money of education services is adequate.

Appendix 1

The inspection team

| | |
|----------------|---|
| Liam Kealy | Reporting Inspector |
| Susan Roberts | Team Inspector |
| Alun Connick | Team Inspector |
| Huw Collins | Team Inspector |
| Rachael Bubalo | Team Inspector |
| Clive Phillips | Team Inspector |
| Karen Lees | Inspector (Wales Audit Office) |
| Arwyn Thomas | Peer Inspector (Ceredigion LA) |
| Robert Gifford | Inspector (Care and Social Services Inspectorate) |
| Elwyn Davies | Nominee |

Copies of the report

Copies of this report are available on the Estyn website (www.estyn.gov.uk)

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 21

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **DIRECTOR OF LIFELONG LEARNING**
SUBJECT : **CHILDREN'S FIXED PLAY AREAS – MATCH FUNDING**
 SCHEME 2012/13

1.00 PURPOSE OF REPORT

1.01 To inform Members of the outcome of the consultation with Town and Community Councils for the 2012/13 Children's Fixed Play Match Funding Scheme.

2.00 BACKGROUND

2.01 Due to the positive responses received from Town and Community Councils for last year's match funding scheme the Authority increased the allocation from £55,000 to £105,000 for match funding with a further £6,000 allocated to the revenue budget for the future maintenance of play equipment.

2.02. Subject to the Play Unit's revenue budget being confirmed for 2012/13 the Authority is proposing to continue with the match funding scheme for 2012/13.

2.03. A letter was sent to all Town and Community Councils on the 9th November 2011 inviting Councils to participate in the scheme for 2012/13. The letter included a request that responses be received by 1st January 2012.

2.04. Following the consultation positive responses were received requesting a total of £126,500 to undertake upgrading work in communities county wide.

3.00 CONSIDERATIONS

3.01 The responses received and value of the 19 match funding proposals for each Town and Community Council are summarised at Appendix 1.

3.02. The total cost of the 19 match funding proposals amounts to £126,500 against an allocation of £105,000. In recognition of the very positive response to this initiative, it is proposed in the Council's final Budget 2012/13 report which appears earlier on this agenda, to increase the Council's contribution for 2012/13 only by £21,500 to fully match fund the resources put forward by Town & Community Council. This will be subject to the decision of the Council on 1 March 2012.

3.03. On the basis of the Play Unit's revenue budget being increased to £126,500 a maximum level of match funding per Town and Community Council would be increased to £10,000.

3.04 If the Play Unit's current revenue budget of £105,000 is confirmed by the County Council, to accommodate all requests received from Town & Community Councils, a maximum level of match funding per Town & Community Council would be set to £7,611/

3.05 Once the Play Unit's revenue budget is confirmed by the County Council, the Authority will undertake consultation on the design and selection of play equipment with Town and Community Councils, with a view to implementing the scheme, at the beginning of July 2012, with completion by March 2013.

4.00 RECOMMENDATIONS

4.01 To note the final outcome and support of the 2012/13 scheme enabling the Authority and Town and Community Councils, by working in partnership, to improve County wide fixed play provisions through a total investment of £253,000 on the basis of the increase in the allocation of £21,500.

5.00 FINANCIAL IMPLICATIONS

5.01 To note the implications on allocation of budget as identified in 3.02, 3.03, 3.04 of the report.

6.00 ANTI POVERTY IMPACT

6.01 Much needed improvements in play provision will be achieved in a number of communities.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 Ongoing with Town and Community Councils to finalise details of the scheme.

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation has taken place with all Town and Community Councils across the County.

12.00 APPENDICES

12.01 Appendix 1 – Match Funding Allocations

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None

Contact Officer: Lawrence Rawsthorne
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Appendix 1

Upgrading of Children's Play Areas Match Funding Scheme 2012/13

Positive Responses Received From Town and Community Councils

| Reference | Council | Site | Budget Allocation of £105,000 | Budget Allocation of £126,6500 |
|-----------|------------------------------------|-------------------------------|-------------------------------|--------------------------------|
| 1 | Buckley Town Council | To be confirmed | £7,611 | £10,000 |
| 2 | Broughton Community Council | Brooks Avenue | £7,611 | £10,000 |
| 3 | Cilcain Community Council | Cilcain Play Area | £7,611 | £10,000 |
| 4 | Gwernymynydd Community Council | Recreation Ground | £4,000 | £4,000 |
| 5 | Halkyn Community Council | To be confirmed | £7,611 | £10,000 |
| 6 | Hawarden Community Council | Gladstone Playing Fields | £6,000 | £6,000 |
| 7 | Holywell Town Council | To be confirmed | £7,611 | £10,000 |
| 8 | Higher Kinnerton Community Council | Recreation Ground | £2,000 | £2,000 |
| 9 | Llanasa Community Council | To be confirmed | £3,000 | £3,000 |
| 10 | Llanfynydd Community Council | Pontybodkin | £7,611 | £10,000 |
| 11 | Mold Town Council | To be confirmed | £5,000 | £5,000 |
| 12 | Hope Community Council | The Willows Recreation Ground | £7,611 | £10,000 |
| 13 | Nercwys Community Council | Nercwys Play Area | £2,000 | £2,000 |
| 14 | Penyffordd | Melwood and | £5,000 | £5,000 |

| | | | | |
|---------------|-------------------------------|----------------------|-----------------|-----------------|
| | Community Council | Dobshill | | |
| 15 | Queensferry Community Council | Sandycroft Play Area | £5,000 | £5,000 |
| 16 | Sealand Community Council | To be confirmed | £2,500 | £2,500 |
| 17 | Ysceifiog Community Council | Ysceifiog Play Area | £2,000 | £2,000 |
| 18 | Saltney Town Council | Bradshaw Avenue | £7,611 | £10,000 |
| 19 | Whitford | To be confirmed | £7,611 | £10,000 |
| TOTAL: | | | £104,999 | £126,500 |

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 22

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **DIRECTOR OF LIFELONG LEARNING**
SUBJECT : **SCHOOL ADMISSION ARRANGEMENTS 2013/14**

1.00 PURPOSE OF REPORT

- 1.01 To advise members of the outcome of the statutory consultation exercise on the admission arrangements for September 2013 and to recommend submission to the Executive and County Council for approval.

2.00 BACKGROUND

- 2.01 Members will be aware that the local authority is required each year to undertake a statutory consultation exercise on its admission arrangements for the following year. For September 2013, the authority must have determined its arrangements by 15 April 2012 and the consultation must be concluded by 1 March 2012. Statutory consultees are the governing bodies of all schools, admission authorities for all other maintained schools in the area, the diocesan authorities and neighbouring authorities.
- 2.02 Consultation must cover the full admission arrangements, including the admissions policy, oversubscription criteria, the timetable for admissions and the Admission Numbers for each school. This information is attached as Appendices 1 and 2.

3.00 CONSIDERATIONS

- 3.01 The current admission arrangements have been in place since 2003 and the vast majority of parental preferences (98%) continue to be met in Flintshire. The number of admission appeals is relatively low. In the 2010/11 academic year, there were 49 appeals in total, 36 in the secondary sector and 13 in primary. As anticipated, the total number of appeals to date in the current academic year is slightly higher, standing at 53. While appeals in the secondary sector has remained fairly constant at 34 so far, the number in the primary sector has increased slightly, to 19. This is due largely to oversubscription at Reception stage in a small number of primary schools, mainly in the Hawarden and Buckley areas. In respect of secondary school appeals, the effect of parental preference has resulted in oversubscription at two secondary schools (Hawarden High and Castell Alun).
- 3.02 There are no changes proposed to the current admissions policy or oversubscription criteria. However, in order to clarify the process for offering a place at the next nearest school should the school applied for be full, it is proposed that the following be added after criterion (d) in the oversubscription criteria for primary and secondary and after criterion (f) in respect of junior schools:

"If the authority is unable to comply with the parental preference(s) expressed then the parent will be offered a place at the next nearest appropriate school with an available place". This is current practice, but the addition of this wording will help clarify the policy for both parents and appeal panels.

- 3.03 The admissions timetable has been drawn up in consultation with neighbouring authorities and takes in to account factors such as allowing parents sufficient time to visit schools and express their preferences, the time needed to process applications, chase up late applications, etc. The timetable does not differ significantly from last year's.
- 3.04 There is one change proposed to the Admission Number for Ysgol Glanrafon, Mold, to reflect a re-calculation of the capacity of the school as a result of reorganising the use of teaching space. It is proposed to increase the Admission Number from 35 to 41, thus ensuring that the local authority is able to continue to meet demand for Welsh medium education in the Mold area.
- 3.05 The consultation exercise for 2013/14 was carried out between 25 October and 16 December 2011. No comments were received.

4.00 RECOMMENDATIONS

- 4.01 That, for clarification, the following be added to the admissions policy after criterion (d) for primary and secondary and after criterion (f) for junior schools:
"If the authority is unable to comply with the parental preference(s) expressed then the parent will be offered a place at the next nearest appropriate school with an available place".
- 4.02 That the proposed admission arrangements for 2013/14, as amended, be recommended for approval by the Executive for onward submission to the County Council.

5.00 FINANCIAL IMPLICATIONS

- 5.01 None.

6.00 ANTI POVERTY IMPACT

- 6.01 None.

7.00 ENVIRONMENTAL IMPACT

- 7.01 The capacity assessments for schools ensure that the use of teaching space and other rooms is accurately and consistently calculated and provide useful information relating to surplus spaces or oversubscription.

8.00 EQUALITIES IMPACT

8.01 All parents have an opportunity to express a preference for a particular school and all applications are dealt with in an open and transparent manner in accordance with the criteria.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 No further consultation is required.

11.00 CONSULTATION UNDERTAKEN

11.01 All schools were consulted about their capacity assessments and admission numbers in 2007/8 and any subsequent changes to capacity have been agreed with schools. All statutory consultees and Flintshire's Schools' Admission Forum have been consulted regarding the admission arrangements for 2013/14.

11.02 The Lifelong Learning Overview and Scrutiny Committee (19.01.12) was advised of the outcome of the consultation exercise and supported the recommendations above.

12.00 APPENDICES

12.01 Appendix 1 - Admission Arrangements 2013/14
Appendix 2 - Admission Numbers

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None.

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School Admission Arrangements 2013/14

APPENDIX 1

| Admission Phase | Admissions packs available to parents w/c | Parents' consideration period | Completed forms returned by LA closing date | Allocation period by LA/admitting authority | Parents informed by: |
|-----------------|---|-------------------------------|---|---|----------------------|
| Secondary | 03/09/12 | 03/09/12 - 29/10/12 | 29/10/12 | 30/10/12 - 01/02/13 | 01/03/13 |
| Infant - Junior | 01/10/12 | 01/10/12 - 03/12/12 | 03/12/12 | 04/12/12 - 08/03/12 | 22/03/13 |
| Reception | 1/10/12 | 01/10/12 - 03/12/12 | 03/12/12 | 04/12/12 - 08/03/12 | 22/03/13 |
| Nursery | 08/01/13 | 08/01/13 - 25/02/13 | 25/02/13 | 26/02/13 - 05/04/13 | 19/04/13 |

Application forms must be returned to the Local Authority by the closing date. Your child may have less opportunity to be allocated to your preferred school if your application is received after the closing date.

Late applications will be considered after those received by the closing date, unless the Local Authority considers that there are good reasons for the application form being late which must be included with the application form. For example, exceptional medical reasons preventing an earlier application, recent move of house – supporting evidence must be provided.

The process for offering school places

If you express a preference for a voluntary aided school or foundation school in Flintshire the relevant school will be sent your details. These schools are responsible for considering your child's application against others received in accordance with their own admission criteria. The school governors should use the school's own admission criteria to rank applications and make offers of places. Any preferences not met will be returned to the local authority and will be treated equally with other preferences expressed for Flintshire Community Schools.

If you apply for a place at a Flintshire Community School the local authority applies their own published admission criteria to rank all preferences expressed to see who can be offered a place. The place that is offered is at the school where the pupil best meets the criteria and in the order the parent has expressed on the child's preference form.

Please note neighbouring local authorities' timetables may be different to those above but Flintshire will work closely with neighbouring LAs to

coordinate admission arrangements. If the school, for which you wish to express a preference, is in another county, please contact the respective LA to ensure you do not miss the closing date.

Policy and Process for Admissions to Schools

The County Council, as the Local Authority, is responsible for determining the arrangements for admissions, and for admissions to all Community Primary, Secondary and Special Schools and Voluntary Controlled Schools. The LA will consult annually with school Governing Bodies and the Diocesan Education Authorities in relation to admissions.

The LA will comply with statutory requirements and will give full recognition to the expression of parental preference, and, in the case of sixth form admissions, to the expression of a preference by a young person, in the context of its duty to ensure the provision of effective education and the efficient use of education resources. The LA will admit pupils up to the Admission Number and will not refuse applicants for a particular school unless that school has reached its Admission Number.

The LA will comply with its duty to ensure the provision of effective education and the efficient use of resources. In so doing, the LA will have regard to the total resources, including accommodation and staffing, available to each school and any constraints imposed by the school organisation and curriculum. It will also consider the resource implications for the authority and impact on other education policies. The Admission Number for each school relates to the number of children that can be admitted to each year group during the school year. The Admission Number for each school is indicated on the 'Schools List'. The LA will not, however, expand a school to meet demand which does not comply with the admissions criteria.

Admissions Procedure

The annual admissions procedure applicable to the relevant age group will include the following stages:

- Publication of the 'Guide to Education Services'.
- Arrangements to enable parents to express a preference for a school they wish their child/children to attend, and, in the case of sixth form admissions, expression of a preference by a young person.
- Consideration of preferences in accordance with the admissions criteria, up to the Admission Number for each school.

Please Note

Expressing a preference does not guarantee a place at your chosen school if that school is oversubscribed. If more parents apply for places at the school than the number of places available, the Authority will apply the oversubscription criteria for allocating places as set out in this Guide.

Admission Phases

Early Entitlement to Education

A part-time education place is available for every child the term after his/her third birthday.

| Children born in... | Entitled to... |
|----------------------------|---|
| Autumn Term | 2 terms of educational provision (Spring and Summer) |
| Spring Term | 1 term of educational provision (Summer) |

Children born in the Summer term receive their education entitlement in the school nursery classes in the Autumn term after their 3rd birthday. Parents may state a preference for an approved setting which may be a pre school playgroup (English or Welsh), a private day nursery, a 'network' childminder or school nursery class. Applications for early entitlement are made directly to the setting. Forms are available all year.

Notes:

1. Admission to an Early Entitlement setting at a particular school does not guarantee subsequent admission to nursery at that school.
2. No transport is provided.

For further information on approved settings please contact: The Early Years Advisor, Tel: 01352 704104.

Nursery

A child becomes eligible for a place at a nursery class in the September following the child's 3rd birthday. Nursery education is not compulsory and parents have no right of appeal regarding nursery admissions under the School Standards and Framework Act 1998.

Nursery schooling in all schools/units will be provided on the basis of 5 x 2.5 hour sessions per week for each child.

Parents may express a preference for any nursery irrespective of where the child's home is in relation to the school. However, expressing a preference does not guarantee a place at that nursery. In the event of oversubscription, applications for nursery places will be dealt with by applying the admissions criteria in respect of primary schools as set out in this Guide.

When making the decision about the 'nearest suitable school' the Authority will accept only the pupil's home address and not that, for example, of childminder or grandparents. Parents will be asked to provide official documentation showing home address. Parents are advised that a school place may be lawfully withdrawn if the information given on their application form is fraudulent or misleading.

Application forms for nursery school admission are available from the Admissions Team, all nursery/infant/primary schools and on

www.flintshire.gov.uk/education. The forms will be available according to the admissions timetable as set out in this Guide.

Notes:

- 1. Admission to a nursery class at a particular Infant or Primary School does not guarantee subsequent admission to reception class at that school.**
- 2. No transport is provided.**

Primary

The Authority will admit a child to a maintained infant/primary school at the beginning of the school year if the child has achieved his/her 4th birthday on or before August 31st of that calendar year.

Admission will be based on the criteria listed below.

For pupils transferring from infant to junior school a parental preference form will be sent to each parent/guardian. Parents may express a preference for their nearest junior school or may insert the name of another school should they prefer that school.

In accordance with legislation, infant class sizes (Reception, Year 1 and Year 2) are restricted to a limit of no more than 30 per school teacher. In respect of junior classes (Year 3 to Year 6), the target is no more than 30 per school teacher.

Criteria to be applied in order of priority by the Authority for admission to Nursery, Infant, Junior or Primary Schools:

- a) the LA will consider the needs of a 'looked after child' (child in care) and pupils with a statement of special educational needs which includes a named school
- b) pupils for whom the preferred school is the nearest appropriate school to the pupil's home address
- c) pupils who have expressed a preference for a school which is not the nearest to their home address will be admitted if they have a sister or brother attending the preferred school
- d) pupils for whom the preferred school is not the nearest to their home address.

If there are more applicants than places in any of the above categories, priority will be given to applicants living nearest the school, measured from the child's home address to the recognised main entrance of the school.

Junior School

Parents of pupils transferring from Infant to Junior School will be given the opportunity to express a preference and places will be allocated using the following criteria:

- a) the LA will consider the needs of a 'looked after child' (child in care) and pupils with a statement of special educational needs which includes a named school
- b) pupils for whom the preferred school is the nearest appropriate school to the pupil's home address
- c) pupils who have attended the 'feeder' infant school and for whom the preferred school is the nearest appropriate school
- d) pupils who have expressed a preference for a school which is not the nearest to their home address will be admitted if they have a sister or brother attending the preferred school
- e) pupils who attend the 'feeder' infant school but for whom the preferred school is not the nearest to their home address
- f) pupils for whom the preferred school is not the nearest to their home address.

Secondary

Pupils will normally be transferred from a primary to a secondary school in the September following their eleventh birthday. A Parental Preference Form will be sent to each parent (*please see timetable for admissions*), and parents are invited to express a preference for one or more schools and may give a reason for the preference/s. However, where a school is oversubscribed, places will be allocated up to the Admission Number in accordance with the admissions criteria set out in priority order as described below.

Criteria to be applied in order of priority by the Authority for admissions to Secondary Schools:

For entry into a designated secondary school, the following specific arrangements will apply:

- a) the LA will consider the needs of a 'looked after child' (child in care) and pupils with a statement of special educational needs which includes a named school
- b) pupils for whom the preferred school is the nearest appropriate school to the pupil's home address
- c) where a preference is expressed for a school other than the nearest to a pupil's home address, where an older brother or sister is registered and will still be attending when the younger sibling will be starting, the younger sibling will be admitted to that school. The 'sibling rule' will only be applied for the statutory period of education i.e. between the Years 7-11 to enable the Local Authority to plan the provision of school places. Where an older sibling is continuing to attend the same secondary school for their Post-16 courses, the Authority will look to apply the 'sibling rule' in the case of the younger child
- d) where a preference has been expressed for a school other than the nearest to a pupil's home address and there is no brother or sister attending that school, pupils will be admitted in order of proximity to that alternative school and up to its Admission Number.

If there are more applicants than places in any of the above categories, priority will be given to applicants living nearest the school, measured from the child's home address to the recognised main entrance of the school.

The nearest appropriate school is interpreted as:

- (a) the school nearest to the child's home measured from child's home address to the recognised main entrance of the school.
- (b) the nearest Welsh medium school where parents wish their children to receive their education through the medium of Welsh.
- (c) the nearest Denominational school where parents wish to have their children educated in a denominational school.

The Council uses Routefinder, a network analysis system fully integrated into the Geographical Information System (GIS) software, to calculate home to school distance in miles. The shortest route is calculated from an applicant's home address to the recognised main entrance of the school.

It should be noted that transport will only be provided in accordance with the Transport policy.

Sibling (brother/sister)

A sibling is defined as a full, half, step or foster brother or sister living together as one household at the same address and where the elder sibling is of statutory school age and will still be registered at the preferred school (or, in the case of an infant school, attending the partner junior school) when the younger child is eligible to attend.

Admissions to schools other than those maintained by the LA

Parents wishing to express a preference for a school in a county other than Flintshire should still use the Flintshire LA preference form and it will be passed to the relevant local Authority, with the exception of Cheshire West and Chester Council who request you contact them directly. Please be aware of each Authority's admission timetable and closing dates.

Accepting or Declining Places Offered

Parents will be required to accept or decline the school place offered by returning a proforma by a set deadline. The Local Authority reserves the right to withdraw places not accepted by the deadline.

Waiting Lists

If a parent is refused a place for their child at their preferred school for admission in the following September, the parent may request that the child's name is placed on a waiting list until 31 August in the school year in which they apply. If additional places become available while the waiting list is in operation, and before any appeals are heard, they will be allocated to applicants on the waiting list in accordance with the oversubscription criteria

and not according to the date the application was submitted. Placing a name on a waiting list, however, is not a guarantee of an eventual place at the school applied for and also does not affect the parent's right of appeal.

Admission of Pupils from outside Flintshire

Children residing outside Flintshire will only be admitted in accordance with the admissions criteria.

Change of School within Flintshire at times other than normal transfer Points

Schools in Flintshire have an agreed protocol for transfers from one nominated school to another other than at the normal transition point. A parent seeking such a transfer should initially speak to the headteacher of the child's current school to discuss the reasons for that transfer. If, following this discussion, the parent wishes to continue the process, contact should then be made with the headteacher of the new school. Headteachers will refer parents to an officer of the Local Authority, particularly in cases where pupil numbers in the new school have exceeded the Admission Number in the appropriate year group. In such circumstances admission to the new school may be refused. Parents who are dissatisfied with this may give notice of appeal, as outlined below.

Appeals Procedure

If the Authority is unable to comply with the parental preference then the parent will be offered a place at another school. The parent may then accept the alternative placement, or may give notice of appeal. Further details about the appeals process will be made available to parents by contacting the Access Officer (01352 704068).

Appeals must be made in writing giving reasons, and sent to the Access Officer. The Authority will initiate the appeals procedure in accordance with the School Standards and Framework Act 1998. The parents, or parent accompanied by a friend if desired, will be given an opportunity to appear before an Independent Appeal Panel. The decision of the Independent Appeal Panel will be final and binding on all parties. Details describing the appeals procedure are outlined in a leaflet which is available on request or on www.flintshire.gov.uk/education.

Provision for Children with Additional Needs

The Authority, and schools have regard to the Code of Practice for Special Educational Needs when identifying, assessing and providing for children with additional needs. Some children may require special educational provision which is over and above that which a mainstream school could reasonably be expected to provide. The Authority will assess the needs of such pupils in accordance with the guidelines laid down by the Code of Practice. Where the assessment indicates this to be necessary, it will arrange for extra provision to be made for them. This provision will be included in a statement of special

educational need for the child concerned. This document is negotiated with parents and schools. It states the child's needs and how and where those needs will be met. All Governing Bodies have a Governor with responsibility for the Special Needs Policy, which parents are entitled to see. Each school has an Additional Needs Co-ordinator who oversees the day to day operation of the policy. Parents who wish to discuss any aspect of their child's additional educational needs should first contact his or her Headteacher.

Admissions to Special Schools

Special Schools will normally only admit pupils with a statement of special educational need issued under the 1996 Education Act. In exceptional circumstances, they will admit pupils who are being assessed under the 1996 Education Act. The statementing procedure is administered by the Inclusion Service at County Hall. (Telephone: 01352 704028/704029)

SECONDARY SCHOOLS

APPENDIX 2 (PAGE 2)

LEA No 664

LEA Name Flintshire

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | | |
|---------------|------------------------------|----------------|-----------|-------------------------|---------------------------|----------------------|------------------|--|--|--|
| School Number | School Name | Type of School | Age Range | Number on Roll Yr 7 -11 | Number on Roll Yr 12 - 13 | TOTAL Number on Roll | Admission Number | | | |
| 4012 | Holywell High School | | 11-18 | 542 | 85 | 627 | 186 | | | |
| 4011 | Elfed High School | | 11-18 | 571 | 86 | 657 | 175 | | | |
| 4019 | John Summers High School | | 11-18 | 336 | 49 | 385 | 104 | | | |
| 4018 | Ysgol Maes Garmon | Welsh | 11-18 | 455 | 108 | 563 | 120 | | | |
| 4021 | Flint High School | | 11-18 | 592 | 78 | 670 | 143 | | | |
| 4013 | St. David's High School | | 11-18 | 504 | 81 | 585 | 117 | | | |
| 4022 | Connah's Quay High School | | 11-18 | 862 | 137 | 999 | 198 | | | |
| 4600 | St. Richard Gwyn High School | R.C. | 11-18 | 837 | 129 | 966 | 173 | | | |
| 4006 | Alun High School | | 11-18 | 1228 | 501 | 1729 | 250 | | | |
| 4000 | Hawarden High School | | 11-18 | 965 | 201 | 1166 | 195 | | | |
| 4042 | Argoed High School | | 11-16 | 578 | 0 | 578 | 116 | | | |
| 4017 | Castell Alun High School | | 11-18 | 1060 | 271 | 1331 | 211 | | | |
| | | | | | | 10256 | | | | |

NOR figures based on September 2011

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 23

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **DIRECTOR OF LIFELONG LEARNING**
SUBJECT : **PANEL FOR THE APPOINTMENT OF LEA GOVERNORS**

1.00 PURPOSE OF REPORT

1.01 To consider a recommendation by the Executive Member for Lifelong Learning that the Panel for the appointment of LEA Governors ceases to exist.

2.00 BACKGROUND

2.01 At the County Council meeting on the 19 October 2010 consideration was given to a Notice of Motion from Councillors Dodd, Heesom, Attridge and Peers when it was resolved that the Council request the Constitution Committee to review the arrangements, powers and responsibilities of the Panel for the appointment of Local Authority Governors.

2.02 The Constitution Committee has carried out such a review and at its meeting on the 19 October 2011 considered the attached report from the Director of Lifelong Learning and the Democracy & Governance Manager. The Committee agreed the recommendation in the report to amend the existing arrangements to those indicated in paragraphs 3.01 to 3.08 of the report.

2.03 Subsequent to the meeting of the Constitution Committee, The Executive Member has made a further recommendation that the Panel ceases to exist.

3.00 CONSIDERATIONS

3.01 There have been some practical difficulties with the workings of the Panel for the appointment of Local Authority Governors and the Constitution Committee consider that the workings of the Panel will improve if the recommendations in the attached report are implemented. Essentially these changes introduce greater transparency into the process, improve the current paperwork and should prevent unreasonable delay in the nomination process.

3.02 The Executive are asked to note that the recommendations made by the constitution Committee in it's report at 3.01 to 3.08 can be used in an alternative process.

4.00 RECOMMENDATIONS

4.01 That the Executive remove the requirement for an Appointments Panel.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 No statutory consultation required.

11.00 CONSULTATION UNDERTAKEN

11.01 With the Flintshire Governors Association.

12.00 APPENDICES

12.01 Appendix 1 - Report of the Director of Lifelong Learning and Democracy & Governance Manager to the Constitution Committee meeting 19 October 2011.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Attached

Contact Officer: Peter J Evans
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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 8

REPORT TO: **CONSTITUTION COMMITTEE**
DATE : **19 OCTOBER 2011**
REPORT BY: **DIRECTOR OF LIFELONG LEARNING AND DEMOCRACY**
 AND GOVERNANCE MANAGER
SUBJECT : **PANEL FOR THE APPOINTMENT OF LEA GOVERNORS**

1.00 PURPOSE OF REPORT

1.01 To review the arrangements, powers and responsibilities of the panel for the appointment of LEA Governors.

2.00 BACKGROUND

2.01 At the County Council meeting on the 19 October 2010 consideration was given to a Notice of Motion from Councillors Dodd, Heesom, Attridge and Peers when it was resolved that the Council request the Constitution Committee to review the arrangements, powers and responsibilities of the Panel for the appointment of LEA Governors.

2.02 The Panel was set up by the Executive at its meeting on the 18 November, 2008 comprising 5 Members nominated by Group Leaders. The terms of reference given to the Panel were:

- to ratify nominations to vacancies for LEA Governors
- to consider disputes concerning nominations, and
- to consider requests to remove LEA Governors in accordance with paragraph 27 of the Government of Maintained Schools (Wales) Regulations 2005.

2.03 The Panel was created due to a desire for transparency in decision making and to assist in the determination of disputed nominations and make recommendations in circumstances where a request for the removal of an LEA Governor is received. The Panel does not have power to make decisions and can only make recommendations to the Executive or Director of Lifelong Learning.

2.04 In all schools, the power of nomination to LEA Governor vacancies is with the Member of the Ward where the school is situated as confirmed by County Council policy (November 2008).

2.05 The Ward Member is asked to consider the following attributes when choosing his/her nomination:-

- nominee has a commitment to raising standards in the school to ensure the best possible education for its pupils;

- nominee understands accountability for the use of funding to ensure value for money;
 - nominee has an attitude of fairness and an ability to act without prejudice and in accordance with statutory requirements;
 - nominees have a commitment to attend regularly and to update their skills and knowledge on all aspects relating to their role.
- 2.06 For Church Aided, Welsh Medium and Secondary Schools consultation by the Ward Member with neighbouring ward members is carried out prior to ratification by the Panel. The LEA provides administrative support for this consultation process.
- 2.07 For Community Primary Schools the requirement to consult neighbouring ward members is removed where more than 75% of pupils at the school come from within their ward.
- 2.08 Pursuant to the County Council resolution of the 19 October 2010 a report was submitted to the Constitution Committee meeting of the 10 January 2011 when following discussion it was resolved that a meeting be held between the Panel and the Head of Legal & Democratic Services as a matter of urgency to review the arrangements, powers and responsibilities of the Panel and a report on the outcome brought back to the Constitution Committee.
- 2.09 At the Constitution Committee meeting of the 20 April 2011 Councillor Dodd asked for an update on this and it was explained that the Head of Legal & Democratic Services had issued written advice to the Panel which would be considered at the Panel meeting to be held in June following which a report on the outcome would then be brought back to the Committee.
- 2.10 At the LEA Governors Panel meeting on the 17 June 2011 there was a detailed discussion of this matter and the relevant minute is attached as appendix 1 to this report.

3.00 CONSIDERATIONS

- 3.01 During the discussion at the Panel meeting on the 17 June 2011 it was decided that there should be more transparency introduced into the process through clearly specifying the criteria for choosing between candidates that are nominated and that these criteria should be set out on the nomination form which then seeks to obtain information relevant to the criteria. Nomination forms should also make it clear that a nomination can only be objected to on the basis that the candidate does not meet the criteria or does not satisfy the relevant regulations. If adopted this would mean that in future objections based on, for example, not knowing the candidate would not qualify as a valid objection.
- 3.02 At the Panel meeting it was agreed to recommend that the criteria to be used for deciding on the suitability of a candidate should be:-

- i) A commitment to raising standards in the school to ensure the best possible education for its pupils.
 - ii) Understanding the concept of value for money for funding from the public purse.
 - iii) Able to demonstrate they can give the requisite time commitment.
 - iv) Able to demonstrate sufficient local connection with the school's catchment area.
 - v) Any previous experience as a school governor.
 - vi) The candidate possesses skills which the governing body has identified in a self evaluation/skills analysis as a shortage on the governing body.
- 3.03 At the Panel meeting the following existing criterion was not mentioned and should be added to the above:-
- vii) The candidate has an attitude of fairness and an ability to act without prejudice and in accordance with statutory requirements.
- 3.04 The Panel also recommend that the nomination form is amended so that it sets out the criteria listed above and asks questions seeking information about the extent to which the candidate meets any of the criteria. The Panel also recommend that the nomination form sets out the basis on which a nomination can be objected to which would be either that the candidate does not sufficiently meet the criteria or does not satisfy the relevant regulations. The nomination form will contain details of the relevant regulations. Where a candidate is being renominated as a governor, information will be obtained about the candidate's previous record of attendance as a governor.
- 3.05 At the Panel meeting consideration was given to the situation where a secondary school based in one ward has the majority of its pupils from an adjoining Member's ward. The Panel were of the view that in such situations both the Member for the ward where the school is located and the Member for the majority of pupils should be able to make a nomination as to a suitable school governor. This could be achieved by amending the definition of local Member to cover such situations.
- 3.06 On occasions there has been delay in obtaining a nomination from a local Member and the Panel believe that in order to reduce the time taken in filling vacancies after the Member has had a month, a reminder will be sent saying that if a nomination is not received within a further 14 working days the Member will no longer be able to make a nomination. In the absence of a nomination the Panel will have the power to seek nominations and to make a recommendation for appointment to the Director of Lifelong Learning.
- 3.07 Due to problems that the Panel has experienced it is recommended that in future the Panel can decide that a candidate is not suitable on the basis of insufficiently meeting the criteria and make such a recommendation to the Director of Lifelong Learning. The Director will consider the recommendation and report back to the Panel with his

view and a suggestion as to how to proceed. This could include seeking a new nomination from the local Member.

- 3.08 Where there are more than one candidate nominated ("disputed nominations") the Panel shall make a recommendation to the Director of Lifelong Learning as to which candidate they believe best satisfies the criteria. The Director will then confirm the appointment and action it or refer it back to the Panel for further consideration.

4.00 RECOMMENDATIONS

- 4.01 That the Committee considers and endorses the recommendations of the Panel as set out in paragraphs 3.01 to 3.08 above for consideration by the Executive.

5.00 FINANCIAL IMPLICATIONS

- 5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

- 6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

- 8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 Executive.

11.00 CONSULTATION UNDERTAKEN

- 11.01 LEA Governors Panel.

12.00 APPENDICES

- 12.01 Appendix 1 - Minutes of LEA Panel meeting 17 June 2011.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 BACKGROUND DOCUMENTS

None

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LEA GOVERNORS PANEL

17th June 2011

Minutes of the meeting of the LEA Governors Panel held at County Hall, Mold on Friday 17th June 2011.

1. PRESENT:

Councillors: Q. R. H. Dodd, M. J. Peers

2. APOLOGIES

Councillor Adele Davies-Cooke, Cllr Patrick Heesom, Cllr Bernie Attridge

3. IN ATTENDANCE:

Kim Brookes, School Staffing and Governance Manager; Faye Davey, Staffing and Governance Administrative Officer and Clerk.

1 declaration of interest was declared by Cllr Dodd.

4. MINUTES OF LAST MEETING

Cllr Q Dodd (Vice Chair) opened the meeting requesting any Declarations of Interest.

The minutes were accepted and seconded.

5. MATTERS ARISING:

From previous minutes

No matters arising.

6. To review the arrangements, powers and responsibilities of the Panel – Peter Evans, Democracy and Governance Manager.

Peter Evans attended as Barry Davies representative due to his unavailability. He explained the legal advice and answered queries on it. Following discussion it was agreed a report would be made to the Constitution Committee recommending the Executive amend existing procedures in the following ways.

Revisions proposed:

¾ Objections following consultation: That criteria be established as to valid objections;

¾ Identify criteria to use when deciding between candidates – nomination papers amended to obtain relevant information;

¾ Disputed nominations to be resolved by recommendation by panel giving reasons to Director of Lifelong Learning who confirms appointment and actions or refers back to Panel for further consideration;

- Terms of reference of Panel amended so Panel can say no to a candidate nominated;
- On re-nominations obtain record of attendance as governor;
- In the case of nominations to secondary schools, that the definition of local member be amended to include both the member whose ward the school is situated and the member from the ward with the majority of pupils;
- that power to nominate will be removed from a member who fails to make a nomination 14 working days after a reminder has been sent. The Panel will make a recommendation for appointment to the Director of Lifelong Learning.
- Criteria to be used for candidate selection:
 - Demonstrates commitment to raising standards
 - Understanding of the concept of value for money with the public purse;
 - Previous experience as a governor;
 - Sufficient local connection with the school's catchment area;
 - Candidate has skills which the governing body has identified in their self evaluation/skills analysis as a shortage;
 - Ability to demonstrate and can give requisite time commitment
- Change nomination form so it:
 - Sets out above criteria
 - Asks questions seeking information about criteria
 - Sets out the basis on which a nomination can be objected to namely not meet criteria or nor satisfy regulations

7. LEA GOVERNOR NOMINATIONS: TO INFORM THE PANEL OF THE LEA GOVERNOR NOMINATIONS FOR THE SCHOOLS DETAILED IN THE REPORT

Ysgol Derwenfa, Leeswood

RESOLVED: Cllr Kenneth Richardson, Teresa Vista, Pontybodkin, Leeswood CH7 4RA be appointed.

Ysgol Croes Atti

RESOLVED: Mrs Christine Hughes, 1 Clos Farm, Flint Mountain CH6 5UX be appointed.

John Summers High School

RESOLVED: Cllr Gary Cooper, 110 Shotton Lane, Shotton CH5 1QS be appointed

Castell Alun High School

RESOLVED: Cllr Stella Jones, 25 Pen Y Bryn, Hope LL12 9NQ be appointed.

Ysgol Maes Edwin

RESOLVED: Cllr Ted Evans, 3 Third Avenue, Flint CH6 5LT be appointed.

Argoed High School

RESOLVED: Cllr Hilary McGuill, Wylfa House, Wylfa Hill, Mynydd Isa CH7 6TG be appointed.

St Mary's R C Primary School

RESOLVED: Mr Paul Cunningham, 23 Bryn Mor, Flint CH6 5RZ be appointed.

Ysgol Bryn Coch

RESOLVED: Mrs Jacqueline Rogers, 3 Ffordd Argoed, Mold CH7 1LY be appointed.

Llanfynydd C P School

RESOLVED: Mr Mark Davies, Meadow View, Llanfynydd, Nr Wrexham LL11 5HG be appointed.

Sychdyn C P School

RESOLVED: Cllr Marion Bateman, Cortonwood, Blackbrook, Sychdyn CH7 6LT be appointed.

Ysgol Maes Glas

RESOLVED: Miss Linda Hachett, 4 Dyffryn Glas, Greenfield, Holywell be appointed.

Westwood C P School

RESOLVED: Mrs Joan Williams, 41 Lexham Green Close, Buckley CH7 2HS be appointed.

Westwood C P School

RESOLVED: Mrs Jeanne Hutchinson, Newlyn, Padeswood Road, Buckley CH7 2JW be appointed.

Gronant C P School

RESOLVED: Miss Joanne Gilmore, 9 Mostyn Road, Gronant be appointed.

Derwen Foundation School, Kinnerton

RESOLVED: Mrs Jean Brain, 2 Paddock Way, Higher Kinnerton, Chester CH4 9BA be appointed.

Derwen Foundation School, Kinnerton

RESOLVED: Cllr Norma Humphreys. 3 Bennetts Lane, Higher Kinnerton, CH4 9AR be appointed.

Ysgol Estyn

RESOLVED: Mr Peter Pemberton, Shordley Cottage, Shordley Road, Hope be appointed.

Sealand C P School

RESOLVED: Cllr Christine Jones, 31 Welsh Road, Garden City, Deeside CH5 2HU be appointed.

Rector Drew V A School

RESOLVED: Cllr Glenys Diskin, Ambleside, Duckers lane, Mancot, CH5 2ED be appointed.

Hawarden infants School

RESOLVED: Mrs Tracey Bousfield, 12 Blackbrook Avenue, Hawarden CH5 3HJ be appointed.

Connahs Quay High School

RESOLVED: Cllr Aaron Shotton, 48 Pinewood Avenue, Connahs Quay, Deeside CH5 4SJ be appointed.

Abbotts Lane Infants

RESOLVED: Mrs Jane Littler, 4 Lilac Drive, Penyffordd, Chester be appointed.

Penyffordd Junior School

RESOLVED: Mrs Patricia Ransome, 10 Priory Close, Penyffordd, Nr Chester CH4 0NJ be appointed.

Wepre C P School

RESOLVED: Mrs Carol Granger, 4 Cae Llys Close, Connahs Quay, Deeside be appointed.

8. LEA GOVERNOR NOMINATIONS: TO RESOLVE DISPUTED LEA GOVERNOR NOMINATIONS FOR THE SCHOOLS DETAILED IN THE REPORT

Joint ward members nominated different nominees therefore 2 names were put forward to the panel.

Golftyn C P School

DEFERRED: Mrs Jennifer Gray / Cllr Eric owen

St Davids High School

Ward member nominated Mr Jimmy Ashton 32A Tolbar Road, Chester CH3 5QX. 3 objections were received by neighbouring ward members.

DEFERRED: Mr Jimmy Ashton 32A Tolbar Road, Chester CH3 5QX.

9. **DURATION OF MEETING**

The meeting commenced at 1.10 pm and ended at 2.10 pm

.....
Chair

3.03 The Terms of Reference for the Review are:-

1. To clarify the expected performance standards for a settled, high performing collection service;
2. To understand the current position against these expected performance standards;
3. To review the actions being taken to address current concerns to meet the expected performance standards, including any recommendations on any changes to service delivery that may be required, and to explore levels of confidence in these actions.

4.00 RECOMMENDATIONS

4.01 That Members approve the Terms of Reference and Timetable for the Review.

5.00 FINANCIAL IMPLICATIONS

5.01 The Managed Weekly Collections service is anticipated to deliver a further £245k of efficiencies in 2012/13. This is in addition to the £200k that was estimated for 2011/12. Unfortunately, the 2011/12 efficiency was not fully deliverable due to considerable one-off costs being incurred upon full roll-out in November. Additional labour and vehicle costs have been incurred to deliver the service and significant numbers of new recycling bins and sacks were requested by householders. However, it has been possible to offset all these costs against landfill savings from increased diversion to recycling and food waste.

6.00 ANTI POVERTY IMPACT

6.01 None

7.00 ENVIRONMENTAL IMPACT

7.01 The Managed Weekly Collections Service is reducing the amount of waste taken to landfill and has had a significant impact on the Council's recycling performance.

8.00 EQUALITIES IMPACT

8.01 Assisted collection services provided for all appropriate households.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 Further consultation is being undertaken as part of the review.

11.00 CONSULTATION UNDERTAKEN

11.01 Extensive consultation was undertaken prior to the implementation of the new services.

12.00 APPENDICES

12.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None.

Contact Officer: Carl Longland
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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 25

REPORT TO: **EXECUTIVE**
DATE : **21 FEBRUARY 2012**
REPORT BY: **HEAD OF ICT AND CUSTOMER SERVICES**
SUBJECT : **COMPLIMENTS, CONCERNS AND COMPLAINTS POLICY**

1.00 PURPOSE OF REPORT

1.01 To seek approval from Members the adoption of two Customer Service policies from 1 April, 2012:

- Policy 1 – Compliments, Concerns and Complaints;
- Policy 2 – Unacceptable Actions by Complainants.

2.00 BACKGROUND

2.01 The proposed Compliments, Concerns and Complaints policy (attached in Appendix 1) is based on a model policy and guidance issued by the Welsh Government to all public services in Wales involved in dealing with public service complaints. The Welsh Government's model was developed by a Complaints Wales Group chaired by the Public Services Ombudsman.

2.02 The model policy derives its crucial importance from the Welsh Government's commitment to improving public services from a citizen's perspective, and also from the perspective that complaints, and how they are handled and resolved, should be able to support the provision of higher quality and more effective public services.

2.03 The proposed Compliments, Concerns and Complaints policy is in two parts; the first part is aimed at customers. The second part is designed for officers of the Council and describes how compliments, concerns and complaints will be managed within the Council.

2.04 The Compliments, Concerns and Complaints policy has been subject to consultation with CMT, Directorate Complaints Officers and the Welsh Language Policy Officer. The policy will replace the existing Compliments, Comments and Complaints policy introduced in 2006.

2.05 The Welsh Government's model policy also recognises that some people may act out of character in times of trouble or distress. However, the actions of complainants who are angry, demanding or persistent may result in unreasonable demands on the Council or unacceptable behaviour towards employees. The Unacceptable Actions by Complainants policy (Appendix 2) is designed to ensure that employees receive adequate information and advice when dealing with complainants whose behaviour or actions are considered unacceptable.

3.00 CONSIDERATIONS

- 3.01 The adoption of the Welsh Government's model policy for dealing with complaints is a decision for individual organisations in Wales; however, the Welsh Government hopes that a platform for formal Ministerial endorsement of the policy will be found in the future.
- 3.02 In accordance with the vision and priorities of the Council; the proposed Compliments, Concerns and Complaints policy is open and accessible, is designed to deal with complaints in the most efficient and effective way and use the outcome of, and learning from, complaints resolution to inform the delivery of high-quality, customer focused services.
- 3.03 Other advantages include:
- The policy allows the Council to deal with multi-agency complaints in Wales thus providing the customer with a single point of contact and single investigation process;
 - The policy places a premium on the importance of early resolution of complaints;
 - The policy facilitates the delivery of joint training for employees in partner organisations which can reduce costs and facilitate more effective joint working;
- 3.04 The Unacceptable Actions by Complainants policy provides formal information and advice to customers and employees on how situations will be managed by the Council if a complainant's behaviour is considered unacceptable.
- 3.05 It is the intention to implement the two policies with effect from 1 April, 2012.

4.00 RECOMMENDATIONS

- 4.01 Members are asked to agree and adopt the implementation of the new Compliments, Concerns and Complaints policy as set out in Appendix 1 with effect from 1 April, 2012.
- 4.02 Members are asked to agree and adopt the implementation of the new Unacceptable Actions by Complainants policy as set out in Appendix 2 with effect from 1 April, 2012.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Minimal; marketing material i.e. information leaflet to accompany the policy.

6.00 ANTI POVERTY IMPACT

- 6.01 None directly.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly.

8.00 EQUALITIES IMPACT

8.01 None directly.

9.00 PERSONNEL IMPLICATIONS

9.01 Those employees involved in complaints handling will receive information, advice and training to support the implementation of the new policy.

10.00 CONSULTATION REQUIRED

10.01 None directly.

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation with senior officers, directorate complaints officers and the Welsh Language Policy officer has taken place.

12.00 APPENDICES

12.01 Compliments, Concerns and Complaints Policy - Appendix 1.

12.02 Unacceptable Actions by Complainants Policy – Appendix 2.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

None

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APPENDIX 1



Compliments, Concerns and Complaints Policy

Commitment Statement: People will find it easy to complain and get things put right when the service they receive is not good enough

| Document Details | |
|-------------------------|---|
| Document Author: | Chris Guest Head of ICT & Customer Services |
| Document Owner: | Chris Guest Head of ICT & Customer Services |
| Maintenance: | Customer Services Team Leader (Corporate Complaints Officer) |
| Distribution: | This document will be published in full (Part 1 and Part 2) on the Council's InfoNet. In addition, an edited version (Part 1 only) will be published on the Council's website for customers. A copy of this document is also available from the Customer Services Team. |

| Revision Details | | | |
|-------------------------|--|-------------|-------------------|
| Version No. | Revision Summary | Date | Revised By |
| 1 | Draft considered by CMT | 17/1/12 | RJ |
| 1 | Draft considered by Complaints Officer Group | 18/1/12 | RJ |
| 1 | Draft considered by Welsh Language Officer | 18/1/12 | RJ |
| 2 | Leader Strategy Group | 07/2/12 | RJ |
| 3 | Executive | 21/2/12 | |
| | | | |

Preface

This policy consists of two parts:

Part 1

The first part of this policy is designed for customers. It advises customers what to do if they have a compliment, concern or complaint and how it will be dealt with by the Council.

Part 2

The second part of this policy is designed for officers of the Council and describes how compliments, concerns and complaints will be managed internally subject to statutory guidance e.g. on education or social care complaints.

Note: Hereafter whenever reference is made to a 'concern' or 'complaint' it refers to both concerns and complaints.

Compliments, Concerns and Complaints Policy

Flintshire County Council is committed to dealing effectively with compliments, concerns or complaints you may have about our services. We aim to learn from what you tell us we're doing well and if you have a concern or complaint we aim to clarify any issues about which you are not sure.

We welcome your feedback when you're pleased with a service you have received or the way you have been treated by officers. However, if we make mistakes, if possible, we'll put things right. We'll provide any service you're entitled to which we have failed to deliver and if we get something wrong, we'll apologise and where possible we'll try to put things right. We aim to learn from our mistakes and use the information we gain to improve our services.

When to use this policy

When you compliment us or express a concern or complain, we'll usually respond in the way we explain below. However, sometimes you may have a statutory right of appeal e.g. against a refusal to grant planning permission or the decision not to give your child a place in a particular school so, rather than investigate your complaint, we'll explain to you how you can appeal. Sometimes, you might be concerned about matters that aren't decided by us e.g. if you have a complaint about your GP, we'll advise you about how to make your concerns known.

This policy doesn't apply if you have a concern or complaint relating to Data Protection, Freedom of Information or Environmental Information Regulations. In these instances, you should write, giving full details of your complaint, to the Information & Support Team, Legal and Democratic Services, County Hall, Mold CH7 6NR, or send an e-mail to one of the following:

- dataprotection@flintshire.gov.uk
- foi@flintshire.gov.uk

- eir@flintshire.gov.uk

Schools

When you have a concern or complaint involving a school you should first contact the Head Teacher (manager of the school) who will be able to tell you how the matter will be dealt with. A copy of the school complaints procedure will be available from the school and in the majority of cases; schools aim to resolve concerns by talking to you. In some cases there are statutory procedures, for example, if you raise a concern about school admissions, exclusion from school, conduct or statements of Special Educational Need. The Head Teacher will be able to tell you how he/she intends to deal with the matter; in cases where child welfare is at risk we'll ensure the Inclusion Welfare Officer is informed.

If a complaint is complex, and talking to the Head Teacher has not helped, or you have any other questions about school complaints, you can contact schoolcomplaints@flintshire.gov.uk or the Lifelong Learning Complaints Officer on 01352 704261.

Have you asked us yet?

If you're approaching us for a service for the first time e.g. reporting a faulty street light, a missed bin collection or a housing repair then this policy doesn't apply. You should first give us a chance to respond to your request. If you make a request for a service and then are not happy with our response, you'll be able to make your complaint known as we describe below.

How to compliment a service or an officer

If you would like to compliment us on a service you have received or the way you have been treated by an officer, tell the service or the officer you're dealing with.

Your compliment will be recorded on our Customer Relationship Management system and the information will be shared with the appropriate manager of that service. Alternatively, you can contact the Customer Services Team who will record your compliment and pass it on to the appropriate service manager.

How to make a complaint

Step 1

If possible, we believe it's best to deal with things straight away rather than try to sort them out later. If you have a complaint, raise it with the service you're dealing with. Your complaint will be recorded on our Customer Relationship Management system and an officer from the service will try to resolve it for you there and then. If it's not possible to resolve the matter there and then we aim to provide you with a full response within 10 working days from receipt of your complaint. If your complaint is complex it may take longer than 10 working days to resolve and we'll keep you updated on a regular basis.

You can express your complaint in any of the following ways:

- You can ask for a copy of our concerns and complaint form from the person with whom you are already in contact.
- You can get in touch with our Customer Services Team:

e-mail: customerservices@flintshire.gov.uk

the website: www.flintshire.gov.uk/complaints

phone: 01352 703020

writing to: Customer Services Team, Flintshire County Council,
FREEPOST, NWW 15332, Mold CH7 6ZY

Copies of this policy and the compliments, concerns and complaint form are available in other languages and as audio, large print etc. on request.

How we will deal with your complaint

- We'll formally acknowledge your complaint within 5 working days from receipt and let you know how we intend to deal with it.
- If you have not already told us, we'll ask you to tell us how you would like us to communicate with you e.g. by e-mail or telephone, your language preference and if you have any particular requirements e.g. if you have a disability.
- We'll deal with your complaint in an open and honest way.
- We'll make sure that your dealings with us in the future do not suffer just because you have expressed a concern or made a complaint.

Normally, we'll only be able to look at your complaint if you tell us about it within 12 months from when the problem occurred. This is because it's better to look into your complaint while the issues are still fresh in everyone's mind.

There may be exceptions where we may be able to look at complaints which are brought to our attention later than this. However, you must give us strong reasons why you have not been able to bring it to our attention earlier and we'll need to have sufficient information about the issue to allow us to consider it properly. (In any event, regardless of the circumstances, we will not consider any concerns or complaints about matters that took place more than three years ago).

If you're expressing a concern or complaint on behalf of somebody else, we'll need their written agreement to you to act on their behalf as we may share personal sensitive information with you.

What if there is more than one organisation involved?

If your complaint covers more than one organisation e.g. a Housing Association and the Council, we'll usually work with them to decide who should take a lead in dealing with your complaint. We'll tell you if we need to speak to another organisation and how long this will take. You will then be given the name of the

person responsible for communicating with you while we consider your complaint.

If the complaint is about an organisation working on our behalf e.g. housing repair contractors, you may wish to raise the matter informally with them first. However, if you want to express your concerns to us, we'll look into this ourselves and respond to you.

What if I am dissatisfied with the response I receive?

Step 2

If you're not satisfied with the response you receive from us when you first complain, you can ask for your complaint to be escalated to Step 2. The Customer Services Team deal with Step 2 complaints and an officer will ensure that your complaint is considered by the Corporate Complaints Officer or a senior officer.

The Customer Services Team will tell you the name of the officer asked to look into your complaint. We'll set out to you our understanding of your complaint and ask you to confirm that we've got it right. We'll also ask you to tell us what outcome you're hoping for if you haven't already done so.

The Corporate Complaints Officer or a senior officer looking at your complaint will usually need to see the files we hold relevant to your complaint. If you don't want this to happen, it's important that you tell us.

If there is a simple solution to your problem, we may ask you if you're happy to accept this. For example, where you failed to receive a service you requested and we see straight away that you should have had it; we'll offer to provide the service.

We'll aim to resolve complaints as quickly as possible and expect to deal with the vast majority of Step 2 complaints within 20 working days from receipt. If your complaint is more complex, we'll:

- Let you know within 20 working days why we think it may take longer to consider;
- Tell you how long we expect resolution to take;
- Give you regular updates and tell you whether any developments might change our original estimate.

The officer considering your complaint will aim firstly to establish the facts. The extent of an investigation will depend on how complex and how serious the issues you have raised are. In some instances, we may ask to meet you to discuss your complaint. Occasionally, we might suggest mediation or another method to try to resolve disputes.

We'll look at relevant evidence. This could include files, notes of conversations, letters, e-mails or whatever may be relevant to your particular complaint. If necessary, we'll talk to employees or others involved and apply our policies and any legal entitlement and guidance.

Outcome

We'll let you know what we have found in your preferred form of communication and your preferred language. This could be by letter or e-mail, for example. If necessary, we'll produce a report. We'll explain how and why we came to our conclusions.

If we find that we got something wrong, we'll tell you what and why it happened. We'll show how the mistake affected you, and where possible rectify the mistake.

If we find there is a fault in our systems or with the way we do things, we'll tell you what it is and how we plan to change things to stop it happening again.

If we got something wrong, we will apologise.

Putting things right

If we didn't provide a service you should have received, we'll aim to provide it straight away if that's possible. If we haven't done something well, we'll aim to do it better. If you've lost out as a result of a mistake on our part we'll try to put you back in the position you would have been in if we had got it right first time.

If you had to pay for a service yourself, when you should have received one from us, or if you were entitled to funding which you did not receive we will usually aim to make good what you have lost.

Step 3

Ombudsman

If we're unable to resolve your complaint, you may complain to the Public Services Ombudsman for Wales. The Ombudsman is independent of all government bodies and can look into your complaint if you believe that you personally, or the person on whose behalf you are complaining:

- Have been treated unfairly or received a bad service through some failure on the part of the Council;
- Have been disadvantaged personally by a service failure or have been treated unfairly.

The Ombudsman expects you to bring your concerns to our attention first and to give us a chance to put things right. You can contact the Ombudsman by:

phone: 0845 601 0987
e-mail: ask@ombudsman-wales.org.uk
the website: www.ombudsman-wales.org.uk
writing to: Public Services Ombudsman for Wales, 1 Ffordd yr Hen Gae, Pencoed CF35 5LJ

There are also other organisations that consider complaints. For example, the Welsh Language Commissioner for services provided in Welsh. We can advise you about such organisations.

Learning lessons

We take your concerns and complaints seriously and try to learn from any mistakes we've made. Our Executive Committee and Corporate Resources Overview and Scrutiny Committee consider a summary of all complaints quarterly. Our Executive Committee also considers our response to complaints at least twice a year as well as details of any serious complaints.

Where there is a need for change, we'll develop an action plan setting out what we'll do, who will do it and a timescale of when we plan to do it. We'll let you know when any changes we have promised have been made.

If you need help

Our employees will aim to help you make your concerns or complaint known to us. If you need extra assistance, we'll try to put you in touch with someone who can help. You may wish to contact organisations such as:

Age Concern

e-mail info@acnew.org.uk

phone 08450 549969

www.acnew.org.uk

Citizens Advice Bureaux

Mold 01352 753520

Holywell 01352 711262

Connah's Quay 01244 846700

Flintshire Disability Forum

phone 01352 755546

Mental Health Advocacy

phone 01352 759332

www.fmhas.org.uk

Mencap Cymru Helpline

e-mail helpline.wales@mencap.org.uk

phone 0808 808 1111

www.mencap.org.uk/wales

NEWCIS - North East Wales Carers**Information Service**

e-mail Flintshire@newcis.org.uk

phone 01352 744055

www.carers.org/local/wales/flintshire

North Wales Deaf Association

phone 01492 542235

Minicom 01492 542236

fax 01492 542238

Videophone 01492 549987

www.deafassociation.co.uk

National Youth Advocacy Service

e-mail: help@nyas.net

phone 0800 616101

www.nyas.net

Systems Advocacy

e-mail 01978 754999

Vision Support

e-mail wrexham@visionsupport.org.uk

phone 01978 353200

www.visionsupport.org.uk

You can also use this policy if you are someone under the age of 18. If you need help, you can speak to someone on the Meic Helpline by phone 080880 23456 and further information can be found on their website at www.meiccymru.org

You can also contact the Children's Commissioner for Wales by phone 01492 523333 or by e-mail post@childcomwales.org.uk and further information can be found on their website at www.childcom.org.uk

What we expect from you

In times of trouble or distress, some people may act out of character. There may have been upsetting or distressing circumstances leading up to a

complaint. We don't view behaviour as unacceptable just because someone is forceful or determined.

We believe that all complainants have the right to be heard, understood and respected. However, we also consider that our employees have the same rights. We, therefore, expect you to be polite and courteous in your dealings with us. We will not tolerate aggressive or abusive behaviour, unreasonable demands or unreasonable persistence. We have a separate policy to manage situations where we find that someone's actions are unacceptable.

Compliments, Concerns and Complaints Policy - Part 2

1. Introduction

1.1 Purpose of the policy

1.1.1 The Welsh Government's vision for improving public services in Wales recognises that complaints systems and redress* can make an important contribution to the improvement of services.

1.1.2 The Council has adopted the Welsh Government's model policy for dealing with concerns and complaints in Wales (hereafter referred to as the "policy") to establish across the spectrum of public service providers principles for the effective handling of concerns and complaints.

1.1.3 In adopting the model policy, the Council has followed guidance provided by the Welsh Government to enable:

- Common data collection procedures across Wales;
- Common methods for learning from concerns and complaints;
- Common means to identify and disseminate good practice.

1.1.4 This policy came into effect on 1 April 2012.

2. Definition and principles

2.1 What is a compliment?

2.1.1 When a customer contacts the Council to feedback how pleased they are with a service or employee.

** Redress: appropriate redress can take many forms, this includes an explanation and an apology, remedial action, on occasion financial compensation, or a combination of these. Redress should seek to put the complainant back in the position they would have been in if nothing had gone wrong. Where this is not possible – as will often be the case – the remedy should fairly reflect the harm the complainant has suffered.*

2.2 What is a complaint?

2.2.1 Whether about the Council itself, a person acting on its behalf, or a partnership, a complaint is:

- An expression of dissatisfaction or concern;
- Either written or spoken or made by any other communication method;
- Made by one or more members of the public;
- About the Council's action or lack of action or;
- About the standard of service provided.

2.2.2 A complaint is not:

- An initial request for a service, such as reporting a missed bin collection;
- An appeal against a properly made decision;
- A means to seek change to legislation or a properly made policy decision;
- A means for lobbying groups/organisations to seek to promote a cause.

2.3 Principles for dealing with complaints

2.3.1 When someone complains they inevitably have an issue about a service which has been received or not received. Complaints need to be handled in such a way that the complainant is the focus and not the process itself. It is within this context that the following principles apply to this policy:

(i) Accessible and Simple

- Well publicised;
- Easy to find, understand and use – both for public and employees;
- Simple with clear instructions about how to make a complaint;

- Flexible to meet the different needs of different people ensuring that those who face challenges in access are not excluded;
- Provides information on advocacy and support services;
- The stages in the complaint handling process are kept to a minimum.

(ii) Fair and Impartial

- Complaints are dealt with in an open-minded and impartial way;
- Complainants are assured that making a complaint will not adversely affect their future dealings and contacts with the Council;
- Ensures that complainants get a full response and that decisions are proportionate, appropriate and are fair;
- The employees complained about are treated as fairly as complainants.

(iii) Timely, Effective and Consistent

- Within the parameters of what is appropriate and possible, frontline employees themselves should seek to resolve complaints;
- Investigate Once, Investigate Well – when a complaint requires investigation, this will be done thoroughly to establish the facts of the case;
- Consistent so that people in similar circumstances are treated in similar ways;
- Dealt with as quickly as possible;
- Complaints involving more than one public service provider are dealt with in such a way that the complainant's experience is of one system.

(iv) Accountable

- Provides honest, evidence-based explanations and gives reasons for decisions;

- Information is provided in a clear and open way;
- When concerns are found to be justified, as appropriate:
 - acknowledge mistakes;
 - apologise in a meaningful way;
 - put matters right;
 - provide prompt, appropriate and proportionate redress.
- Follow up to ensure any decisions are properly and promptly implemented;
- Where appropriate, the complainant is told about the lessons learnt and changes made to the service, guidance or policy;
- Ensures that complainants are informed of their right to complain to the Public Services Ombudsman for Wales (or of other appropriate routes open to them, for example, the Welsh Language Commissioner in respect of complaints about compliance with Welsh Language Schemes or Welsh Language Standards; Equality and Human Rights Commission).

(v) Delivers Continuous Improvement

- Lessons learnt from complaints are gathered and feedback is used to improve service design and delivery;
- Customer Relationship Management system in place to record, analyse and report on the learning from concerns;
- The leadership of the Council:
 - takes ownership of the complaints process;
 - regularly reviews and scrutinises its effectiveness;
 - receives regular complaints monitoring reports; and
 - demonstrates what the Council has done to improve service delivery as a result of complaints.

3. Compliments

3.1.1 Compliments are welcome from our customers if they are pleased with a service they have received or how they have been treated by employees.

3.1.2 If a compliment is received it will be recorded on the Customer Relationship Management system. An acknowledgement will be sent to the customer and should include a 'thank you' if appropriate.

3.1.3 Details of the compliment will be shared with the appropriate service manager and where appropriate the employee (subject of the compliment). It is unlikely that any further action will be required so the record can be 'signed off' on the database.

3.1.4 Compliments will be regularly reviewed by the Corporate Complaints Officers and information published as appropriate, for example, InfoNet, website, newsletters.

4. Complaint handling arrangements

4.1.1 The aim of this policy is to provide a common approach for handling complaints that is simple, flexible and places emphasis on getting the most appropriate outcome for individuals and services. It requires officers to take a proactive approach to dealing with complaints by focusing on people's needs.

4.1.2 The policy is designed to streamline complaints arrangements across the Council and make it easier to deal with complaints that relate to more than one service area.

4.2 Commitment statement

4.2.1 The Welsh Government has published a principle on redress for public services (Making the Connections – Building Customer services, March

2007). This is the touchstone for the model complaints policy and every public service provider in Wales in adopting the model will in turn publish a commitment statement as follows:

“People will find it easy to complain and get things put right when the service they receive is not good enough”

4.2.2 Note: The above statement applies to circumstances where there has been a failure to deliver a service someone is entitled to receive. However, it does not apply in circumstances where people are making a request for an initial service.

4.3 The people who may put forward a concern or complaint

4.3.1 Any member of the public, including a child, who has received, or was entitled to receive, a service from the Council may make a complaint. The same applies if they have suffered due to the inappropriate action or lack of action by the Council.

4.3.2 Where a complaint is made by a young person or child, the Council will provide them with such assistance that they may reasonably require in order to pursue the complaint. This should include making the young person or child aware of the help that could be provided by the Children’s Commissioner for Wales.

4.3.3 A complaint can also be put forward by someone on behalf of another person:

- (a) Someone who has died;
- (b) A child aged 15;
- (c) Those who lack the capacity (as defined by the Mental Capacity Act 2005(1));
- (d) They have been asked to do so by the person affected.

4.3.4 In the case of (b), (c) and (d), we must satisfy ourselves, as far as the circumstances of the person affected allow for it, that the representative is acting with the authority of that person and if possible obtain their signature to confirm this.

4.3.5 This policy is not a means for a member of staff to raise employment issues. There are other internal mechanisms for these type of concerns, for example, whistleblowing, bullying, or grievance procedures.

4.4 Roles

4.4.1 The Head of ICT & Customer Services is responsible for ensuring this policy is adopted and followed by officers.

4.4.2 The Customer Services Team Leader is responsible for the Customer Services Team which acts as a central point of contact for customer complaints. All complaints received by the Customer Services Team will be recorded on the Customer Relationship Management system and allocated to the appropriate service for resolution at Step 1.

4.4.3 The Customer Services Team will monitor progress of Step 1 complaints, issue holding responses and keep the complainant informed on behalf of the service as necessary.

4.4.4 The Corporate Complaints Officer (or a senior officer) is responsible for responding to complaints at Step 2.

4.5 Resources

4.5.1 The Council will ensure that the necessary resources are made available to enable delivery of this policy, this includes:

- Staffing (administrative support by the Customer Services Team);

- Training;
- Complaint handling systems e.g. the Customer Relationship Management system.

4.6 Accessibility and publicising the complaints procedure

4.6.1 The concerns and complaints policy is accessible to everyone. The complaints process is widely published e.g.

- Promotion via website, newsletter, InfoNet;
- Bilingual concerns and complaint forms are readily available at public reception points and local offices of relevant advice and advocacy organisations;
- A copy of the policy is also available in alternative formats such as on CD, in large print, Braille, etc.

4.7 The complaints leaflet and complaint form

4.7.1 The wording of the concerns and complaint information leaflet is as per the Welsh Government's model policy (Appendix A).

4.7.2 In raising a concern, ideally people should complete a concern and complaint form either printed version or e-form (Appendix B). However, people may prefer to present their complaint by telephone, e-mail, or in person (or other method). In doing so employees dealing with the complaint should ensure that they have gathered the same information as that being sought on the complaint form and ensure it is recorded on the Customer Relationship Management system.

5.0 The concerns and complaints procedure

5.1.1 Step 1

5.1.2 This policy consists of three steps (two internal and one external step) for dealing with complaints.

5.1.3 Step 1 offers the opportunity for informal engagement at the point of service delivery to seek to resolve complaints either at the time the complaint arises or very shortly thereafter. This stage should be part and parcel of front line service delivery and not viewed as separate from it. This first step will normally be an explanation or other appropriate remedial action by frontline staff or service manager. Staff are empowered to deal with complaints as they arise with the aim of resolving issues on the spot. However, staff will be trained to recognise the seriousness of a complaint and understand when it should be referred to a more senior member of staff.

5.1.4 The complaint should be recorded on the Customer Relationship Management system at the first point of contact. This will create a unique reference number which should be quoted on all correspondence.

5.1.5 Employees will need to check whether a complaint has already been made by the customer by checking to see whether the complaint has previously been allocated to him/her, checking with the directorate complaints officer or the Customer Services Team. If it is a first complaint then it should be dealt with as a Step 1 complaint, if there is already a record on the database it should be referred to the Customer Services Team to deal with as it requires escalation on the Customer Relationship Management system.

5.1.6 The aim at Step 1 is to respond to the complaint within 10 working days. If the complaint can be dealt with immediately then there is no need to send an acknowledgement. If however it is unlikely that the complaint

will be dealt with within 5 working days an acknowledgement must be sent. This acknowledgement should state that the matter will be dealt with within 10 working days of the date of receipt of the complaint and confirm the name and telephone number of the contact officer. If the service is unable to respond within 10 working days then on the eighth day a holding letter, e-mail, or phone call should be sent. It is very important to keep the customer informed and just as important to update the record to show that the matter is in hand.

5.1.7 Although every effort should be made to direct the complainant to the service area in the first instance, there will be occasions when the complainant chooses to contact other officers or service areas, such as the Chief Executive, Monitoring Officer, Internal Audit, Customer Services Team, Welsh Language Officer etc.

5.1.8 In these situations the recipient of the complaint will need to decide whether they will deal with it or pass it on to a different service area. Whatever the decision it is important to record the details on the Customer Relationship Management system.

5.1.9 In the case of the Chief Executive's office it has been agreed that when they receive a complaint they will log the complaint on the Customer Relationship Management system, send an acknowledgement and forward it on to the Directorate Complaints Officer for action, unless it is a matter for the Chief Executive's office to deal with.

5.1.10 In the case of a concern or complaint relating to the Welsh language, it has been agreed that where complaints are made directly to the Welsh Language Officer, he/she will log the complaint on the Customer Relationship Management system, send an acknowledgement and forward it on to the relevant service for action.

5.1.11 Employees may receive complaints that do not involve their own service, but that of another department. It may be difficult to know whom the

complainant should be referred to, but at the very least all employees should be able to direct the complainant to the Customer Services Team, who will then be able to advise the complainant appropriately.

5.1.12 In a similar vein, employees may receive a complaint that not only involves their own service but that of another section/department. In these instances – since it is unlikely that the employee will have the necessary authority to resolve a complaint on behalf of another service – details of the complaint should be taken and then referred to the Customer Services Team.

5.1.13 When the complaint has been dealt with the Customer Relationship Management system must be updated to reflect this. It is important to record the action taken and where appropriate a copy of the correspondence (letters and e-mails) should be attached to the record. If this is not possible then a copy should be sent to the Customer Services Team clearly marked with the unique reference number. The reason for this is to hold a central record just in case the complainant is not satisfied with the response or they make a similar complaint again in the future.

5.1.14 If after an employee has given the matter full consideration they feel that there is nothing more that can be added, the employee must advise the complainant how to progress their complaint to Step 2 if they are not satisfied with the outcome of their complaint at the end of Step 1. The following should be included in the Step 1 response:

“If you are not satisfied with this response please contact the Customer Services Team by e-mail customerservices@flintshire.gov.uk post Flintshire County Council, FREEPOST, NWW 15332, Mold, CH7 6ZY, e-mail or telephone 01352 703020. You will be asked to explain why you are not satisfied with the outcome and you will be given the opportunity for the matter to be considered under Step 2 of the concerns and complaints policy”

5.1.15 Complainants may wish their complaint to be 'fast tracked' straight through to Step 2. This may particularly be so if there have been disagreements with employees directly responsible for delivering the service. It is the complainant's prerogative to seek to take their complaint directly to Step 2 of the procedure and employees should advise how they may do so.

5.1.16 Employees are encouraged to provide appropriate information on advice and advocacy support at Step 1. However, it is recognised that they may not have (nor could they be expected to) the breadth of knowledge of all types of help available, particularly when operating in a specialist field themselves. Nevertheless, a housing officer, for example, should be sufficiently knowledgeable to advise a complainant with a housing complaint about the services of organisations such as Shelter Cymru.

5.1.17 The Customer Services Team is a source of support for frontline employees in respect of local resolution.

5.2 Step 2

5.2.1 "Investigate once, investigate well" is the principle for this step of the process. Emphasis is placed on consideration of the complaint to deal thoroughly with the concerns raised, rather than multiple investigations at different levels which can result in protracted and sometimes open ended investigations. However, the Step 2 element of the complaints process is flexible to respond appropriately to the complaint. "Investigating well" also means conducting an investigation in a manner that is proportionate to the nature and degree of seriousness of the complaint. Proportionate means that for those complaints not so serious in their nature, the investigation may not need to be so detailed.

5.2.2 Step 2 complaints should be sent to the Customer Services Team. Any employee who receives a complaint form should forward it promptly.

- 5.2.3 Having formally received a Step 2 complaint an acknowledgement will be sent by the Customer Services Team as soon as is possible but within 5 working days.
- 5.2.4 If the complaint is “out of time” i.e. the issue being complained about is older than 12 months (from the time that the complainant first became aware of the problem), consideration will be given as to whether there are good reasons as to why it should nevertheless be accepted.
- 5.2.5 The Customer Services Team will offer to discuss the matter with the complainant, including:
- Helping the person who is complaining understand the process;
 - Confirming with them their preferred method of communication and what they want as an outcome to making the complaint;
 - Providing advice of relevant advocacy and support services if they need help in making their complaint.
- 5.2.6 The information will be recorded on the Customer Relationship Management system by the Customer Services Team. The relevant officer will respond direct to the complainant and record this on the system. A copy of the correspondence should be attached to the database record or forwarded to the Customer Services Team.
- 5.2.7 Depending on the nature of the complaint it may be necessary to obtain the complainant’s permission to access their personal file. If the complainant refuses to give permission, then it will be explained to them that this will have an effect on the ability to conduct a thorough investigation.
- 5.2.8 If the complainant is complaining on behalf of someone else, consideration will be given as to whether written consent is needed to investigate the complaint.

5.2.9 When the Customer Services Team is satisfied that it understands the details of the complaint, it will:

- Allocate the complaint to the Corporate Complaints Officer who will identify an officer within the Council with sufficient seniority, credibility and independence from the source of the complaint to undertake the investigation;
- Depending on the nature of the complaint, this may still be someone within the service section/department, but it may require someone independent from the section/department, including the Corporate Complaints Officer themselves;
- When deciding who the contact officer will be, the Corporate Complaints Officer will take account of whether the investigation will need to span across more than one service and the level of seniority required to investigate across all those areas;
- For social services complaints the Corporate Complaints Officer will allocate the complaint to the appropriate officer in line with statutory guidance.

5.2.10 The Corporate Complaints Officer will keep track of (and record) progress and take responsibility for monitoring the smooth running of the investigation, ensuring that timescales are met. Step 2 complaints should normally be concluded within 20 working days. Where this is not possible complainants will be informed of the reasons and be agreeable to any extension. In any event, there will be regular contact with the complainant, updating them on progress on the case.

5.2.11 A complainant may withdraw their complaint at any time, however, the Council may continue to investigate if it feels that it is necessary to do so.

5.2.12 If after matter has been given full consideration and an investigation carried out if necessary, there is nothing more that can be done the

complainant should be informed of their right to complain to the Public Services Ombudsman for Wales.

5.3 Complaints Investigations

5.3.1 A complaint investigation should be a fact finding exercise which is impartial, open and transparent and proportionate to the seriousness of the complaint. For serious complaints, a plan will be drawn up enabling the complaint to be investigated systematically.

5.3.2 However, even though the complaint has reached Step 2, there may still be potential for resolving the concern to the complainant's satisfaction through a 'quick fix' and without having to undertake a full and lengthy investigation. Consideration will be given to the possibility of this. Consideration will also be given as to whether face to face meetings and/or mediation could provide a means to resolving the complaint.

5.3.3 Evidence gathering may include:

- Correspondence (letters and e-mails)
- Notes of telephone conversations
- Organisational policies and procedures
- Good practice guidance
- Records (including those specifically related to the complaint under consideration and training records of staff involved in the complaint)
- Legislation
- Interviews (including detailed note taking)
- Site plans and visits
- Photographic evidence
- Recordings in various formats (e.g. phone, video, CCTV)
- Obtaining professional/expert advice
- Training records of relevant staff.

5.3.4 Recommendations arising from complaints will be Specific, Measurable, Achievable, Realistic and Timed (SMART). At the end of an investigation a written outcome such as letter or e-mail will be produced, and in more serious cases a report. Where a report is produced this will include where appropriate:

- The scope of the investigation;
- A summary of the investigation:
 - Details of key issues, setting out a brief chronology of events leading to the complaint
 - Those who were interviewed (including setting out to what degree the complainant, and if appropriate, any affected relatives, advocates, etc were involved in the investigation)
- Conclusion;
- If the complaint is found to be justified/upheld:
 - How it happened - i.e. what went wrong
 - Why it happened – i.e. the root cause of the problem (e.g. human error, a systemic failure)
 - What impact did it have on the complainant
- If a systematic failing has been identified, an explanation of actions taken to put things right, with a view to ensuring the same problem does not occur again;
- If appropriate an apology;
- If appropriate an offer of redress.
- If the complaint has not been upheld, there will be an explanation of why this conclusion has been reached, demonstrating that it has been arrived at based on the evidence gathered.

5.3.5 Overall the report will demonstrate throughout that the complaint has been taken seriously, that the investigation undertaken has been fair

and, in accord with the seriousness of the complaint, proportionately thorough.

5.3.6 Even in cases where an investigation upholds the complaint and offers remedy/redress, it may be that the complainant remains dissatisfied for some reason. Therefore, in all cases, the report should inform the complainant that if they remain dissatisfied then they have the right to seek an independent external consideration of their complaint. Information about making a complaint to the Public Services Ombudsman for Wales and other appropriate complaint handlers including the Welsh Language Commissioner should be provided.

5.4 The final steps

5.4.1 The fact that complaints will vary in the degree of seriousness has already been referred to. There will be times when it will be appropriate for the Corporate Complaints Officer to sign off complaints (i.e. signs any report or letter), other times a Director or Head of Service and other times the Chief Executive. The Corporate Complaints Officer will in any case provide Directors and Heads of Service with quarterly reports.

5.4.2 In cases where a complaint has been upheld and there is a clear systematic issue, the appropriate Director or Head of Service in liaison with the Directorate Complaints Officer will ensure that an action plan is devised setting out how the recommendations will be implemented and identify who will be responsible for ensuring implementation. The plan should also include arrangements for confirming to the complainant that changes have been implemented and make provision for the monitoring and evaluation of new arrangements introduced to assess their impact.

5.4.3 On closing a complaint, the Corporate Complaints Officer (or senior officer) will ensure that working documents used during the course of the investigation are retained in an orderly fashion and stored securely. If the complaint becomes the subject of further external investigation such as

by the Public Services Ombudsman for Wales, these working documents may be needed as the Council's evidence. Complaint records will be retained for at least two years following closure at the end of Step 2.

5.5 Complaints involving other legal or disciplinary proceedings

5.5.1 Occasionally, complaints received will involve legal or disciplinary proceedings. It may from time to time be necessary to put the investigation of a complaint 'on hold' until the conclusion of those other proceedings. However, it should not automatically be assumed that this is necessary in every case. An assessment will be made (with legal advice sought, if appropriate) to identify whether it is possible to address the subject of the complaint, without impacting unfairly on the other proceedings underway. It is important that if a complainant is in a continued state of disadvantage as a result of likely poor service delivery that every step is taken to conclude this part of their complaint. This will mean that, if the complaint is upheld, it has been demonstrated that the Council is doing everything it can to return them as soon as possible to the position they would have been in if that failure had not occurred in the first place.

5.6 Complaints involving more than one service provider

5.6.1 There are occasions when a complaint received will involve more than one organisation. In this case the role of the Corporate Complaints Officer will be slightly different. Having established the elements of the complaint and which organisations are involved, they will contact their counterpart(s) in the other organisation(s) involved. The complaints officers will then decide which of them should lead on co-ordinating the response to the complainant. It is sensible that this will be the organisation with the greatest involvement in the complaint. However, it may be appropriate for the organisation with the largest complaints handling resource to undertake this role.

- 5.6.2 The role of the complaints officer allocated to the complaint in question is to co-ordinate the investigations in each of the service areas involved. The ultimate aim, therefore, is to provide the complainant with a single comprehensive 'joint' response on behalf of all of the organisations involved.
- 5.6.3 There will be complaints where each element is sufficiently distinct and separate so that all that will be required is to set out the details and outcome of each investigation strand and then add an overall conclusion to the response.
- 5.6.4 However, it is recognised that there will be some cases where the resolution and remedy of a complaint will involve agreement by all involved and that this could lead to tensions and disagreement. Where such disagreements lead to an impasse, it may mean having to refer the problem to senior management within each of these organisations (depending on the seriousness possibly Chief Executives) in order to try to resolve the situation.
- 5.6.5 Where the impasse still cannot be resolved, it may be prudent to refer the matter at this point to the relevant external independent complaint handler at Step 3 (e.g. the Public Services Ombudsman for Wales). However, the complainant should be told of this intention, together with the reason for it, and their agreement should be sought before such a referral takes place.

5.7 Partnership services

- 5.7.1 Whilst not forming part of the Council's complaints procedure, the Council will have regard to the following when forming partnerships with similar and other types of organisations.
- 5.7.2 The situation in relation to complaints about partnership services is different, particularly given that not all partners may be subject to this

model procedure. Nevertheless, it is good governance practice for every partnership established to have in place at the outset a protocol for dealing with complaints. That protocol should make clear where accountability lies within the partnership for any services delivered – i.e. does responsibility rest with the partnership as an entity, is each partner accountable for specific aspects of the service delivery?

5.7.3 Given that in most public service provider partnerships many members will be subject to this model procedure, it is recommended that those providers endeavour to agree a protocol with their partners for dealing with complaints in a way that corresponds with this policy.

5.7.4 In particular, it is recommended that:

- Partnerships establish a complaints process for services that they as a partnership deliver;
- They identify and publicise a single point of contact for complaints in respect of their activities/services;
- The person/team identified, co-ordinates the investigation of the complaint on behalf of the partnership;
- The partnership ensures that lessons are learnt from complaints received and considers whether there are any that should be shared more widely.

5.8 Complaints concerning services that have been contracted out

5.8.1 Even though the Council may contract out the provision of services to private/voluntary organisations, this does not absolve responsibility for those functions. Senior officers that are responsible for drafting contracts must be aware of the need to include as a matter of course a provision for complaints handling. This should include the requirement for organisations contracted to provide services to comply with similar complaint handling arrangements (i.e. the two steps), with the outcome

report/letter being copied to the Council. Such organisations should also inform complainants of the third external step and their right to complain to the Public Services Ombudsman for Wales.

6. Learning Lessons

6.1 Learning from complaints and continual improvement

6.1.1 Complaints information will be used to improve the Council's service delivery and increase its effectiveness. To support this, the Council will:

- Ensure that the Corporate Complaints Officer periodically reviews all complaint outcomes and their recommendations to identify whether there are any patterns to complaints/wider lessons to be learnt that may not be apparent from individual complaints alone. When considering the lessons that can be learnt from a complaint, an assessment will be made as to whether:
 - These are limited to the section/department in question;
 - Whether they have an organisation wide implication;
 - Or indeed whether they are ones that should be shared across the sector or indeed across the whole of the public service in Wales.
- Ensure that complaints reports are considered on a regular basis by senior management, including an analysis of the data gathered and information on recommendations that have been made for improving service delivery.
- Ensure that the information received by senior management is used to target any problem areas and consider if there is potential to improve policies, procedures and accordingly services.
- Ensure that Executive Committee receives reports giving an overview of complaints received, setting out what changes have been made as a result of complaints information, and following

monitoring of their implementation what results have been received.

- Ensure that an annual report on complaints is produced, drawing out lessons learnt over this period and demonstrating how they have contributed to improved service delivery.

7. Recording and monitoring complaints

7.1.1 Effective approaches to complaints management collect specific data and identify recurring or system wide problems. All feedback and complaints received will be recorded to ensure that a comprehensive evaluation of data can be made. To support this, the Council will:

- Use the Customer Relationship Management system to collect organisation-wide complaints data;
- Use the Customer Relationship Management system to help track complaints and compliance with timescales.

7.1.2 Data recorded will enable the numbers, types, outcomes and trends of complaints to be captured, to facilitate comparisons with previous periods and identify system wide or recurring complaints. The Customer Relationship Management system will also enable points from lessons learned to be captured.

7.1.3 To enable the identification of trends both within and across organisations in Wales, when categorising complaints, the following top level complaint subjects will be used by the Council:

- Adult Social Services
- Benefits administration (Council Tax/Housing/Other)
- Children's Social Services
- Community facilities, recreation and leisure
- Education

- Environment and Environmental Health
- Finance and Council Tax
- Housing
- Planning and building control
- Roads and transport
- Various other

8. Employees and training

8.1 Employees

8.1.1 Whilst it is not uncommon for people to look for someone to blame when things go wrong, employees that are the subject of a complaint will be assured that this is not the aim of an investigation. It should be made clear that any interview that may take place is to establish facts as part of the investigation of a complaint, and that it does not form part of a disciplinary procedure. (A separate disciplinary process could take place if this appropriate.).

8.1.2 When requiring employees to attend for interview, they should be told the purpose of the interview, what to expect and what preparation they need to do. They should be advised that they can bring someone (such as a colleague) for support – although the position of confidentiality and their role should be made clear. They should also be advised as to what will happen after the interview.

8.1.3 Being the subject of a complaint is in any event a stressful situation and depending on the circumstances of the complaint and the issues involved, it may be prudent to inform the interviewee of any employee support/counselling available.

8.1.4 In the same way that it is important to keep complainants informed on progress in the investigation and its outcome, the same is true in respect of employees.

8.1.5 As well as informing employees involved of the outcomes of complaints and any recommendations that arise, there will also be a means (employee newsletters, making the annual report available on the InfoNet) of disseminating to employees how the way they deal with complaints can contribute to better public services.

9.2 Training

9.2.1 The complaints function will be adequately resourced by appropriately trained employees.

9.2.2 The Corporate Complaints Officer will undertake an assessment of the skills and competencies required by all those involved in the complaints process and ensure that there is an appropriate training strategy in place.

9.2.3 The Corporate Complaints Officer will continually keep under review the number of skilled and trained officers within the Council to conduct and prepare reports on investigations. General awareness training is included in the induction programme of the Council.

10. Unacceptable Actions by complainants

10.1.1 This policy recognises that some people may act out of character in times of trouble or distress. It should be borne in mind that there may have been upsetting or distressing circumstances leading up to a complaint. A complainant's behaviour should not be regarded as unacceptable just because they are forceful or determined. However, the actions of complainants who are angry, demanding or persistent may result in unreasonable demands on the Council or unacceptable behaviour towards employees. It is these actions that are considered

unacceptable. The Council therefore has in place unacceptable actions by complainants' policy (Appendix C).

Compliments, Concerns and Complaints Information Leaflet

[Currently with Design & Print Unit]

Compliments, Concerns and Complaints Form

[Currently with Design & Print Unit]

Unacceptable Action by Complainants' policy

Appendix D

Directorate Complaints Officers

Each directorate and/or service has a dedicated contact officer for dealing with compliments, concerns and complaints. For further information and advice you can contact the following officers:

| Directorate / Service | Name | E-mail | Phone |
|---------------------------------------|-----------------|------------------------------------|--------------|
| Chief Executive's Office | Sharron Jones | sharron.jones@flintshire.gov.uk | 01352 702107 |
| Environment | Lynne Fensome | lynne.fensome@flintshire.gov.uk | 01352 704910 |
| Finance | T.B.C | T.B.C | T.B.C |
| Housing | Vera Doyle | vera.doyle@flintshire.gov.uk | 01352 703305 |
| HR & Organisational Development | John Griffiths | john.x.griffiths@flintshire.gov.uk | 01352 702174 |
| ICT & Customer Services | Rebecca Jones | rebecca.jones@flintshire.gov.uk | 01352 702413 |
| Legal & Democratic Services | Lyn Phillips | lyn.phillips@flintshire.gov.uk | 01352 702329 |
| Lifelong Learning | Jacque McHarrie | jacque.mcharrie@flintshire.gov.uk | 01352 704261 |
| Social Services for Adults & Children | T.B.C | T.B.C | T.B.C |

The Customer Services Team can also be contacted by e-mail customerservices@flintshire.gov.uk or phone 01352 703020.

APPENDIX 2



Unacceptable Actions by Complainants

| Document Details | |
|-------------------------|--|
| Document Author: | Chris Guest Head of ICT & Customer Services |
| Document Owner: | Chris Guest Head of ICT & Customer Services |
| Maintenance: | Customer Services Team Leader (Corporate Complaints Officer) |
| Distribution: | This document will be published on the Council's website and InfoNet. A copy of this document is also available from the Customer Services Team. |

| Revision Details | | | |
|-------------------------|--|-------------|-------------------|
| Version No. | Revision Summary | Date | Revised By |
| 1 | Draft considered by CMT | 17/1/12 | RJ |
| 1 | Draft considered by Complaints Officer Group | 18/1/12 | RJ |
| 1 | Draft considered by Welsh Language Officer | 18/1/12 | RJ |
| 2 | Leader Strategy Group | 07/2/12 | |
| | Executive | 21/2/12 | |
| | | | |

1. Introduction

1.1 This policy sets out Flintshire County Council's (the Council) approach to the relatively few complainants whose actions or behaviour is considered unacceptable. The term complainant includes anyone acting on behalf of a complainant or who contacts the Council in connection with a complaint.

2. Aims

2.1 To make it clear to all complainants, both at initial contact and throughout their dealings with the Council, what the Council can or cannot do in relation to their complaint. In doing so, the aim is to be open and not raise hopes or expectations that cannot be met.

2.2 To deal fairly, honestly, consistently and appropriately with all complainants, including those whose actions are considered unacceptable. The Council believes that all complainants have the right to be heard, understood and respected. It is also considered that Council employees have the same rights.

2.3 To provide a service that is accessible to all complainants. However, where it is considered that complainant actions are unacceptable, the right to restrict or change access to the Council service is retained.

2.4 To ensure that other complainants and Council employees do not suffer any disadvantage from complainants who act in an unacceptable manner.

3. Defining unacceptable actions by complainants

3.1 People may act out of character in times of trouble or distress. There may have been upsetting or distressing circumstances leading up to a complaint being made. The Council does not view behaviour as unacceptable just because a claimant is forceful or determined. In fact, it is accepted that being persistent can be a positive advantage when

pursuing a complaint. However, the actions of complainants who are angry, demanding or unnecessarily persistent may result in unreasonable demands on the office or unacceptable behaviour towards Council employees. It is these actions that are considered unacceptable and ones that this policy aims to manage. The Council has grouped these actions under three broad headings:

Aggressive or Abusive Behaviour

- (i) Violence is not restricted to acts of aggression that may result in physical harm. It also includes behaviour or language (whether oral or written) that may cause an employee to feel afraid, threatened or abused.
- (ii) Examples of behaviours grouped under this heading include threats, physical violence, personal verbal abuse, derogatory remarks and rudeness. It is also considered that inflammatory statements and unsubstantiated allegations can be abusive behaviour.
- (iii) We expect our employees to be treated courteously and with respect. Violence or abuse towards employees is unacceptable. Council employees understand the difference between aggression and anger. The anger felt by many complainants involves the subject matter of their complaint. However, it is not acceptable when anger escalates into aggression directed towards Council employees.

Unreasonable Demands

- (i) Complainants may make what are considered to be unreasonable demands on the Council through the amount of information they seek, the nature and scale of service they expect or the number of approaches they make. What amounts to unreasonable demands will always depend on the

circumstances surrounding the behaviour and the seriousness of the issues raised by the complainant.

- (ii) Examples of actions grouped under this heading include demanding responses within an unreasonable time-scale, insisting on seeing or speaking to a particular officer, continual phone calls or correspondence, repeatedly changing the substance of the complaint or raising unrelated concerns.
- (iii) These demands are considered unacceptable and unreasonable if they start to impact substantially on the work of the Council, such as diverting an excessive amount of employee time that results in the disadvantage of other complainants or functions.

Unreasonable Persistence

- (i) It is recognised that some complainants will not or cannot accept that the Council is unable to assist them further or provide a level of service other than that provided already. Complainants may persist in disagreeing with the action or decision taken in relation to their complaint or contact the office persistently about the same issue.
- (ii) Examples of actions grouped under this heading include persistent refusal to accept a decision made in relation to a complaint, persistent refusal to accept explanations relating to what the Council can or cannot do and continuing to pursue a complaint without presenting any new information. The way in which these complainants approach the Council may be entirely reasonable, but it is their persistent behaviour in continuing to do so that is not.
- (iii) The actions of persistent complainants are considered to be unacceptable when they take up what the Council regards as being a disproportionate amount of time and resources.

4. Managing unacceptable actions by complainants

- 4.1 There are relatively few complainants whose actions are considered by the Council to be unacceptable. How these actions are managed depends on their nature and extent. If it adversely affects the Council's ability to do its work and provide a service to others, complainant contact with the Council may need to be restricted in order to manage the unacceptable action. The aim will be to do this in a way, wherever possible, that allows a complaint to progress to completion through the complaints process. Contact in person, by telephone, fax, letter or electronically or by any combination of these may be restricted. Effort will be made to try to maintain at least one form of contact.
- 4.2 The threat or use of physical violence, verbal abuse or harassment towards employees is likely to result in the ending of all direct contact with the complainant. Incidents may be reported to the police. This will always be the case if physical violence is used or threatened.
- 4.3 The Council will not deal with correspondence (letter, fax or electronic) that is abusive to employees or contains allegations that lack substantive evidence. When this happens the complainant will be told that their language is considered offensive, unnecessary and unhelpful. They will be asked to stop using such language and the Council will state that there will be no response to their correspondence if they do not stop. The Council may require future contact to be through a third party.
- 4.4 Council employees will end telephone calls if the caller is considered aggressive, abusive or offensive. The employee taking the call has the right to make this decision, tell the caller that the behaviour is unacceptable and end the call if the behaviour does not stop.
- 4.5 Where a complainant repeatedly phones, visits the office, sends irrelevant documents or raises the same issues, the Council may decide to:

- only take telephone calls from the complainant at set times on set days or put an arrangement in place for only one officer to deal with calls or correspondence from the complainant in the future;
- require the complainant to make an appointment to see a named officer before visiting the office or that the complainant contacts the office in writing only;
- return the documents to the complainant or, in extreme cases, advise the complainant that further irrelevant documents will be destroyed;
- take other action that we consider appropriate. The Council will, however, always tell the complainant what action is being taken and why.

4.6 Where a complainant continues to correspond on a wide range of issues, and this action is considered excessive, then the complainant will be told that only a certain number of issues will be considered in a given period and asked to limit or focus their requests accordingly.

4.7 Complainant action may be considered unreasonably persistent if all internal review mechanisms have been exhausted and the complainant continues to dispute the Council's decision relating to their complaint. The complainant will be told that no future phone calls will be accepted or interviews granted concerning this complaint. Any future contact by the complainant on this issue must be in writing. Future correspondence is read and filed, but only acknowledged or responded to if the complainant provides significant new information relating to the complaint.

5. Deciding to restrict complainant contact

5.1 Employees who directly experience aggressive or abusive behaviour from a complainant have the authority to deal immediately with that behaviour in accordance with this policy.

5.2 With the exception of such immediate decisions taken at the time of an incident, decisions to restrict contact with the Council are only taken after careful consideration of the situation by a more senior member of staff. Wherever possible, we give a complainant the opportunity to modify their behaviour or action before a decision is taken. Complainants are told in writing why a decision has been made to restrict future contact, the restricted contact arrangements and, if relevant, the length of time that these restrictions will be in place.

6. Appealing a decision to restrict contact

6.1 A complainant can appeal a decision to restrict contact. A senior officer who was not involved in the original decision considers the appeal. They advise the complainant in writing that either the restricted contact arrangements still apply or a different course of action has been agreed.

7. Recording and reviewing a decision to restrict contact

7.1 The Council records all incidents of unacceptable actions by complainants. Where it is decided to restrict complainant contact, an entry noting this is made in the relevant file and on appropriate computer records.

7.2 A decision to restrict complainant contact may be reconsidered if the complainant demonstrates a more acceptable approach.



Compliments, Concerns & Complaints

We strive to achieve the highest standards of customer service and care in serving you. We aim to learn from what you tell us we're doing well and if you have a concern or complaint we aim to learn from your feedback.

Telling us when you are dissatisfied with our service is important as it means we have an opportunity to put things right there and then and improve the service in the future.

We welcome your feedback by telephone but you may be asked to complete a concern and complaints form to ensure we have a full understanding of where we did not meet your expectations. It also helps us to understand what you think should be done to put things right.

This information leaflet tells you how to make a compliment, express concerns or make a complaint and what we will do to resolve it promptly and fairly.

If you would like to receive a copy of this information leaflet in a different format, for example, larger print, Braille or tape please contact our Customer Services Team at customerservices@flintshire.gov.uk or telephone 01352 703020.

Compliments

If you wish compliment a service or employee then you should contact the service you have been dealing with or the Customer Services Team. Your feedback will be acknowledged and recorded on our database.

Concerns and complaints

When you express a concern or complain, we will usually respond in the way we explain below. However, if you're approaching us for a service for the first time e.g. reporting a missed bin collection or a housing repair then this procedure doesn't apply. You should first give us a chance to respond to your request. You can make a request for a service at www.flintshire.gov.uk or by contacting our Customer Services Team.

Normally, we only look at your complaint if you tell us about it within 12 months from when the problem occurred. We may exceptionally be able to look at complaints which are brought to our attention later than this but you will have to give us strong reasons why you have not been able to bring it to our attention sooner. In any event, we will not consider any complaints about matters that took place more than three years ago.

Step 1

If possible, we believe it's best to deal with things straight away rather than try to sort them out later. Contact the service you have been dealing with or the Customer Services Team; the attached form is available for your use. Your complaint will be recorded and if it is not possible to resolve the matter straight away we will formally acknowledge your complaint within 5 working days. The service will aim to provide a full response within 10 working days from receipt of your complaint. If your complaint is complex it may take longer than 10 working days to resolve and we will keep you updated on a regular basis.

Step 2

If you are not satisfied with the response you receive from us when you first complain, you can ask for your complaint to be escalated to Step 2. Contact

the Customer Services Team who will ensure that your complaint is considered by the Corporate Complaints Officer or an appropriate senior officer. We will tell you who has been asked to look into your complaint and we will also ask you to tell us what outcome you're hoping for. The officer looking at your complaint will usually need to see the files we hold relevant to your complaint. If you don't want this to happen, it's important that you tell us. We aim to resolve Step 2 complaints within 20 working days from receipt but if your complaint is more complex, we will let you know within this time why we think it may take longer to consider.

Step 3

If we do not succeed in resolving your complaint, you may complain to the Public Services Ombudsman for Wales. The Ombudsman is independent of all government bodies and can look into your complaint if you believe that you personally, or the person on whose behalf you are complaining have been treated unfairly or received a bad service through some failure on the part of the Council or have been disadvantaged personally by a service failure or have been treated unfairly. The Ombudsman expects you to bring your concerns to our attention first and to give us a chance to put things right. You can contact the Ombudsman by e-mail ask@ombudsman-wales.org.uk or telephone on 0845 601 0987. You can also write to Public Services Ombudsman for Wales, 1 Ffordd yr Hen Gae, Pencoed CF35 5LJ and further information can be found on www.ombudsman-wales.org.uk

Contacts

In the first instance always contact the service you have been dealing with if you have their contact details. Alternatively:

| | |
|------------------|--|
| website | www.flintshire.gov.uk |
| e-mail | customerservices@flintshire.gov.uk |
| telephone | 01352 703020 |
| letter | Customer Services Team Flintshire County Council FREEPOST, NWW 15332, Mold CH7 6ZY |

Data Protection

Any personal data supplied by you will be held or processed (as and when necessary) by us for Council purposes as contained in the Council's current notification to the Information Commissioner and in accordance with the provisions of the Data Protection Act 1998. Disclosure of this information to third parties may take place where there is reason for doing so and to the extent that the law allows.

A full copy of our compliments, concerns and complaints policy can be viewed at www.flintshire.gov.uk or you can request a copy from the Customer Services Team.

[Compliment, concern and complaint form to be attached]

Please send this form with any accompanying documents to Customer Services Team, Flintshire County Council, FREEPOST, NWW 15332, Mold CH7 6ZY.



Compliments, Concerns and Complaint Form

Section A: Your details

| | | |
|--------------------------------|---------------------|---|
| Surname: | Forename(s): | Title: Mr/Mrs/Miss/Other (please state) |
| Address and postcode: | | |
| Your e-mail address: | | |
| Daytime contact number: | | |
| Mobile number: | | |

Please state how you would prefer us to contact you (for example by e-mail or telephone):

Your requirements: if our usual way of dealing with compliments, concerns and complaints make it difficult for you to use our service, for example if English or Welsh is not your first language or you need to engage with us in a particular way, please tell us so that we can discuss how we might help you.

The person who is complimenting us or the person who experienced a problem should normally fill in this form. If you are filling this form on behalf of someone else, please fill in section B. Please note that before taking forward a complaint we will need to satisfy ourselves that you have the authority to act on behalf of the person concerned.

Section B: Making a compliment or complaint on behalf of someone else:

Their details

| | |
|--|--|
| Their name in full: | |
| Correspondence address and postcode (if different from your details): | |

| | |
|--|--|
| Daytime contact number: | |
| Mobile number: | |
| What is your relationship to them? | |
| Why are you making a compliment or complaint on their behalf? | |

(Please continue your answers to the following questions on a separate sheet(s) if necessary)

Section C: About your compliment

- C1. Name of the department/section/service you are complimenting:**
- C2. What did the service (or employee) do for you?**
- C3. How did this affect you personally / why are you complimenting us?**

Section D: About your concern / complaint

- D.1 Name of the department/section/service you are complaining about:**
- D.2 What do you think they did wrong, or failed to do?**
- D.3 Describe how you personally have suffered or have been affected.**
- D.4 What do you think should be done to put things right?**
- D.5 When did you first become aware of the problem?**

- D.6** Have you already put your concern to the service responsible for delivering the service? If so, please give brief details of how and when you did so.
- D.7** If it is more than 12 months since you became first aware of the problem, please give the reason why you have not complained before now.

If you have any documents to support your concern/complaint, please attach them with this form.

Signature:

Date:

When you have completed this form, please send it to:

Customer Services Team
Flintshire County Council
FREEPOST NWW 15332
Mold
CH7 6ZY

FOR INFORMATION

FLINTSHIRE COUNTY COUNCIL

REPORT TO: EXECUTIVE
DATE: 21 FEBRUARY 2012
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: Detailed on the individual reports.

APPENDIX 1

EXERCISE OF DELEGATED POWERS – DECISIONS TAKEN

Directorate

Subject

Environment

A5014 Warren Bank, Broughton 30/40 MPH
Speed Limit

A5119/B5126 Northop to Connahs Quay
Proposed Changes to Speed Limits

Copies of the Delegated Powers reports are on deposit in the Team Manager's
Room, Committee Services

Executive Forward Work Programme
February 2012 – April 2012

The following report is included on the Forward Work Programme for submission to this meeting of the Executive. However, the report is not included on the agenda for the reason stated:

Environment

- Buckley Developer Selection
Deferred until February 2012. There have been delays in finalising the land assembly package for marketing to potential developers and discussions with land owners are ongoing.

EXECUTIVE MEETING DATES
FORWARD WORK PROGRAMME ITEMS – DECEMBER 2011 - APRIL 2012

| MEETING DATE | DIRECTORATE/DIVISION | TOPIC | REPORT TYPE (Strategic/Operational) | PORTFOLIO |
|-------------------------|--|---|--|--------------------------|
| 21 February 2012 | Chief Executive | ➤ Wales Audit Office: Annual Improvement Report | Strategic | Corporate Management |
| | Finance | ➤ Council Fund & HRA Revenue Budget Monitoring 2011/12 (M8) | Operational | Finance & Asset Mngt |
| | | ➤ HRA Revenue Budget 2012/13 | Operational | Finance & Asset Mngt |
| | | ➤ HRA Capital Programme 2012/13 (Final) | Operational | Finance & Asset Mngt |
| | | ➤ Treasury Management Policy & Strategy Statement 2012/13 | Operational | Finance & Asset Mngt |
| | Human Resources & Organisational Development | ➤ MASS Quarter 3 | Operational | Corporate Management |
| | Environment | ➤ Buckley Developer Selection | Strategic | Regeneration and Tourism |
| | Lifelong Learning | ➤ School Admissions Policy – Annual Consultation | Operational | Education |

| | | | | |
|----------------------|--|---|--|--|
| 27 March 2012 | Chief Executive | <ul style="list-style-type: none"> ➤ Strategic Equality Plan ➤ Q3 performance Reporting ➤ Flintshire Futures Review ➤ Changes to the National Performance Measurement Framework 2012/13 | Strategic Operational Operational Operational | Corporate Management Corporate Management Corporate Management Corporate Management |
| | Finance | <ul style="list-style-type: none"> ➤ Council Fund & HRA Revenue Budget Monitoring 2011/12 (M9) ➤ Capital Programme 2011/12 (M9) | Operational Operational | Finance & Asset Mgt Finance & Asset Mgt |
| | Human Resources & Organisational Development | <ul style="list-style-type: none"> ➤ Workforce Information Quarter 3 | Operational | Corporate Management |
| | Community Services | <ul style="list-style-type: none"> ➤ Youth Justice Service Inspection Outcome | Operational | Social Services |
| 24 April 2012 | Chief Executive | <ul style="list-style-type: none"> ➤ Council (Governance Plan) review ➤ Voluntary Sector mid year review | Strategic Operational | Corporate Management Corporate Management |

| | | | | |
|--|-------------|--|-------------|---------------------|
| | Finance | ➤ Council Fund & HRA Revenue Budget Monitoring 2011/12 (M10) | Operational | Finance & Asset Mgt |
| | Environment | ➤ Highways Asset Management Plan | Strategic | Environment |