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Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



To: Cllr Clive Carver (Chairman)

CS/NG

Councillors: Marion Bateman, Peter Curtis,
Andy Dunbobbin, Robin Guest, Ron Hampson,
Richard Jones, Brian Lloyd, Richard Lloyd,
Vicky Perfect, David Roney, Ian Smith,
Nigel Steele-Mortimer, Carolyn Thomas and
Arnold Woolley

2 October 2015

Tracy Waters 01352 702331
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Dear Sir / Madam

A meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **THURSDAY, 8TH OCTOBER, 2015** at **10.00 AM** to consider the following items.

Yours faithfully

Peter Evans
Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 3 - 12)
To confirm as a correct record the minutes of the meeting held on 10th September 2015.
- 4 **MEDIUM TERM FINANCIAL STRATEGY** (Pages 13 - 72)
Report of Chief Executive enclosed.

- 5 **REVENUE BUDGET MONITORING 2015/16 (MONTH 4) AND CAPITAL PROGRAMME 2015/16 (MONTH 4)**(Pages 73 - 134)
Report of Corporate Finance Manager enclosed.

- 6 **WORKFORCE INFORMATION Q 1** (Pages 135 - 160)
Report of Chief Officer (People and Resources) enclosed.

- 7 **FORWARD WORK PROGRAMME** (Pages 161 - 166)
Report of Member Engagement Manager enclosed.

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE **10 SEPTEMBER 2015**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 10 September 2015

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Peter Curtis, Andy Dunbobbin, Robin Guest, Ron Hampson, Richard Jones, Brian Lloyd, David Roney, Carolyn Thomas and Arnold Woolley

SUBSTITUTES: Councillors: David Cox (for Vicky Perfect) and Paul Cunningham (for Ian Smith)

APOLOGIES: Councillors Marion Bateman, Richard Lloyd and Nigel Steele-Mortimer, and the Chief Officer (Governance)

CONTRIBUTORS: Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Councillor Billy Mullin, Cabinet Member for Corporate Management; Chief Executive and Corporate Finance Manager

Team Leader - Community Safety, Anti-Social Behaviour Co-ordinator, Domestic Abuse Co-ordinator and Substance Misuse Officer with Chief Inspector Sharon McCairn of North Wales Police (for minute number 30)

Policy & Performance Manager (for minute numbers 31 & 34)
Electoral Services Manager (for minute number 35)

IN ATTENDANCE: Member Engagement Manager and Committee Officer

28. DECLARATIONS OF INTEREST

No declarations of interest were made.

29. MINUTES

The minutes of the meeting of the Committee held on 13 July 2015 had been circulated with the agenda.

Matters Arising

Minute number 18: Matters arising - the Member Engagement Manager agreed to pursue the list of officer contact numbers (including mobile numbers) for circulation to the Committee.

Minute number 19: Medium Term Financial Strategy - the Member Engagement Manager would request an updated figure in response to Councillor Andy Dunbobbin's question on the emerging pressure for software maintenance for Information Technology, and circulate to the Committee.

Minute number 20: Revenue Budget Monitoring 2015/16 - a written response on the projected shortfall in income from the gas engines at Brookhill and Standard Landfill Sites would be circulated by email to the Committee.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

30. CORPORATE COMMUNITY SAFETY PLAN ANNUAL UPDATE REPORT

The Team Leader - Community Safety delivered a presentation on the activities and progress of the Flintshire Community Safety Partnership (CSP) during 2014/15. The range of funding sources utilised to support the CSP included an element from the Police & Crime Commissioner's budget however this amount was reducing year on year. There had been a change in governance arrangements following the CSP merger with the Local Service Board, however the statutory requirements of the CSP continued to be discharged. Information was shared on the various groups and sub-groups which supported the CSP, including the Anti-Social Behaviour (ASB) Tasking group which met monthly.

The Team Leader described Flintshire as a very safe county in general, with relatively low levels of crime and disorder. A 2.7% increase in overall crime in 2014/15 was not viewed as significant, given the total number of offences, and was primarily attributed to an increase in the reporting of historical sexual offences. The activities of the CSP had helped to contribute towards the continuing reduction in ASB levels. Amongst the main achievements in 2014/15 was the 'White Ribbon' accreditation - the first Authority in North Wales to receive this - which demonstrated the commitment to tackling domestic abuse. The presentation outlined the benefits of interacting with the North Wales Safer Communities Board (SCB) which provided a framework to operate more effectively and maximise resources, and where Flintshire was represented by the Chief Executive. The regional priorities of the SCB were detailed in the Plan for 2014-17 and local priorities for 2015/16 were highlighted in the presentation having been identified through a strategic assessment process and informed by intelligence from the various partners, eg Police, Probation, Health etc.

Councillor Paul Cunningham praised the ASB group for their role in helping to resolve a particular issue. The Team Leader highlighted the progress made by that group and spoke about the proactive approach taken in relation to the trigger process.

The Chairman referred to the classification of crimes and asked if the reduction in ASB offences had meant an increase in other types of crime. Chief Inspector McCairn spoke about the increase in reports of sexual offences, mainly received via Social Services, and changes to the recording process which placed North Wales in a strong position. She went on to say that ASB was not recorded as crime, however there were aspects of crime which

overlapped ASB and this ongoing trend would be covered by the ASB group. When asked about crime in some larger cities across the border, the Team Leader replied that levels were much higher than in North Wales and frequently involved certain types of crime not seen in this area.

Councillor Robin Guest commented on the good work done by the CSP but questioned the overlap between regional and local priorities. The Team Leader explained that the presentation slides contained an abridged version of the key areas and that the priorities set by the SCB would complement and inform priorities of the CSP with a focus on locality such as tackling crime, reducing ASB and supporting vulnerable victims of crime. In response to comments on mismatched wording used in the template of the report, she agreed to ensure that this was corrected before the report was finalised.

Councillor Carolyn Thomas felt that more powers given to Police Community Support Officers (PCSOs), such as dealing with speeding offences, would enable them to be even more effective in the community. Chief Inspector McCairn spoke about the challenges in granting extended powers and advised that although there were no plans to increase powers on PCSOs, they were able to team up with Police Officers to deal with speeding offences.

Councillor Peter Curtis welcomed the report, in particular the focus to tackle domestic abuse, but felt that racial hatred/abuse was also an emerging important issue. He cited a recent example from within his own ward. Chief Inspector McCairn said that this type of crime was a priority for the Police and was often under-reported. She also referred to the likelihood of further budget cuts which had so far not impacted on front-line services.

In response to Councillor Guest's comments, the Chief Executive said that the recent County Council presentation by the Police & Crime Commissioner had highlighted the fit between local and regional priorities. He spoke about the follow-up work in local planning and said that the partnership remained strong despite the challenges and demands in dealing with some very complex issues. He provided details on tackling child sexual exploitation, alongside the specialist Police unit, and the need to increase dedicated Social Worker support to possible victims and share learning on raising awareness to identify and intervene where necessary.

RESOLVED:

That the Committee recognises the strong regional and local alignment of priorities and is assured of the planning and achievement by the local Community Safety Partnership.

31. LOCAL SERVICE BOARD (LSB) AND STRATEGIC PARTNERSHIPS PERFORMANCE - END OF YEAR REPORT 2014/15

The Chief Executive introduced an update on the performance of each of the strategic partnerships and the end of year assessments for the progress of the Local Service Board (LSB) priorities. The three current LSB priorities had

a good sub-structure in place and reported overall good progress against milestones, activities and confidence in achieving outcomes. There were concerns about financial support for the requirements of the Well-being of Future Generations (Wales) Act 2015, on which guidance was awaited, however governance arrangements were not expected to change.

Amongst the achievements, the Policy & Performance Manager highlighted a significant reduction in the percentage of Jobseeker Allowance claims by 18-24 year olds. She also advised that the various workstreams under the 'People enjoy good health, wellbeing and independence' priority would be monitored by the Social & Health Care Overview & Scrutiny Committee.

Following comments from Councillor Robin Guest, the Chief Executive explained that one body would continue to be responsible for the delivery of outcomes for community safety however there was still a statutory duty to report on performance and strategic delivery at the LSB.

On the appendix to the end of year report, Councillor Richard Jones pointed out that reference to Flying Start had been removed from the published version of the Improvement Plan. The Policy & Performance Manager referred to the list of amendments to the Improvement Plan later on the agenda and agreed to look into this query and respond separately to the Committee.

RESOLVED:

- (a) That the Committee is assured of the level of progress made during 2014/15 in the achievement of the single Integrated Plan priorities; and
- (b) That the Committee supports the future requirements of the Well-being of Future Generations (Wales) Act 2015 and the preparation being undertaken.

32. MEDIUM TERM FINANCIAL STRATEGY

Councillor Aaron Shotton advised that following publication of Part 1 of the 2015-18 Medium Term Financial Strategy (MTFS) in the Summer, an update was scheduled for the next Cabinet meeting to table the Part 2 report currently being prepared on plans to tackle the unprecedented gap of £20.8m for 2016/17. A more detailed report would be shared at the Committee's next meeting in October including discussion on financial relief required from Welsh Government (WG). As discussed at the Member workshops, the results of the Comprehensive Spending Review and work by the Chartered Institute of Public Finance and Accountancy (CIPFA) were awaited to demonstrate to WG the effects of reduced funding and changes needed to the national funding formula.

The Chief Executive explained that the Cabinet report summarised the high-level strategy with an overview of the content of the Part 2 report to be shared at the meeting. A draft version had been shared with Group Leaders and Chairs, and consideration was being given to including an item on MTFS

at the Council meeting in September to maximise public awareness of the significant financial challenges. Some information had also been shared with the local press to show transparency and generate support for more funding and greater flexibility. The Chief Executive spoke about the need for further discussion on the budget consultation process and the Council's principal role in instigating plans for a national case for funding.

In response to a question from the Chairman regarding an email seeking support for refugees, Councillor Shotton explained that the public statement previously issued had openly shared the Council's stance on the issue. The first element was to reasonably assess what was achievable in terms of capacity to meet needs, if called upon, and may require more detailed discussion on preparations at full Council.

The Chief Executive reported on the establishment of a working group involving Welfare Rights and Housing colleagues to consider how support could be given, however any impact on Flintshire resources was expected to be low.

RESOLVED:

That the Leader and Chief Executive be thanked for the update on the Medium Term Financial Strategy.

33. REVENUE BUDGET MONITORING (MONTH 3)

The Chairman welcomed the new format of report which prioritised the Executive Summary and Recommendations.

The Corporate Finance Manager presented the first detailed Revenue Budget Monitoring 2015/16 (Month 3) for the Council Fund and Housing Revenue Account (HRA) which was due to be submitted to Cabinet on 15 September.

For the Council Fund, the first early projection was an overall underspend of £212K. Paragraph 1.04 advised of a projected £573K underspend within Social Care, although £338k of this related to the Independent Living Fund as the amount included in the budget was no longer required following confirmation of the grant. It was recommended that £300k was transferred to be held centrally pending future details on the grant.

The Corporate Finance Manager advised of the position in relation to the programme of efficiencies which he said were being tracked through various programme boards. Appendix 2 provided details on the latest position with regards to the achievement of each of the efficiencies and it was reported that at this stage, £10.876m of the £12.874m included in the budget were expected to be achieved, which equated to 84%.

On unearmarked reserves, the balance of contingency reserves at 31 March 2015 was projected to be £4.958m, however this would be reduced

by £210K to meet the costs of the Speed Limit Review as approved by Cabinet in June.

On the HRA, the net in-year expenditure was projected to be £70K more than the budget forecast.

Councillor Carolyn Thomas raised queries on the efficiencies made from Post Office payments and the first phase of the switchboard changes. She also raised concerns about the overspend position in Streetscene and the possible impact of outsourcing services. The Corporate Finance Manager stated that the impact of the efficiencies not expected to be achieved were already assumed in the projections and as such had been offset by compensatory savings. The Chief Executive explained that the eight programme boards (involving Cabinet Members for their respective portfolios) met monthly to oversee any changes and track the budget, which helped to inform this update report. He said that slippage on efficiency targets could not always be predicted and was taken into account, with the expectation for other efficiencies to be identified.

Following remarks from Councillor Richard Jones on the projected achievement of efficiencies, the Chief Executive said that this was only the latest prediction and that whilst some were achievable in-year, others may not be. He suggested that it could be helpful for future update reports to give analysis on the impact for the next financial year. He confirmed that work was continuing to achieve the remaining 16% of efficiencies whilst also identifying other efficiencies to compensate that gap.

Councillor Thomas said that realistic budgets were needed and asked that her concerns about the overspend in Streetscene be referred to Cabinet. The Chief Executive reiterated his comments about the role of the programme boards in overseeing changes and would request an informal report on the changes to Streetscene to be circulated to the Committee.

RESOLVED:

- (a) That the Committee is assured by the reporting on the Revenue Budget Monitoring (Month 3); and
- (b) That the Committee's concerns at the level of overspend in Streetscene be specifically drawn to the attention of the Cabinet.

34. QUARTER 1 - IMPROVEMENT PLAN MONITORING REPORT

The Policy & Performance Manager presented an update on progress towards the delivery of the impacts set out in the 2015/16 Improvement Plan, focussing on the areas of under-performance relevant to the Committee during the first quarter of 2015/16. She referred to the new format of the sub-priority reports following implementation of the new electronic performance management system CAMMS which was proving to be more efficient. This new format reflected information in previous reports together with additional details

such as the percentage completeness of actions and clear Red/Amber/Green (RAG) status.

On the efficient and effective support of front-line services, a progress update on the implementation of the People Strategy had been circulated to Members prior to the meeting. As mentioned at the Member workshop, a 'Helpful Hints' guide was circulated to the Committee to help in scrutinising performance reports.

Councillor Andy Dunbobbin referred to the low number of customers who had responded to a survey via a mobile device to say they had successfully navigated the website. He suggested that the website homepage could provide an opportunity to download the Flintshire app to encourage its use. The Chief Executive agreed to pass on this suggestion.

Councillor Richard Jones felt that an exception-based report was not sufficient and highlighted a number of discrepancies with the Improvement Plan published on the website. The Policy & Performance Manager agreed to liaise with Councillor Jones to ensure that all the changes had been correctly logged.

Councillor Jones felt that the Committee should receive monitoring reports on the entire Improvement Plan at various stages. The Policy & Performance Manager agreed that these could be shared at half-yearly stages.

RESOLVED:

That the Committee is assured by the Quarter 1 Improvement Plan Monitoring Report, subject to an analysis of the variations between versions being carried out and half-yearly progress reports on the whole of the Improvement Plan being made to the Committee.

35. FUNCTIONS OF THE ELECTIONS TEAM AND INDIVIDUAL ELECTORAL REGISTRATION

The Chief Executive introduced a report on the functions of the Elections team, in response to a request from Councillor Robin Guest. He provided an overview of the arrangements and key personnel used in the efficient running of elections in Flintshire which had built up a good track record. The Chief Executive spoke about the differing roles and responsibilities on elections, and advised that he had been appointed as the Regional Returning Officer for the North Wales region in next year's Assembly elections.

The Electoral Services Manager provided an update on progress in the implementation of individual electoral registration (IER). She provided information on work undertaken by the team to date in encouraging households to register and obtaining the additional information as required by the legislation. Work on the annual canvass had so far resulted in a good return rate of 66% of households submitting their information mainly by post, with reminders issued to the remaining households. A change to the process meant

that those unconfirmed under IER at the end of the year would need to be removed from the register.

Councillor Carolyn Thomas said that reminders sent by post were more likely to be returned the same way, and suggested that social media could be an alternative method of publicising registration. The Electoral Services Manager explained that the legislation required a paper form to be issued but that other means of reply were signposted.

The Chief Executive said that a refresh was needed to update some practices in electoral registration law, and that the Council was using a range of creative ways to encourage and remind householders about their responsibility to register.

In response to comments from Councillor Peter Curtis on the potential for more younger people to vote electronically if this was introduced, the Chief Executive spoke about the high turnout from the Housing Ballot where a good minority had cast votes online with the vast majority replying by post.

Councillor Aaron Shotton said that everyone had a role in encouraging individuals to register to prevent exclusion from the political process.

The Chairman commented on the potential for unregistered households to experience difficulties in obtaining certain services such as internet connections. Councillor Richard Jones felt that such restrictions should be highlighted to individuals. The Electoral Services Manager said that monthly updates on the rolling register were made available.

Following a query from Councillor David Roney, the Electoral Services Manager provided explanation on the data-matching exercise to assist in the transfer to IER and the challenges in obtaining National Insurance numbers.

The Chairman thanked the Electoral Services Manager and her team for their work.

RESOLVED:

That the work of the Elections team and the attempts to encourage greater individual electoral registration be endorsed.

36. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to enable the Committee to consider the Forward Work Programme. He agreed to incorporate the suggestion made by Councillor Richard Jones earlier in the meeting on the Improvement Plan.

Members discussed preparations for the next meeting where the Police & Crime Commissioner was scheduled to attend to consult on the Crime & Policing Plan for 2016/17. The Chief Executive advised that he had asked

Mr. Roddick to provide brief responses to the questions which had remained unanswered after the County Council meeting in July 2015.

The Committee agreed to the suggestion made by the Member Engagement Manager that he liaise with the Chairman and officers to schedule further items at future meetings.

RESOLVED:

- (a) That the Forward Work Programme, as submitted, be approved, with progress on the whole Improvement Plan being added as a half-yearly item; and
- (b) That the Member Engagement Manager, in consultation with the Chair and Vice-Chair and officers, be authorised to vary the Forward Work Programme between meetings.

37. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the press or public in attendance.

(The meeting started at 10.30am and ended at 12.50pm)

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Chairman

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CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE MEETING

Date of Meeting	Thursday 8 th October, 2015
Report Subject	Medium Term Financial Strategy
Portfolio Holder	Leader and Cabinet Member for Finance
Report Author	Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

This report introduces Part II of the Medium Term Financial Strategy (MTFS) for the three year period 2015-2018 for the Council Fund. The strategy was reported to Council on 24 September and was approved by majority vote.

Part I of the Strategy, which forecast the resources which are likely to be available to the Council for this three year period, and the pressures on those resources that we can foresee and calculate, was published earlier this summer.

Part II sets out how the Council could manage a significant reduction in resources – in a period of major reductions in national funding for local government – whilst seeking to protect local public services and retaining its position as a well governed and high performing local authority in Wales.

Part II titled *Meeting the Financial Challenge* opens by sizing the financial challenge facing the Council, some £52.8m of budget reductions required over three years, and then explores how Flintshire is funded and performs compared to the rest of the local government sector in Wales. The funding strategy to meet this unprecedented financial challenge is then set out in three parts:-

Funding Strategy Part 1: Service

Funding Strategy Part 2: Corporate Financial Stewardship

Funding Strategy Part 3: Working with Welsh Government

Given that the Council already has in place a plan for meeting the £18.3M gap in resources in 2015-16, the strategy concentrates on how to meet the gap in 2016-17 (£20.8M) and again in 2017-18 (£13.7m)

RECOMMENDATIONS

1	<p>To note that the following resolutions were passed by Council on 24 September:</p> <ul style="list-style-type: none"> a) The second and concluding part of the Medium Term Financial Strategy (MTFS) titled <i>Meeting the Financial Challenge</i> is adopted (on recommendation of the Cabinet) for consultation and development as the first step towards setting balanced budgets for 2016-17 and 2017-18; b) The specific proposals set out by Cabinet for service reform, corporate financing options, and national support and relief, are subject to detailed consultation and development; and c) There is early engagement with Welsh Government, with cross-council support and with the support and involvement of the Welsh Local Government Association as our representative body, on the case for national support and relief as set out in <i>Meeting the Financial Challenge</i>.
2	To review and comment on the strategy, and the implementation of the above resolutions of Council
3	To advise on alternatives to the contents of the strategy as a contingent should it not succeed

REPORT DETAILS

1.00	EXPLAINING THE MEDIUM TERM FINANCIAL STRATEGY
1.01	Councils are required to publish a Medium Term Financial Strategy (MTFS) as part of good governance. The dual purpose of an MTFS is to forecast the financial resources available to a Council for a given period, and to set out plans for how best to deploy those resources to meet its priorities, duties and obligations.
1.02	The latest version of the MTFS of the Council is being published in two parts - Part 1: <i>Forecasting the Challenge</i> and Part 2: <i>Meeting the Challenge</i> . The MTFS is being published for the three year period 2015/16 to 2017/18 which will take Flintshire to the end of the first year of the new Council which will be elected in May 2017. This new style MTFS will be revised and republished twice per year. Firstly, in January/February, as part of the annual budget setting process, and then in September/October as part of setting the context for the following budget year. The MTFS covers the Council Fund and excludes the stand-alone Housing Revenue Account (HRA) which is a 'ring-fenced' account. A separate MTFS style summary of the HRA is being produced.

1.03	Part 1: <i>Forecasting the Challenge</i> has already been published and reported to Cabinet and Corporate Resources Overview and Scrutiny. It is attached as Appendix 1.
1.04	Part 2: <i>Meeting the Challenge</i> was presented to Council on 24 September. This report summarises its contents.
1.05	The strategy was fully discussed by full Council as a principal agenda item at its recent meeting. The strategy was approved by majority during a recorded vote. A verbal summary of the Council meeting will be given at the meeting (pending publication of the minutes). The slide presentation used at full Council is appended.
1.06	The Part 1 of the Strategy forecasts a cumulative real reduction in resources available to the Council of £52.8M over the three year period. As Part 1 summarises “our resources are being reduced year on year, through big reductions in the grants we depend on from Government. We then also have to meet cost pressures, such as inflation, with less money at our disposal. Inflation, rises in demand for critical services, such as social care, and the cost of legal obligations placed upon us, such as pension’s reform, all place a strain on our reducing budget.” In the ‘annual settlement’ where Government decides how much funding to set aside for local government, provision was once made for inflation and other pressures with councils being funded to meet them. This is no longer the case with councils now facing this double pressure of an actual reduction in its annual grant on the one side, and no financial protection for the extra things they have to fund on the other. This is why the annual targets for budget reductions are so high. For Flintshire the target for 2015/16 is £18.3M, for 2016/17 20.8M, and for 2017/18 £13.7M. This is how the cumulative target for £52.8M breaks down over the three years based on our latest predictions.
1.07	The Council plans to meet the first £18.3M through a programme of service reforms, efficiencies, budget reductions and income growth. This programme was adopted as part of setting the 2015/16 annual budget. Despite the Council having a high success rate in achieving its annual efficiency targets year on year it cannot be guaranteed that the Council will achieve this challenging total in full. Any ‘failure rate’ in the achievement of targets could mean that we have to find further efficiencies in future years to make up the difference.
1.08	Part II of the Strategy is built up in five chapters:- <ul style="list-style-type: none"> • Chapter 1: <i>Sizing the Challenge</i> where the forecast for the three year period from Part I of the Strategy is again set out • Chapter 2: <i>Flintshire: An Efficient and Innovative Council</i> which summarises the Council’s track record of being innovative and cost-effective in managing the decline in public funding thus far • Chapter 3: <i>Flintshire: A Low Funded Council</i> where the case is made that Flintshire, as a low funded council under the national funding formula for local government, is particularly at risk under the UK Government’s national programme of public sector funding reductions and fiscal constraint

	<ul style="list-style-type: none"> • Chapter 4: <i>Our Three Part Funding Strategy</i> of: <ul style="list-style-type: none"> ○ <i>Funding Strategy Part 1: Service Reform</i> which sets out our continued programme of service reforms as the first part of a tripartite strategy to manage and save money ○ <i>Funding Strategy Part 2: Corporate Financial Stewardship</i> which sets out our proposals for financing options for the whole Council as the second part of a tripartite strategy to manage and save money; and ○ <i>Funding Strategy Part 3: Working with Welsh Government</i> which sets out our case to Welsh Government for financial support and relief as the third part of a tripartite strategy to manage and save money • Chapter 5: <i>Conclusions and Way Forward</i> where everything is pulled together
1.09	<p>In <i>Meeting the Challenge</i> we set out for 2016/17 estimated efficiencies and income growth within services, through service reform proposals, of £7M and a further £5M+ through corporate financing proposals. We then go to set out a number of funding proposals and reforms for Welsh Government of around £7M. The three parts of the funding strategy combined would take us to a total of approaching £20M for the next financial year. The strategy is a basis for future budget options through to 2017/18. There are risks to this strategy. Nothing can be assumed under the third part of the strategy and the willingness and ability of Welsh Government to assist. What is clear from the Council's funding position, and our space to identify further savings beyond those already being reported, is that if Welsh Government does not provide support with flexibilities and some relief then the Council will have to turn to options for much deeper funding cuts which neither it nor the public will find acceptable.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>The Medium Term Financial Strategy involved planning the use of the financial resources of the Council for a three year period. The implications and risks are therefore significant. The report and the appendices are self-explanatory in presenting the risks to the Council of the major annual reductions in Government funding it is facing. The three part Funding Strategy is in itself a set of proposed solutions.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Members of the Council have been invited to two Workshops in July where the financial forecast and the developing strategy have been shared and explored. Group Leaders and Overview and Scrutiny Chairs have also been engaged over a period of time by the Leader. Part 1 of the Strategy has been formally reported to Cabinet and Corporate Resources Overview and Scrutiny for comment and adoption. Chief Officers, the Finance Team, and many service managers and teams have been involved in developing the business plans and corporate finance options which are featured in Part II of the Strategy. The strategy was formally presented to County Council on 24 September.</p>

4.00	RISK MANAGEMENT
4.01	The national reductions in funding for local government poses the greatest risk to the governance, performance and sustainability of the Council since the previous reorganisation in the mid-1990s. This risk can be mitigated through a twofold approach. Firstly, the Council continuing to streamline and innovate. Secondly, by working with Welsh Government to seek some support and relief from budget reductions based on a reasoned case. This twofold approach is set out in Part II of the Strategy <i>Meeting the Financial Challenge</i> .
4.02	The risks posed to the plans to change and innovate within specific services are managed through assessing the risks and impacts of change as part of framing options and making decisions. The Programme Boards set up to oversee the implementation of the Chief Officer portfolio business plans manage these risks in close detail, with reports being made to Cabinet and Overview and Scrutiny at key stages of decision-taking and, later, performance reporting and evaluation.

5.00	APPENDICES
5.01	Appendix 1: Published Medium Term Financial Strategy 2015-2018 Part 1: <i>Forecasting the Challenge</i> .
5.02	Appendix 2: Published Medium Term Financial Strategy 2015-2018 Part 2: <i>Meeting the Financial Challenge</i> .
5.03	Appendix 3: Powerpoint slide presentation used at County Council 24 September 2015.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various working papers and national reference documents held by the Corporate Finance Officer and Chief Executive. Contact Officer: Colin Everett Chief Executive Telephone: 01352 702101 Email: chief.executive@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.
7.02	Council Fund: the majority of the Council's revenue expenditure covering all services except Council Housing for which there is a stand-alone and ring-fenced account called the Housing Revenue Account (HRA).

7.03	Housing Revenue Account (HRA): the Housing Revenue Account is “ring-fenced”. This means that local authority housing finance is kept separate from other council accounts.
7.04	Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget, and to individual councils one by one. The amount of Revenue Support Grant (see below) each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.
7.05	Aggregate External Finance (AEF): the total amount of support the Welsh Government provides to councils each year. The total is made up of Revenue Support Grant (see below), a share of the national ‘pool’ of National Non-Domestic Rates (see below) and a number of specific grants where funds are provided for councils to spend on specified services to achieve pre-set outcomes for example in education or waste collection.
7.06	Local Government Funding Formula: the system through which the annual funding needs of each council is assessed at a national level, and from which each council’s annual AEF (see above) is derived. The formula is very complex. In summary, using information such as statistics on local population change and deprivation, the formula sets a guide for each council’s funding needs called the Standard Spending Assessment (SSA).
7.07	Standard Spending Assessment (SSA): Standard Spending Assessments are notional calculations of what each Council needs to spend to provide a standard level of service.
7.08	Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.
7.09	National Non-Domestic Rates: the business equivalent of the Council Tax where companies pay a property based tax for local services. Each council as the local collection authority collects the tax from companies, pays it into a national ‘pool’, and then receives a share back as part of its Annual Settlement (see above).

Medium Term Financial Strategy

Part 1 - September 2015
Forecasting the Challenge



2015 - 2018

Introduction

This Medium Term Financial Strategy (MTFS) is comprised of two parts. The first part the Medium Term Financial Strategy (MTFS) forecasts the resources the Council is likely to have over the next three years. In Part 2 of the MTFS *Meeting the Financial Challenge* the Council sets out plans and solutions for managing with reducing resources over this three year period.

Our resources are being reduced, year on year, through big reductions in the grants we depend on from Government. We then also have to meet cost pressures, such as inflation, with less money at our disposal. Inflation, rises in demand for critical services, such as social care, and the cost of legal obligations placed on us, such as pensions reform, all place a strain on our reducing budget.

A summary of the forecasting position for 2015/16 - 2017/18 is set out below.

Table 1 - Summary of forecasting position 2015 - 2018

Expenditure	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
National Pressures	0.9	0.4	0.3	1.6
Local Pressures	6.2	2.5	1.2	9.9
Inflation	4.1	4.1	4.3	12.5
Workforce Pressures	2.5	9.4	3.7	15.6
<hr/>				
Income				
Reduction in Revenue Support Grant (3.5%)	6.6	6.5	6.3	19.4
Council Tax Increase (3%)	(2.0)	(2.1)	(2.1)	(6.2)
Projected Gap	18.3	20.8	13.7	52.8

Contents

Forecasting for the Future:

1. National Pressures	4
2. Local Pressures	6
3. Inflation	8
4. Workforce	10
5. Income	13
6. Total Impacts	15

Tables

Table 1 - Summary of forecasting position 2015 - 2018	2
Table 2 - Specific Non Workforce National Pressures	5
Table 3 - Specific Non Workforce Local Pressures	7
Table 4 - Historical Budgeted Inflation	9
Table 5 - Inflation Forecast	9
Table 6 - Pay Awards Impact	10
Table 7 - Single Status Impact	11
Table 8 - Cost of Pensions to the Council as the Employer	12

1. National Pressures

These are financial pressures which are driven nationally and are beyond the control of the Council. They may come about from policy directions or new legislation from either UK Government or Welsh Government, where powers are increasingly devolved. These pressures are expected to be met by councils without extra funds being set aside by Government.

Council Tax Reduction Scheme

The Council Tax Reduction Scheme (CTRS) was introduced in 2013/14 by Welsh Government to provide financial assistance to help some residents pay their Council Tax. CTRS replaced the previous Council Tax benefit system. Welsh Government funding for the scheme does not increase year on year and therefore the annual increase in Council Tax 'benefits' payments we pay out is a pressure on the Council's budget. Over the medium term, this will cost the Council an estimated £0.952m.

Discretionary Housing Payments

Changes to the Government's Welfare Reform Programme have had a financial impact on some households. Discretionary Housing Payments (DHP) offer temporary support to people in difficulty. Over the last three years the Council has 'topped up' the DHP funds provided by Welsh Government to help the most vulnerable. In 2014/15 this cost the Council £0.053m. In 2015/16 there will be a reduction of £0.067m in the amount of funding the Council receives for DHP. The Council will be under pressure to make up any difference.



Impacts of Legislation and Case Law

New legislation such as the Social Services Bill, and Deprivation of Liberty Safeguards Case Law (DoLS), can affect the way services are to be provided and people's rights. Councils have to manage the financial impact of changes in the law as part of their budget often without any additional support from Government. Within the 2015/16 budget a pressure of £0.290m has had to be met for DoLS.

Independent Living Fund

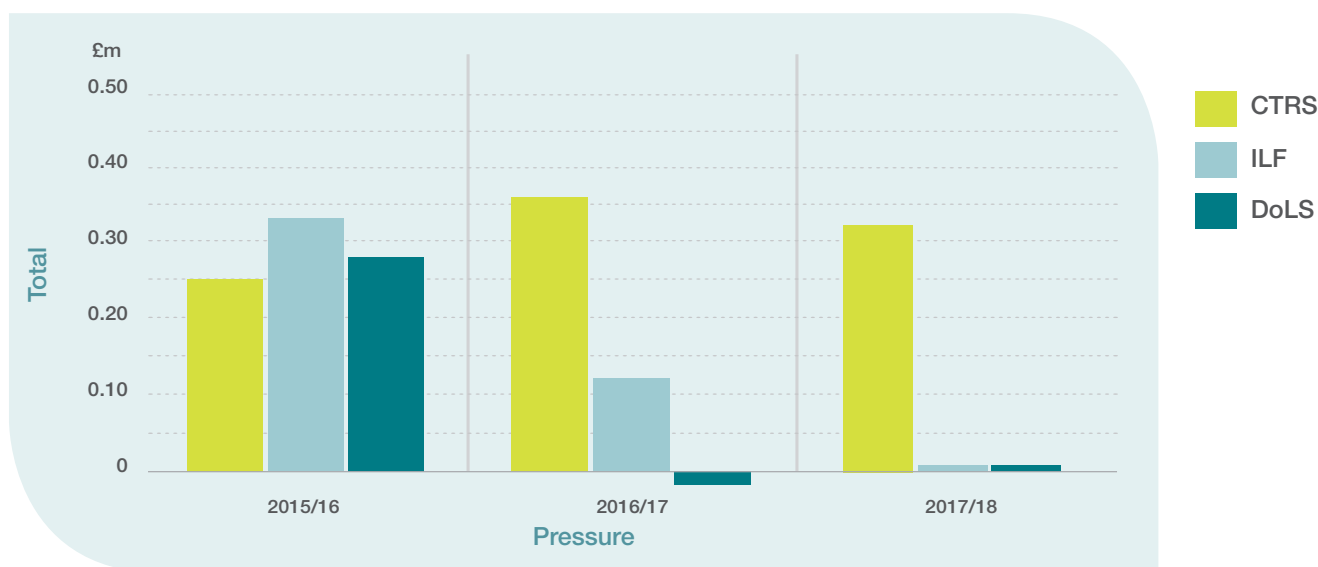
The Independent Living Fund (ILF) provides financial support to disabled people with significant care needs to help them live independently at home or in the community. The UK Government announced that the fund will close from June 2015 with the responsibility for financial support to be transferred to local authorities. The cost pressure for Flintshire County Council is estimated to be £0.338m in 2015/16 with an additional pressure of £0.112m in 2016/17. Welsh Government have recently said that there may be some financial support to help Councils with the transition. At this stage we do not know what help we will receive, if any.

Reductions in Specific Grants

The Council relies on numerous specific grants which the Welsh Government allocate to directly fund services such as Education and Waste Management.

In recent financial years there have been some big reductions in these grants. The Council sometimes has to make up the difference for services to continue.

Table 2 - Specific Non Workforce National Pressures



Late notification of specific grant allocations by Welsh Government make financial planning challenging.

The risks to services from reductions in specific grants include:

- **Sustainable Waste Management Grant** - previous reductions in this grant had created a cumulative cost pressure of £0.308m by 2014/15. A further reduction in the grant for 2015/16 has been confirmed at £0.100m giving a total reduction to date of £0.408m.
- **Supporting People Grant** - there has been a sustained reduction in this grant since 2009/10 of £1.6m.
- **Education Improvement Grant** - Big changes to the education grant system from April 2015 have resulted in 11 grants being amalgamated into a single grant called Education Improvement Grant. The effect of these changes in 2015/16 is a reduction of 9.85% or £0.509m. From 2016/17 Welsh Government are planning to introduce a funding formula for this grant. The impacts of this next phase of change are unknown.
- **Post 16 Education Grant** - This grant was reduced in 2015/16 by 2.5% or £0.149m. Intelligence from Welsh Government suggests a further 5% cut in 2016/17.

The total impact of just the grant reductions shown above comes to £2.7m. Future grant reductions are unconfirmed at this stage and subject to change.

Workforce Costs

There are significant new workforce costs from national changes to Local Government and Teacher Pensions Schemes. These are covered in Section 4 - Workforce.

The total impact of known national pressures is £1.6m

2. Local Pressures

Local pressures come about from demands for services and other local circumstances. They are not funded by Government grant with the cost falling on the Council.

Current Local Pressures

Social Services:

Transition to Adulthood

Each year a number of clients are expected to have ongoing social care needs as they transfer from children's services and become adults. The cost of care packages for each client is based on a careful assessment of their future care needs. In 2015/16 and 2016/17 the number of young clients transferring to Adult Social Care will be 16 and 14 respectively. This has led to a budget pressure of £1.239m in 2015/16, £0.923m in 2016/17 and £0.640m in 2017/18. We have a duty to meet their needs.

Extra Care

There will be annual revenue costs from the running of the new Extra Care Scheme in Flint which will become operational in 2017.

School Modernisation

This pressure is an estimate of the service 'exit' costs of teaching and other employees leaving our service as we change school provision and open the new Post 16 hub at Coleg Cambria, Deeside.

Landfill Tax

An increase in the rate per tonne we pay to take waste to landfill is an additional pressure. There is a statutory requirement to dispose of our waste. The Council is diverting as much waste as possible from landfill through increasing recycling and other forms of disposal.

Making Workforce Efficiencies

As part of the budget for 2015/16, a pressure was included to cover our changing savings targets for reducing the workforce set as part of the 2014/15 budget. Future workforce efficiencies are now being built into our business planning process. There are also cost pressures through releasing employees through redundancy and early retirement.

Prudential Borrowing

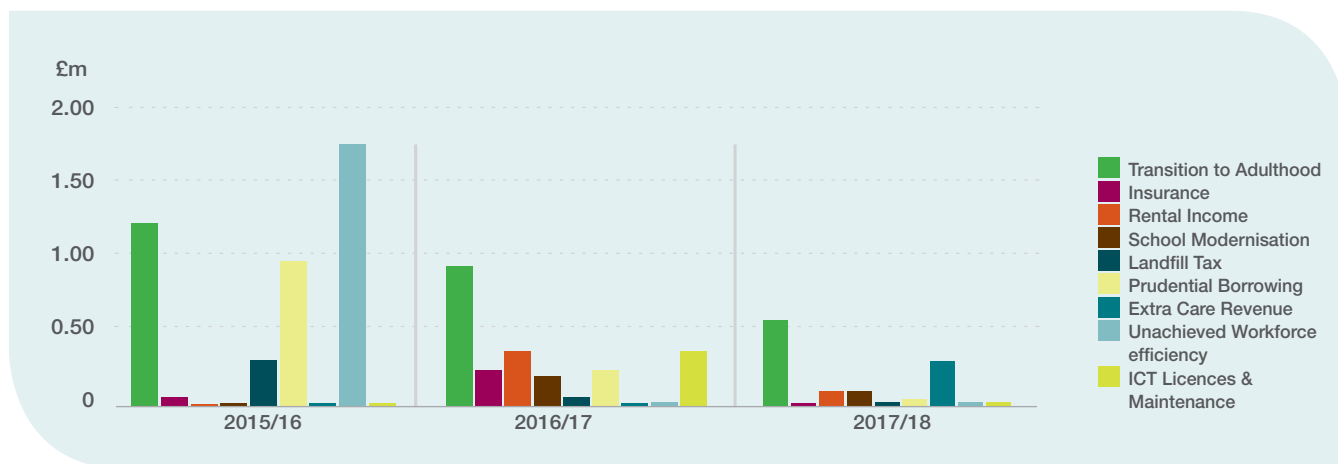
The Council has built up borrowing over the years to fund capital schemes. A review of our Central Loans and Investment Account will reprofile our borrowing. This ongoing review may create efficiencies or pressures. The Council is planning to increase its borrowing to pay for new capital schemes such as improving school buildings.

Internal Insurance Fund

The Council provides insurance cover for the risks it faces through a combination of purchased external insurance and self-insurance through our internal insurance fund. The adequacy of the internal fund has been assessed by our insurance brokers. There is a need to increase the funds to meet our risks.



Table 3 - Specific Non Workforce Local Pressures



September 2015

Information Technology

There is a new recurring pressure from our Microsoft Enterprise Licence agreement at an annual cost of £0.350m per annum from 2016/17. A further emerging pressure for software maintenance is for the iTrent (Human Resources) system from 2016/17.

Workforce Costs

There are significant new workforce costs from the introduction of the Local Single Status Agreement and the actuarial review of the Clwyd Pension Fund. These are covered in Section 4 - Workforce.

Emerging Local Pressures

Municipal Mutual Insurance

Municipal Mutual Insurance (MMI) was the main insurer of the public sector prior to it closing its insurance business in 1992. A scheme is in place for any liabilities still outstanding from historic insurance with MMI. Any increase in claims arising from that period could impact on the levy to be paid by the Council.

Contaminated Land Strategy

The Council has a responsibility to ensure there is no public risk from former landfill sites. There is a need for the Council to assess if there is any need for remedial work on these sites.

Waste Management

The Council is exposed to risks including fluctuations in recycling income from sales of waste recyclates in the open market.

Economy

The Council is exposed to the risk of decreases in the income it relies on from fees and charges in services such as leisure and planning. These fluctuations can depend on the health of the economy.

The total impact of major local pressures is £9.9m

3. Inflation

Inflation is the rate at which the prices for goods and services are expected to rise. The inflation costs a council has to meet are not the same as those that households face. Even at times of low Retail Price Index (RPI) inflation councils can have big inflationary pressures. Flintshire County Council builds inflation into its annual budgets based on the latest market intelligence. Overall, income budgets include a 3% increase to meet inflation. This is based on recent trends in inflation. Within the annual funding 'settlement' the Council receives from Welsh Government no provision is made for inflation. This means that the Council has to find a way of meeting the costs of annual inflation from within its reducing resources.

Types of Inflation

Pay

Provision for nationally agreed pay awards is based on the latest information from our national negotiating bodies. Over the last three years pay inflation has been assumed at 1%, and included in the budget at this level until confirmation of each annual agreements has been received.

Prices

The current forecast for price inflation includes a 2% increase over all expenditure budgets, apart from what we call Non Standard Inflation. Budgets which are not exposed to normal price inflation, such as Benefits, are excluded.

Over the last three years, service managers have had to absorb price inflation within their budgets, without any increase. Extra provision has only been made where there is an exceptional case. In 2015/16 this extra provision totalled £0.421m for exceptions such as increases in care fees where we commission residential care home places.

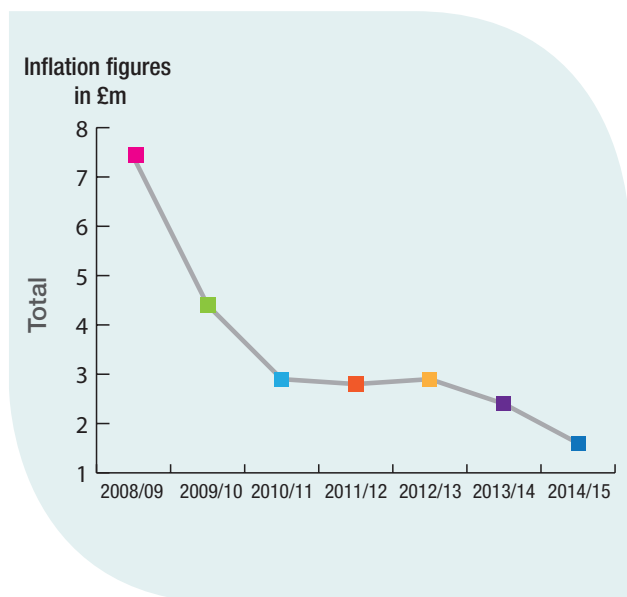
Non Standard Inflation

Non Standard Inflation provision is set aside to support services which are exposed to higher than normal annual inflationary pressures in buying fuel, energy and food supplies.

In recent years these rates of inflation have been volatile, for example, in the energy sector due to rising oil prices. More provision for inflation has been made in these areas in the last two financial

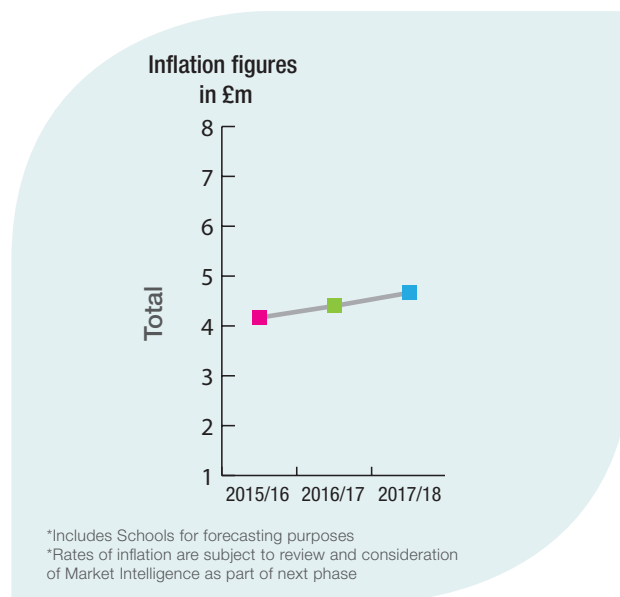


Table 4 - Historical Budgeted Inflation



Trend of inflation built into annual budgets.

Table 5 - Forecast within MTFS



Rates of inflation change over time and are under constant review by the Council.

years, (energy at 8%, fuel at 11.2% and food at 5.8%).

As part of the 2015/16 budget strategy the need to set aside any provision for Non Standard Inflation was reviewed. Specific market intelligence on energy (from Crown Commercial Services, UES Energy) shows that overall prices for gas and electricity were predicted to stay stable in 2015/16.

Market intelligence within the food markets (from Tuco Ltd, Procurement Partner) shows that some food groups may be subject to an increase of between 0.5% and 3%. Inflation on food was considered to be the area of greatest risk in 2015/16. Therefore an allocation of £0.064m was held within the budget.

The inflation risks and costs of energy, fuel and food are subject to many economic and other factors beyond our control. Market intelligence

will be used with quarterly updates to help make this as accurate a forecast as possible.

Inflation on Income

In recent years income budgets have included a 3% increase to reflect the need to raise prices in line with costs. See Section 5 - Income.

The total amount of inflation forecast is £12.5m

4. Workforce

By far the biggest cost of managing a Council of our size is the cost of employing our workforce. Flintshire both employs people to provide services direct to communities and to customers, and commissions or contracts out other services. Where we commission or contract the Council is not the employer. We also employ people to provide essential internal support services such as Finance and Human Resources.

The costs of employing our workforce are rising due to a combination of national and local pressures including annual pay rises, pensions reform, and the Single Status Agreement.

Flintshire employs around 7,140 people in 8,206 roles. The total annual ‘wage bill’ in 2014/15 was in the region of £178m. The ‘wage bill’ is made up of salaries, employer pension contributions, employer national insurance contributions, and allowances and expenses.

The costs of employing people are rising. The costs pressures can be grouped as:-

- ‘cost of living’ pay rises
- low pay protection costs
- local pay settlements
- pensions

‘Costs of Living’ Pay Rises

Workers expect to receive an annual pay rise for their earnings to keep pace with inflation. These are commonly known as ‘cost of living’ pay awards and are negotiated nationally between representatives of the local government employers and the trade unions.



Following a period of imposed pay ‘freezes’, annual pay awards are again being granted by agreement. Annual pay awards are running at between 1-2% for most local government workers.

The cumulative impact of national pay awards for 2015/16-2017/18 is shown in Table 6.

Table 6 - Pay Awards Impact

2015/16 £m	2016/17 £m	2017/18 £m	Total £m
1.804	1.690	1.707	5.201

Low Pay Protection Costs

Workers are protected from being low paid through the setting of a national minimum wage. The lowest levels of pay in local government are above the national minimum wage. The minimum wage is £6.50 per hour rising to £6.70 per hour on 1 October 2015. Flintshire’s lowest hourly pay rate is currently £7.189 per hour. Whilst there are no immediate pay pressures here for the Council as it meets its legal obligations, this might change over time.

There is pressure from Trade Unions, some political parties and lobby groups for employers to adopt the Living Wage. The Living Wage is argued to be a more realistic amount for people to live on and is set at a higher rate than the Minimum Wage at £6.50 per hour. Whilst Flintshire has gone some way to preventing low pay and has implemented a pay structure where the lowest pay grade ‘tops out’ near to the Living Wage, we have not as an employer set it as a minimum. If we were to do so this would present a new cost pressure. Just under 1,300 employees (including relief workers) are currently paid beneath the Living Wage.

Local Pay Settlements

Local authorities have obligations to ensure that they pay all employees fairly with equality of treatment for women and men. These obligations come from important national agreements and the equal pay legislation. Reviewing local pay arrangements to ensure that there is equality of treatment is a complex and time-consuming exercise. Like many other local authorities Flintshire has now reached a Single Status Agreement to achieve this. Under our Agreement we have introduced a new pay and grading model. Single Status Agreements have in every single case around the country added cost to the ‘wage bill’. Whilst some employees will gain on pay, some will stay the same, and some will lose on pay, a significant majority will have to gain or stay the same to successfully achieve agreement through negotiations between employer and trade unions and then through a workforce ballot. Therefore, there will be a total increase in pay costs across the board under these types of Agreements.

Some years ago the Welsh Government made extra provision in the base financial settlement for local government to support the costs of introducing Single Status Agreements in the knowledge that they would inflate workforce costs. Whilst providing this support was a visionary step towards ending unequal pay between women and men, the provision set aside was not enough to meet the inflationary impact in full. Councils have to make up the shortfall themselves.

Flintshire’s Single Status Agreement was introduced in 2014. The inflationary impacts for the first two years have been ‘buffered’ or cancelled out through the use of financial reserves. The Agreement will impact on the budget from June 2016. The annual cost of the wage bill will rise for several years as some employees who have entered a new pay grade work their way up through the annual pay increments until they reach the top of their grade. At this point the wage bill will ‘peak’.

The impacts of the Single Status Agreement are shown in table 7 below. The impacts shown are net of the annual

Table 7 - Single Status Impact

2015/16	2016/17	2017/18	Total
£m	£m	£m	£m
0.000	3.774	1.726	5.500



provision with the national financial settlement of £4.3m. The forecasted impacts reported to Council in October 2013, when adopting the Single Status Agreement, were greater; they have been significantly reduced through the ongoing programme of reducing the scale of the workforce through voluntary redundancies and retirements.

Local Government Pension Scheme

Local government employees (other than teachers, police and firefighters) are entitled to be members of the local government pension scheme. The pension scheme is a funded one where both employers and employees contribute to the costs of building their ‘pension pot’ for their eventual retirement. The monies are invested into the Clwyd Pension Fund for capital gain and income to pay pension liabilities both now and into the future.

Public service pension schemes are being reformed to help financial sustainability. For the local government pension scheme the new CARE (Career Average) scheme replaced the final salary scheme from 1st April 2014. At a national level the Government have reviewed how the pension provision is shared more fairly between employees and scheme employers, if costs continue to increase. This may result in a change to employee contributions or scheme benefits in the future.

The employer contribution for the Council is set by the Fund Actuary every three years. The last actuarial valuation date was 31 March 2013 which provided both future service cost contributions and deficit payments for 2014/15, 2015/16 and 2016/17. The future Flintshire rate

is a percentage of pensionable pay and will vary. At the last actuarial valuation the employer contribution rate was set as 12.2% (2014/15), 13.2% (2015/16) and 13.9% (2016/17),

At the last Actuarial Valuation the Council had a pension deficit of £197m. The Council has a deficit recovery plan of 19 years and the agreed payments are £9.185m (2014/15), £9.490m (2015/16) and £9.985m (2016/17).

The pension contributions to be made to the Clwyd Pension Fund by Flintshire as an employer were in the region of £10.2m.

For the third and final year of this MTFs it is more difficult to estimate pension costs. Despite strong asset returns on investments of +16% in 2014/15, the funding level of the Fund has fallen by 5%. The Council's deficit has therefore increased. This is due to lower than estimated long term interest rates. The Actuary of the Clwyd Pension Fund will undertake a funding review this year which may assist all employers in the Fund with their future financial plans, ahead of the next Actuarial Valuation.

Pensions Performance: the most recent actuarial review in 2013/14 reset employer contributions for the period 2014/15 - 2016/17. The inflationary impacts are shown in table 8 below.

Pensions Reform: a number of recent pensions reforms are causing inflationary pressure. Under a change called the Single Pension Scheme local government pension schemes will no longer qualify

for a rebate for national insurance contributions made towards the additional State Pension known as the Second Pension. This change will increase National Insurance employer contributions by 3.4% from April 2016. The inflationary impacts are shown in table 8 below. Employee national insurance contributions will also increase.

Under a change called Automatic Enrolment, access to pension provision in a qualifying pension scheme had to be made available to all new employees from 1 October 2012. For all existing employees who had previously deferred entry or opted out of the Clwyd Pension Fund, a transitional period to October 2017 applies. At this time, any remaining employees would be automatically enrolled into the Clwyd Pension Fund. This will be at a cost to the Council. It is not expected that all employees with deferred Fund entry will choose to stay in the Pension Fund at 2017, but a proportion will. The predicted inflationary impacts are also shown in table 8 below.

Teachers' Pension Scheme

The Teachers' Pension Scheme is a central government controlled Public Service Pension Scheme that, unlike the LGPS, is unfunded. The contributions are set by Central Government. Under pensions reform the employer contributions for teachers' pensions are to be increased from 2016. The inflationary impacts are also shown in table 8 below.

Table 8 - Cost of Pensions to the Council as the Employer

Pressure	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Actuarial Review	1.747	1.504	1.300	4.551
Single Pension Scheme	0	2.787	0	2.787
Auto Enrolment	0	0	0.625	0.625
Teachers' Pension Increase	0	1.364	0	1.364
Total	1.747	5.655	1.925	9.327

The total amount of workforce pressures is £15.6m (excluding inflation)

5. Income

The Council is funded from two main sources - the Revenue Support Grant and Council Tax. The Revenue Support Grant (RSG) awarded by Welsh Government makes up 65% of the total income of the Council with Council Tax contributing 22%. The remainder is made up from specific government grants and income from fees and charges. RSG is reducing year on year. UK Government fiscal plans show a continuation of reductions in the medium term. Setting Council Tax is a continual challenge in the current financial situation. Other income generating opportunities can be constrained by Welsh Government controls and economic factors. It can be difficult to balance increased charges to recover costs, with affordability and collectability from clients and customers.

Revenue Support Grant (RSG)

The Council received a reduction in its RSG of 3.4% in 2015/16 equal to £6.6m. Welsh Government has not given any firm indication of the level of RSG funding for future years. Continuing reductions are expected and we are assuming reductions in RSG of 3.5% per year for the next two years in this strategy.

Over the medium term of this forecast this could mean a total £19.4m reduction in RSG funding.

Section 1 - National Pressures highlights the significant reductions in specific grants which are added to the reduction in RSG in arriving at a complete forecast for this three year period.



Council Tax and Business Rates

The Council collects the Council Tax from local residents and the 'Business Rates' from local businesses.

The level of Council Tax is set annually and is paid by local residents to help finance the Council's overall budget (£60m in 2015/16).

The Council collects the local 'business rates' on behalf of Welsh Government. This is then paid into a national pool and redistributed to councils as part of the annual financial settlement. The Council expects to collect in the region of £63m in 2015/16. Of the collected amount the Council only retains £51m with the rest going into the national funding system.

As part of the budget for 2015/16 the Council agreed to set the increase on Council Tax at 3.75%. This is at a higher level than the 3% set in previous budget years. This extra rise was needed due to the challenging financial position faced by the Council as set out in this strategy.

The level of Council Tax for future years will be a democratic decision of the Council. For the purposes of this plan an annual increase of 3% has been built in for 2016/17 and for 2017/18. This would provide an additional £2.1m of income per year. In setting the Council Tax the Council has to balance the financial needs of the organisation to maintain its services with the affordability of Council Tax for local residents.

Fees and Charges

In 2014/15 the Council generated £25m from fees and charges. The Council is developing a more wide ranging Income Strategy to help increase overall income to cope with the financial challenges it is facing. This work builds on earlier work to develop a single and consistent fees and charges policy with transparency in the setting of its fees and charges.

Existing fees and charges are, wherever possible, increased annually by 3% to meet the costs of inflation. However there are restrictions on the levels of income councils can charge for some services e.g. homecare services.

The budget strategy for 2015/16 was based on fundamental three year business plan reviews across all Council service portfolios. Within these plans were proposals for increasing income including:-

- maximisation of external funding
- increase in joint funding from Health
- Public Protection fee increases to reflect cost
- review of car parking charges
- increased charging for some services

These reviews led to an increase in budgeted income across portfolios of £2.3m in 2015/16.

For 2016/17 and 2017/18, the Council will need to develop its income policy and identify new opportunities for income to help bridge the gap from the reduction in national funding.

Income Dependency

The Council is dependent on being able to generate income to fund some of its core services. For example, Leisure Services relies on £6m from income, mainly from its customers, whilst Facilities Services (Cleaning and Catering) relies on £3m from external income. In Catering the strategy for fees and charges needs to consider the impact of charging to avoid turning customers away.

Constraints on Charging Policy

In recent years, Welsh Government have introduced measures such as the First Steps Improvement Package which introduced a then cap of £50 per week on the amount that Local Authorities could charge for Domiciliary Care. This led to a loss of income to Flintshire County Council of £0.426m in 2011/12 and has limited the Council's ability to increase income for future years.

Reviews of these national constraints are needed to give councils the freedom to recover more income to subsidise some of the services it provides.

The impact of reductions in Revenue Support Grant is £19.4m offset by increase in Council Tax income of £6.2m

6. Total Impacts

The total impact of known national pressures is £1.6m

The total impact of major local pressures is £9.9m

The total amount of inflation forecast is £12.5m

The total amount of workforce pressures is £15.6m (excluding inflation)

The impact of reductions in Revenue Support Grant is £19.4m offset by increase in Council Tax income of £6.2m

Total impact is £ 52.8m

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Medium Term Financial Strategy

Part 2 - September 2015

Meeting the Financial Challenge



2015 - 2018

Introduction

The second part of the Medium Term Financial Strategy (MTFS) sets out how the Council plans to meet the challenge of the financial forecast set out in the first part of the strategy.

In the first part of the MTFS we illustrated a forecast for the resources the Council will have available for the three year period 2015/16-2017/18. This forecast is based on the latest and most reliable available intelligence.

This second part of the MTFS builds on the work of recent years for the Council to be a modern, cost-efficient and high performing organisation providing resilient local public services which can be sustained in future years in the face of considerable funding pressures.

List of Tables

Chapter 1

Table 1 - Forecast for 2015/16-2017/18

Chapter 2

Table 2 - Council Annual Efficiency Targets 2008/09-2015/16

Chapter 4a

Table 3 - Business Plan Efficiency Targets 2015/16-2017/18

Chapter 4b

Table 4 - Corporate Finance Efficiency Proposals 2015/16

Chapter 4c

Table 5 - Funding Pressures for National Support and Relief

Contents

Meeting the Financial Challenge:

1. Sizing the Challenge	4
2. Flintshire: An Efficient and Innovative Council	6
3. Flintshire: A Low Funded Council	8
4. Flintshire: Our Strategy	11
4a. Funding Strategy Part 1: Service Reform	12
4b. Funding Strategy Part 2: Corporate Financial Stewardship	15
4c. Funding Strategy Part 3: Working with Welsh Government	18
5. Conclusions and Way Forward	22

1. Sizing the Challenge

Councils are highly dependent on annual grant funding from Government to resource the local services we provide to local communities. As set out in Part 1 of the Strategy *Forecasting the Challenge* our resources are being reduced, year on year, through big reductions in these grants. The Council also has to meet cost pressures such as inflation and the demands of local people for services, with less money at our disposal. We forecast a 'gap' of £52.8m in the resources of the Council over the three year period 2015/16-2017/18. A forecast is simply a type of prediction. Whilst based on the latest and most reliable available intelligence a forecast cannot be guaranteed to work out as assumed, and the actual funding position for the Council could become better or worse over time.

Part 1 of the Strategy *Forecasting the Challenge* forecasts a cumulative and real impact reduction in resources available to the Council of £52.8m over the three year period. As Part 1 says "our resources are being reduced year on year, through big reductions in the grants we depend on from Government. We also then have to meet cost pressures, such as inflation, with less money at our disposal. Inflation, rises in demand for critical services, and the cost of legal obligations placed upon us, such as pensions reform, all place a strain on our reducing budget".

In the 'annual settlement' where Government decides how much funding to set aside for local government, provision was once made for inflation and other pressures with councils being funded to meet them. This is no longer the case with councils now facing a double pressure of an actual reduction in their annual grant on the

one side, and no financial protection for the extra things they have to fund on the other.

This is why the annual targets for budget reductions, or funding 'gaps' to be bridged, come out so high.

For Flintshire the annual 'gaps' as set out in Table 1 are £18.3m for 2015/16, £20.8m for 2016/17 and £13.7m for 2017/18.

A cumulative funding gap of over £50m against a net budget of around £250m is challenge enough for any council. The challenge is made both more complicated and more daunting by two factors - the unpredictability of specific levels of funding for local government, and the number of years for which the public sector will have to endure repeat and compounding reductions in Government grant.

The unpredictability comes from the absence of a medium term Government plan which sets out, with a reasonable level of certainty, the resources which will be allocated for local government and, in turn, to each individual council. In *A Shared Commitment: Local Government and the Spending Review* published in June 2015 the Local Government Association (LGA) calls for adequate and fair funding for the public services. The LGA and the Welsh Local Government Association (WLGA) have long been pressing for medium term financial settlements which would allow councils to plan ahead. Likewise, the Independent



Table 1 - Summary of forecasting position 2015 - 2018

Expenditure	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
National Pressures	0.9	0.4	0.3	1.6
Local Pressures	6.2	2.5	1.2	9.9
Inflation	4.1	4.1	4.3	12.5
Workforce Pressures	2.5	9.4	3.7	15.6
Income				
Reduction in Revenue Support Grant (3.5%)	6.6	6.5	6.3	19.4
Council Tax Increase (3%)	(2.0)	(2.1)	(2.1)	(6.2)
Projected Gap	18.3	20.8	13.7	52.8

Commission on Local Government Finance in Financing English Devolution has called for the new UK Government to ‘commit to full and clear multi-year settlements to enable effective long-term planning for local authorities and other public sector services’. In the absence of Government taking a lead with resilient longer-term planning how can councils be expected to ‘plan ahead and make better-informed decisions’ in strategic planning as suggested by the Wales Audit Office in its publication *Meeting the Financial Challenges Facing Local Government in Wales?*

The daunting challenge comes from the fiscal plans of the UK Government to rebalance national debt as a key feature of its economic policy. The repeated annual reductions in national public spending can be expected to continue for the remainder of the decade based on Government policy and the evaluation of its impacts by reputable commenters such as the Institute for Fiscal Studies. Local Government in England has not had the protection of relative shielding from public spending cuts as have some other public services, such as the NHS, a development which is now being mirrored in Wales with local government being given less priority.

As explored in Chapter 4 local government in Wales has a higher dependence on Government grant than its peer group in England. This exposes councils in Wales to a greater level of threat of resource reduction in the absence of parallel

freedoms and flexibilities such as the retention of additional National Non Domestic Rate (NNDR) or ‘business rates’ income through successful strategies for promoting local business growth.

The accuracy of the forecast set out for Flintshire will be determined by a number of factors. Government decisions on funding, trends in inflation, national employment policy and pay trends, and pressures on services through demographic change and Government policy, will all come into the mix.

The forecast set out in Part 1 of the MTFs will be regularly reviewed and updated for Council plans to be reviewed and re-set.



2. Flintshire: An Efficient and Innovative Council

All public sector organisations should be expected to be efficient, channelling as much of their resources as possible into services to local communities, and keeping their overhead and administrative costs to a minimum. Equally, all organisations should be innovative in finding new solutions to protect and develop their services with fewer and fewer resources. Flintshire prides itself on being an efficient and innovative council. Whilst there is always more that can be done, we have done much already. As each year of finding efficiencies to bridge the budget gap passes by the scope to find new efficiencies narrows. It is important that we demonstrate to our communities, Government, our regulators and ourselves, what we have done and what we plan to do to indeed be efficient and innovative.

Councils are, by law, required to set a balanced budget for each financial year and cannot 'carry' ongoing and unfunded deficits. Flintshire has a successful track record of prudent financial planning whilst meeting its legal obligations, and of having its annual accounts passed by its external auditors, year on year, without qualification.

For many years councils have had to find annual efficiencies and savings to balance up their budgets. In recent years the scale of the annual efficiency and savings targets required have risen to levels which have taken councils into uncharted territory.

Flintshire has achieved close to £60m of efficiencies and savings in the mainstream or 'Council Fund' expenditure over the past eight financial years from 2008/09 to now. In earlier years these budget

changes were often made to reinvest money from one service in another to support the priorities the Council saw as important. In more recent years budget changes have been made to fund the annual budget 'gap' caused by the national reductions in local government finance described in Chapter 1. The fact that the last two financial years of 2014/15 and 2015/16 account for nearly £25m or 42% of this total figure, shows how the funding position for Flintshire is deteriorating.

It is helpful to avoid using jargon in presenting this picture of Flintshire's recent history. When public organisations use the term efficiency they actually mean a number of budgeting changes which, taken together, fall under this generic term. In our case the term combines the following:-

- Reducing the overall costs of individual services through reviewing the way they are organised and making them more efficient as business operations
- Smarter procurement or 'buying' and 'contracting'
- Reducing basic costs in the way the organisation works for example its processing systems
- Reducing senior management and administration costs
- Reducing the size and cost of the workforce
- Raising more income through fees and charges for services



Table 2 - Council Annual Efficiency Targets 2008/09 - 2015/16

Year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Budget	226.419	233.335	240.408	239.896	241.203	258.825	253.718	249.979
Target £	5.654	3.803	6.151	8.920	4.716	5.331	11.950	12.874
Target %	2.50	1.63	2.56	3.72	1.95	2.06	4.70	5.15

Throughout the document we use the term efficiencies and savings to mean all of these things brought together under one easy to use heading.

If a tax payer were to say 'prove to me that the Council is efficient' then a good answer would involve showing the volume and quality of a service against the amount of money spent on it. To take the answer further the respondent would show how well the council was performing in this 'value for money' assessment against comparable councils providing the same types of services. Therefore, it is important to show how well Flintshire is performing, not just how cost efficient it might be to live up to the 'tag' of being an 'efficient and innovative council'.

Comparators of our performance in our peer group of local councils are used in Chapter 3 where we explore how well funded the council actually is.

In this Chapter we demonstrate how cost efficient the council is against the benchmark of having to achieve increasingly large targets of efficiencies and savings to bridge the annual funding 'gap' through being innovative.

In recent years the Council has been highly innovative. The following are some big examples of this:-

- Reducing senior management posts and their support by nearly 50%
- Reducing 'middle' management by between 25-30%
- Reducing administration and clerical positions by over 40%
- All services being on track to achieve 30% cost reduction targets (except education and social care)
- Large scale voluntary redundancy programmes for non-teaching employees.

- Reduction in non-school based employees of 6% over the past 12 months alone
- Sharing buildings by co-locating with partners including North Wales Police, Job Centre Plus and Coleg Cambria
- Reducing office accommodation by 16% through smarter ways of working
- Procuring or bulk buying with other councils to get a better deal e.g. computer hardware
- Integrating services with other councils in the region to share costs e.g. education
- Trading with other councils in services to share costs e.g. Occupational Health
- Stopping trading in services where the market performs better, for example trade waste
- Inviting local communities to take on treasured local buildings and facilities through 'community asset transfer'
- Moving a number of services away from direct Council provision and into new 'alternative delivery models' and reducing their level of public 'subsidy' as a result

Recent ground breaking work shows how the Council is being innovative to do things differently. These include setting up a new wholly Council owned Trading Company "New Homes" to help provide homes for local people; the SHARP programme (Strategic Housing and Regeneration Programme) to build new Council and affordable housing; switching social services for adults with mental health issues and learning disabilities to a new social enterprise, called "Double Click", to protect them for the future.

The opportunities for such innovations are diminishing; the opportunities to save money are diminishing with them.

3. Flintshire: A Low Funded Council

Councils in Wales are funded by Welsh Government through a mechanism called the Local Government Funding Formula. Within this formula a calculation or benchmark of what each council needs called the Standard Spending Assessment (SSA) is included. The SSA is based on factors including demography, population change and deprivation. Whilst being a theoretical calculation the SSA is significant in determining how much of the share of public funds set aside for local government in Wales comes to Flintshire. For Flintshire some 65% of our annual funding comes from Welsh Government through the formula. The Local Government Funding formula is complex and theoretical. Whilst it can be argued that the formula distributes the available funds fairly across twenty-two local authorities according to need, the formula was not designed for a situation where the total amount of funding being pass-ported through it was in sharp decline.



The formula works on theoretical indices of need; it does not take into account the cost base of services as provided in each county in real life. Counties like Flintshire will have needs which are not sufficiently recognised in a technical formula which makes no provision for flexibility and exceptions.

Flintshire, for example, is a semi-rural county with a number of equally sized county towns where communities need localised services. The Council therefore has to manage a network of dispersed services for example schools, leisure centres, libraries and household recycling centres. The point will come when the amount counties receive through the formula is simply insufficient to maintain services in a way which is similar to current configurations. This means that local services will face major upheaval as the current pattern cannot be maintained. The cost of running a secondary school efficiently from one council to the next, or that of a principal leisure centre is

similar regardless of factors such as rurality and deprivation. The amount of Government grant we are now receiving is no longer sufficient to maintain local services to the levels to which local communities are accustomed. So for councils with low funding it becomes a question of how many schools or leisure centres a council can afford to keep open and run, and not one of how efficient they can be one by one.

Flintshire has come 19th out of the 22 councils for the amount of Government funding it receives through the formula per head of population in each of the last two years. The Wales Audit Office (WAO) noted in its most recent Annual Improvement Report that in 2014/15 gross expenditure in Flintshire was £2,064 per head, lower than in 2011/12, whilst the average across Wales had risen from £2,250 to £2,312 per head for the same period. WAO calculated that our gross expenditure had fallen by some 7% over the past three years against a Welsh average of 3%. This analysis demonstrates that Flintshire is a low funded council through the formula. With such low funding the scope for making savings and efficiencies, whilst trying to maintain services in ways which support and serve local communities, is very constrained.

To explore and demonstrate whether Flintshire is indeed a low funded council we engaged The

Chartered Institute of Finance and Accountancy (CIPFA) to provide advice. CIPFA tested the presumption that Flintshire is 'a low funded council in Wales with less flexibility and capability to find sufficient efficiencies under the current funding system and formula'. The work was conducted using existing data sets and information and with no new empirical research. The work looked at spend and performance in education and social services as the two main areas of council spending, and also in highways as a third area as one of the priorities of the Council and one of keen public interest.

The report of CIPFA concludes that 'based on the research that we have carried out using nationally published data sets we can form a number of tentative conclusions. We can conclude that:-

- Flintshire is a low spending authority on both Social Care and Education;
- Flintshire achieves a relatively high level of performance on both of these services despite the low level of expenditure;
- Flintshire spends at an above average level on highways;
- Flintshire achieves the highest level of performance in Wales on the performance measure of roads in poor condition.'

The report goes on to recognise that Flintshire has a comparatively lower percentage of elderly people amongst the local population as a demographic, and a lower percentage of children in 'care'. It also recognises that the County has comparatively lower levels of deprivation under the Wales Index

of Multiple Deprivation (WIMD). The report also notes that the County has a large volume of daily road traffic compared to other Welsh counties.

The CIPFA analysis demonstrates that Flintshire is a low funded and a high performing council in its two principal service areas, and is both a higher spender and a higher performer than the average in highways.

CIPFA then go on to note that from the Council's own statistics on demand 'there appears to be:-

- a declining birth rate that could lead to a lower demand for school places, although this could also have an adverse effect on unit costs and the funding formula;
- an increasing demand for services for the elderly;
- a deteriorating condition of the highways and footpaths network due to lower spending under the County's preventative approach to maintenance.'

It should be added to the above that Flintshire has experienced unprecedented rises in levels of demand for Children's Services in the past two years and has had to make extra investment in this highly sensitive area of social services to cope.

In confirming that Flintshire has 'a low Standard Spending Assessment (SSA) due to the demand statistics in the calculation formula and a low level of Aggregate External Finance (AEF)' the independent analysis highlights that Flintshire receives lower funding under the current system. Why does this matter? If education and social care account for two thirds of the Council's expenditure, and we already spend relatively lowly on them - on spend per pupil in schools and on spend per head of the adult population for social care - then there is inevitably limited scope to be more cost efficient. Given that Flintshire performs highly in both service areas then any significant reduction in spend will directly impact on performance to the detriment to pupils and students, and local people in need of care support. Whilst there may appear to be scope for a reduction in spend on highways maintenance, any such reduction will impact on the quality of local roads people use. Flintshire roads may be the best maintained in Wales but the condition of our roads is declining.



The CIPFA report concludes as follows. 'Overall, we may conclude that, although the County has a low level of funding and expenditure, it is able to achieve a generally high level of performance. The low level of funding appears to be due to a low level of demand for services which is reflected in the SSA calculation. Where demand for a service is high, in the case of Transport, the County is a higher spender and is able to achieve the highest level of performance. This may lead to the conclusion that with additional funding and a higher level of expenditure the County could increase its current level of performance in other services. However, the spending on highways looks set to fall under the County's preventative approach to maintenance.

Notwithstanding this conclusion we have been made aware of a number of local factors that impact on the County's ability to deliver services and which have little or no impact on the funding formula. Although we have not attempted to verify or quantify the impact as part of this review the key points to consider include:-

- the County has a large business base impacting, for example, on infrastructure investment and

planning and public protection services and this is not included in the funding formula;

- the formula makes no recognition of historic and current patterns of local provision according to community need and county conurbations;
- the County's geographical positioning with England, in the context of its highway infrastructure and *Gateway to Wales* position leads to high volumes of traffic both in and out of the County.'

The CIPFA report closes with the final critical point that 'the County's Medium Term Financial Strategy does not at this stage show a balanced position and the fact that it is making a national case for funding relief could be interpreted as suggesting that the County has reached the stage where it is no longer viable'.

This stark conclusion to the analysis does point to the risk of the Council being financially unsustainable as a unit under the current funding formula on which we rely for close to three quarters of our funding. This underpins the rationale for our three part strategy.

How We Perform

In 2014/15 Flintshire achieved better than the Welsh average in 62% of the national performance indicators councils use and was in the top three performers in 20% of these indicators

Our highlights:

- the highest number of young people engaged in education, employment or training for the last 3 years
- educational attainment - GCSE level for first language English or Welsh - ranked as top for the last 3 years
- consistently high school attendance - 1st or 2nd position over the past 3 years
- care plans for Social Services clients been produced on time; the top performer for 2 years
- the best condition of roads for the last 3 years

The National Public Survey shows that the Council is ranked 2nd in Wales for providing good quality services according to the views of residents.

4. Flintshire: Our Funding Strategy

The Council funding strategy has three parts - service reform, corporate financial stewardship and working with Welsh Government. The first two parts are based on local reform and choice. The third is based on choice and decision-making by and within Welsh Government. The three parts are inter-dependent. For the strategy to succeed, progress will need to be made in each of the three parts.

As has been demonstrated in Chapter 2 Flintshire is an efficient and innovative council. As has been demonstrated in Chapter 3 Flintshire is a low funded council. Taken together these chapters show that as a council with a relatively low resource base we have few opportunities left for bridging the funding 'gap' through local innovation, without resorting to further and deeper service reforms, cuts and even closures of a scale unprecedented in North East Wales.

The three part strategy is based on the reality that councils and other public bodies are part of a wider system of public sector funding. Whilst councils should be expected and be challenged to be efficient and innovative, and make local choices to reduce their costs to contribute to making best use of public funding as part of the UK 'austerity programme', they cannot act alone and governments need to share in the responsibility.

In a funding system where councils in Wales depend on Government grant for up to 75% of their annual revenue funding for mainstream council services, with a sizeable proportion of it ring-fenced for specific services through the specific grants system, their capacity to act flexibly with their resources is constrained. In Part 1 of the MTFS we explain how national changes introduced by government, whether at a UK or Wales level, for example social policies or new legislation, can bring in new financial pressures on councils as the providers of services direct to the public. If governments desire social or legal change then they have a duty to carefully consider the resourcing consequences; otherwise, the budgets for existing local services will inevitably be placed under increasing strain.

Under part one of the funding strategy the Council takes responsibility for continuing to reform and modernise local services through its three year service 'portfolio' business plans. All services and corporate support services, with the exception of education and social care, have 30% cost reduction targets to achieve. Under part two the Council takes responsibility for the prudent use of corporate finances for example absorbing the costs of inflation, raising income, and managing workforce costs. Under part three we set out realistic expectations of Welsh Government as our principal funder.



4a. Funding Strategy Part 1: Service Reform

Council services are organised into portfolios or groups. Year on year each chief officer, who leads a portfolio, is asked to find efficiencies and savings to help balance the total Council budget. These savings are found through bigger actions such as making changes to how services are organised and delivered to local communities, through to smaller actions such as cutting out unnecessary expenditure and wastage. More recently this work has broadened into more challenging work such as reducing service provision, charging for services, and reducing the size of the workforce. All services, other than Education and Social Services, have been given a target of reducing their costs by at least 30% over this three year period. The total savings target services are working to is £28.2m over the three year period.

Council Service Portfolios

The Council has grouped its services into eight portfolios for the purpose of organisation and management. In doing this the organisation went through a major upheaval in 2015 to introduce a new operating model - or way of working - with a streamlined and closer working team of chief officers. Each chief officer is responsible for one of the portfolios. A major task for each of the new chief officers has been to develop a three year business plan for their group of services for the period 2015/16-2017/18.

Portfolio Business Planning

The new business plans for each service portfolio take the Council to levels of challenge and planning which are unprecedented. Services have always worked to business plans. The motivation for this new approach was twofold: to make significant reductions in operating costs in response to the financial challenge of major reductions in

Government grant income to the Council, and to modernise and improve the organisation to new levels of ambition and excellence.

The new business plans fundamentally review:-

- the purpose, priorities and the performance of the service group
- the costs of the services both in themselves and compared to other councils
- income levels and the potential for income growth
- the management and administrative structures and costs of the services
- the service model and whether an alternative model would be a better option for the future
- the future sizing and allocation of budgets based on the above

The business plans have to balance the achievement of Council priorities, for example those set out in the Improvement Plan, and the duties to meet statutory, contractual and other obligations, in addition to presenting options for saving money. The plans do take the Council into examination of whether some services are core business or even needed at all, whether we should do things differently, whether we are achieving value for money in providing quality at reasonable cost, and how customers should be expected to contribute through paying fees and charges.



Table 3 - Business Plan Efficiency Targets 2015/16 - 2017/18

Portfolio	2015/16 £m	2016/17 £m	2017/18 £m
Planning and Environment	0.941	0.422	0.255
Streetscene and Transportation	2.570	2.590	3.405
Social Care	2.068	0.788	1.984
Education and Youth	1.459	0.382	1.520
Community and Enterprise	1.565	1.209	0.787
People and Resources	0.385	0.385	0.730
Governance	0.248	0.315	0.725
Organisational Change	1.306	1.272	0.902
Business Plan Efficiency Totals	10.541	7.363	10.308

Setting Budget Targets

All service portfolios have been set a 'working' target of achieving a 30% efficiency in their total budget allocation over the three year period to 2017/18 as a contribution to the Council's total funding 'gap'. There are two exceptions – Education and Social Care.

Referring back to Chapter 2 and the Council's track record in achieving some £46.5m efficiencies and savings in the seven years leading up to the introduction of the new style business plans, it needs to be recognised that some services have already achieved significant savings in past years. Where this has been the case, the scope for achieving further efficiencies for this next three year period will inevitably be less.

The 30% is set defined as a 'working' target as a guide to stimulate challenging thinking and review. For some services achieving a full 30% might not be possible, for others it may be possible to exceed the target. The setting of working targets for each portfolio does not prevent the Council from setting priorities across the portfolios according to its overall aims. In other words the Council may choose to lower or raise the target for a given portfolio according to how it wishes to prioritise certain important services above others. This is why the chief officers work as a collective

to advise councillors, as the decision-makers, under our corporate operating model.

Education and Social Care are expected to achieve efficiencies and savings too but not to the same extent. Both are highly regulated services, which are demand-led, and where much of the expenditure is essential to meet our statutory obligations.

Over 80% of the budgets for the Education and Youth portfolio are delegated to schools. Whilst schools are expected to contribute a 30% efficiency target is unrealistic. The amount to be invested in schools as a group through the Schools Funding Formula is explored in Chapter 4b. The core part of the 'local education authority' where specialist management and support services for schools are held back within the Council, and where other services such as the Youth Service sit, have also been set a 30% efficiency target.

The large majority of the Social Care budget is spent on providing or buying care and support services for vulnerable people based on the assessment of their needs. The costs of providing residential care for the elderly, and other vulnerable groups, accounts for over a third of its budget alone. The demands on social care are growing year on year, through an ageing and changing society with more complex

recognised needs, a trend which further limits the potential to make budget reductions.

Education and Social Care account for just under two thirds of the Council's net budget - so the limitations on being able to save money in these two big service areas in turn limits the capacity of the whole Council to make savings to bridge the projected budget 'gap'.

For 2015-16 the combined total of the efficiencies and savings from the business plans is £10.541m. This total is built into the annual budget. Whilst the Council has a good track record in achieving planned efficiency targets within the financial year for which they have been set, there will inevitably be a 'failure rate' as circumstances change or plans cannot be realised. In 2014/15 the Council was successful in achieving 87% of the efficiencies it had set out at the beginning of the financial year. Detail on the levels of confidence in achieving the pre-set efficiencies is reported monthly in our in-year budget monitoring reports. Where efficiencies are not achieved, as planned, other solutions must be found to balance up the annual budget by the close of the financial year.

The planned business plan efficiency and saving targets set for 2015/16, the outline proposals under consideration for 2016/17, and the long-list options for 2017/18 are summarised, by portfolio, in Table 3. These plans are far reaching and challenging.

The Council has long been a positive collaborator, working with other councils and partners in the region to work together to share costs and people in the provision of services such as social services, education, waste and corporate services. The Council has identified new opportunities to save more money by working with neighbouring councils which would protect our investment in front-line services. These opportunities can only be seized upon by joint agreement. With the debate on a possible reorganisation of local government running, there is uncertainty and anxiety amongst councils. This is contributing to limiting the regional ambition for more collaboration, and the Council is unable to progress some of its own ideas for extended collaboration.

Managing the Business Plans and their impacts

The action required to first develop and test out budget options ready for recommendation, and then to follow through and implement them once agreed, is complex and time-consuming. To do this the Council has set up a number of 'programme boards' which bring together senior officers and Cabinet members.

Budget options are tested out for acceptability and operability. In other words are we prepared to take them and would the public be prepared to work with us? Are they feasible and capable of being implemented successfully? Each option is 'risk-assessed' against these two tests. We also separate out those options which are internal to the organisation and should have low or no impact on the public and the people who use the service, such as reductions in management positions and changes to operating systems, from those which would have an impact, such as changing the location of a service or its opening hours, closing a facility or introducing or changing a charge for a service. In these latter types of cases we have to work out what prior notice is needed, whether there should be a specific consultation before making a decision, and whether we need to run an impact assessment or a specific Equality Impact Assessment because one or more recognised groups in society may be affected disproportionately. In the case of some services there are specified statutory notice and consultation procedures which must be followed. The Council is also mindful that it will need to gauge the cumulative impacts of service changes within and across communities as change plans become more challenging and the status quo is no longer.

Protecting Local Services

All of this work goes on in an effort to protect services from deep cuts and big closures. If the Council is exposed to budget cuts of a scale which it cannot manage through its existing plans and strategies, many services will no longer be able to be protected. These will include schools budgets, day care services, residential care homes, roads maintenance, local bus services, and leisure centres.

4b. Funding Strategy Part 2: Corporate Financial Stewardship

The Council takes a whole-organisation approach to setting its annual and long-term budgets and in deciding how to make budget changes to meet changing circumstances. Over and above how we set priorities which determine where we deploy our resources, and how we support service portfolios in changing what they do through their individual business plans as set out in Chapter 4a, there are some big questions of financial decision-making and stewardship which can only be dealt with at a corporate or whole-council level as they impact across the board. These questions include how far we give service portfolios additional funds to meet the costs of annual inflation, how we support centrally any additional employment costs which we are obliged to meet such as annual pay awards, and what we expect of services to recover their costs from service users in charging for what they do.

Managing Inflation

In Part 1 of the MTFS we set out how inflation impacts on the Council and how we forecast what rates of inflation we could expect. Councils are exposed to three types of inflation: pay, price and non-standard price inflation. Despite a national trend of inflation being at its lowest level for some years, councils are still exposed to pay inflation of around 1% per annum and some price inflation, particularly non-standard inflation for food, energy and fuel whose price trends are unpredictable and volatile. We also face some unavoidable cost inflation increases, for example in benefit payments and the costs of purchasing care home places, which have their own annual cost-based increases which go unaffected by national inflation trends.



Our financial forecast makes assumptions about inflation rates and trends to allow prudent forward budget planning. In deciding how much to set aside in our budgets to cushion the organisation from inflation we make a risk assessment. In recent years we have set some corporate funding aside to meet inflation in part, and have expected services to absorb a proportion of inflation in their on-going budget management by being cost-efficient.

Due to national trends currently working in our favour we plan, based on our risk assessment, to allow £1m less than we would ordinarily have done in 2015/16 to meet inflationary uplifts in our costs. In this way we are absorbing £1m of our budget 'gap' into our budget planning as a form of operational risk.

Reducing Corporate Overhead Costs

There are a number of corporate costs and income sources which sit at the heart of the organisation where provision has to be set aside to meet variations in budget provision from one year to the next. One example, covered in the above section

on inflation would be nationally agreed 'cost of living' annual pay awards for employees.

Based on recent patterns of the employer contributions needed to meet our obligations to the Clwyd Pension Fund, of which the Council is a member - set against the forecasted annual contributions required of Flintshire following the last three yearly Actuarial Review - we can prudently estimate to have to provide £0.9m less than the £1.747m contribution first expected for 2015/16 and into 2016/17. This reduction is largely due to the managed reductions in the Council's workforce on which the total amount due is calculated. The partial offset of this pressure is due to deliberate action by the Council to reduce the size of the workforce.

Following the completion of the Single Person Discount Review for those receiving a discount of Council Tax through living alone as an adult, there is an expected increase in income in the Council Tax Collection Fund of over £100k. This increase in income, to help reduce the budget 'gap', is due to deliberate action by the Council to maximise its Council Tax collection as a high performing collections authority.

Schools Funding Formula

Education is the Council's biggest set of services at £83m, with the large majority of those funds being delegated to our 80+ secondary and primary schools.

This delegated funded is passed out to schools according to our Schools Funding Formula. This formula, which was reviewed and then updated from 2015, takes into account factors such as pupil numbers, specific pupil needs and school buildings size and condition in setting out how

much funding each individual school will receive each year.

The Council has given schools relative protection from funding cuts in recent years partly because this has been Welsh Government policy, and more so because remaining a high performing local education authority is a top priority of the Council.

The additional cost pressures coming through for the schools community for 2016/17 total £3.490m which would mean a 4% increase on 2015/16 funding. There are a number of options and choices for handling this challenge. Schools will have to make their contribution to the budget 'gap' and cannot be exempt, noting that any decision other than to fund the pressures in full will come with risks. The Council is planning to meet 1% of the pressures only for 2016/17, an option which would contribute around £2.5m to bridging the total funding 'gap'.

Local Taxation

The Council has had a policy of containing annual rises in Council Tax in recent years. This has been based on the view that Council Tax levels should be as affordable as possible with the organisation finding efficiencies internally first before asking the public to pay more to help with the funding 'gap'.

Between 2008/09 and 2015/16 the average annual Council Tax rise has been 3.2% with the highest being 3.75% in 2015/16 and the lowest 2.9% in 2013/14. Other councils have had different policies.

Council Tax makes up only 22% of the Council's total income. As our Government grant funding reduces more pressure is placed on councils to find more local income including through taxation. Council Tax in Wales is generally lower than in England. Whilst councils in England have had a special Government subsidy to keep Council Taxes rises low, Welsh councils have not.

The Government grant councils in Wales receive is distributed according to the Local Government Formula as explained in Chapter 3. Within this formula a calculation or benchmark of what each council needs called the Standard Spending Assessment (SSA) is included. The SSA is based on factors including demography, population



Table 4 - Corporate Finance Efficiency Proposals 2015/16

Subject	Proposal	Efficiency/Growth £m
Inflation Management	Part absorption of inflation risk	1.0
Corporate Overheads	Selective reduction in provisions	1.0
Schools Funding Formula	Controlled schools investment	2.5
Local Taxation	Enhanced Council Tax increases	0-1.8
Local Income	increases in charging	0.5
Totals		5-6.8

change and deprivation. Whilst being a theoretical calculation the SSA is significant in determining how much of the share of public funds set aside for local government in Wales comes to Flintshire.

The SSA for Flintshire for 2015/16 was set at £251.806m. The Council's planned net Council Fund expenditure for this year is £249.979m, leaving a gap of £1.827m. The only way the Council can bridge that gap to reach its notional spending level, given that no additional Government grant will be made available, would be to increase Council Tax. Collecting additional Council Tax of £1.827M would mean an additional Council Tax rise of around 3.5%. The Council has already assumed a Council Tax rise of 3% in its budget planning for 2016/17 based on its annual average rise in recent years. The Council would have the option of reaching the current SSA over a two year period by setting Council Tax rises of 4.75% or, given the extreme financial situation, applying a single year increase of 6.5%. The Welsh Government has a guiding policy of councils staying within 5% annual Council Tax rises although this has not been tested.

Local Income

Flintshire as a County Council has limited scope for raising income as a non-metropolitan council with a modest portfolio of land and assets generating commercial income.

The Council makes charges for some services within the bounds of legality and Government

policy, and within the limits of affordability and acceptability to customers and communities.

The service portfolio business plans, set out in Chapter 5, already include compound income sources built up from previous years and, in some cases, new income generation initiatives for example in planning fees. As part of a more challenging corporate strategy for cost recovery through fees and charges the Council will be seeking to raise a further £0.5m of income in 2016/17 onwards by reviewing current fee levels.

The total reduction in corporate costs which could be achieved for 2016/17 based on the above proposals is at a minimum of £5m as summarised in Table 4.

4c. Funding Strategy Part 3:

Working with Welsh Government

Councils are heavily reliant on Government for grant to fund what they do. For Flintshire some 65% of our annual funding comes through the Revenue Support Grant awarded annually by Welsh Government. Whilst councils are independent statutory public bodies with their own elected councillors, free mind, and right to choose their priorities based on local need and local opinion, they are also a form of ‘agent’ of government in implementing its social policy and legislation as directed. Local government and national governments are part of the same system of national governance of the public services. Governments must therefore share in the responsibility to fund the ‘agents of delivery’ of their social, economic and environmental policies and legislative reforms properly and fairly. In Chapters 4a and 4b we have set out the Council’s contribution to managing with less in a tough fiscal environment. In this Chapter we set out our expectations of Welsh Government as the custodian of public finances in a devolved Wales.

In this Chapter we explore five areas where there is a legitimate case for Welsh Government to come to the support of the Council to fund cost pressures which have either been passed on to the Council through national decisions or meet its own critical social policy priorities.

Under each of the areas we set out the principle which underpins the case, the detail of the case, and the risks to the Council and local services if Welsh Government did not meet our case and provide support and relief.

Extension of the Welfare State

The principle here is that councils should not be subsidising the welfare state through local resources. Instead, the State should be fully funding its own universal benefits policies. The Council currently pays out benefits to local Council Tax payers who have an exemption from paying Council Tax in full. This is done under the Council Tax Reduction Scheme (CTRS).

The problem is the funding the Council receives from Welsh Government to make these payments is ‘frozen’, and we are not recompensed for the

annual uplift in demand-led benefits costs we have to meet. By 2016/17 the Council will have to make up a gap of £625k in the CTRS scheme as a consequence. The risks are that the scheme becomes unsustainable; Council Tax has to be raised to cross-subsidise benefits to recipients; the Council may have to withdraw from the national Welsh scheme.

Public Sector Employment

The principle at stake here is that public sector should employ people with fair reward and rights. Local government as a large employer, with many low earning workers, should be properly funded to meet wage and pension costs and be given parity of esteem with the NHS, civil service and others in national funding for workforce costs. Welsh Government is committed to supporting uplifts in annual base pay for public sector workers (with enhanced uplifts in lower pay scales) to give proper reward and to avoid workers being in a position of pay poverty. This commitment should be recognised in national budgeting priorities, or it cannot be afforded. It is not a sustainable position to expect councils to meet annual inflationary workforce costs at a time of reducing resources.

Diverting existing funds away from maintaining 'front-line' services to meet employment costs will be difficult to justify to the public. Local government should be given parity with the NHS and the civil service where provision is made for funding workforce costs and, in addition, achievement of the Living Wage at the lower end of pay scales.

In 2016/17 the Council will have to absorb wage inflation of £1.690m from the nationally negotiated cost of living pay award. The risks are Councils will have to increasingly review terms and conditions of employment on the one hand to pay for annual cost of living pay awards on the other which is a contradictory position for employers and trade unions; relatively low pay in the local government sector will be perpetuated; councils will have to face difficult choices between maintaining pay and terms of conditions of employment, and public service provision; councils may opt out of national negotiating machinery; impacts on employer-trade unions relationships and workforce morale; possible industrial action, whether local or national.

Health and Social Care as a Single System Needing Full Funding

Insufficient investment is made in the primary and community care sectors where quality of life and preventing dependency on secondary and acute care is achieved. Social care is part of a connected system of care and should have parity of esteem with investment choices in the use of the national budget. There is ample research and operational evidence that the social care sector is facing a funding crisis. At a time when the UK and Welsh Governments are increasing investment in the National Health Service (NHS) equal priority should be given to the social care sector.

Two specific examples of chronic funding pressures on the Council where national relief is sought follow.

Demand-led pressures on specialist social care services:

transition from childhood to adulthood for high dependency clients. The costs of high-cost placements for small cohorts of clients, in this

case 14, can have a disproportionate effect on the total social care budget. We are facing a budget pressure of £923k just for these cases, a figure equal to 1/60th of the total social care budget. Special provision should be made in recognition of the need to protect specialist services for the most vulnerable. Parity should be given to the primary care needs of clients falling under the responsibility of social services alongside those falling under the responsibility of health boards in national funding. The risks of not acting are the diversion of resources away from other social care services to meet the cost of such high dependency cases and their entitlement; aggregated funding impacts will make the current social care system, with growing demand, unsustainable.

Inflationary pressures on care placements and high cost specialist placements:

given rising demand for services and reducing budgets the pressure on service supply will be intense. Raised care standards and entitlements are two of the factors which cause market inflation as investment needs to be made here to meet social policy aspiration. We face a budget pressure of keeping up with market costs of £948k. Parity should again be given to the primary care needs of clients falling under the responsibility of social services alongside those falling under the responsibility of health boards in national funding. The risks here are that faced with increasing demand the supply of service becomes an unsustainable model; the adequacy of care might be compromised with a lower volume/quality of care being provided; councils may be at risk of commissioning sub-standard care; cost pressures will compress the terms and conditions of employment of the sector.

Educational Entitlement and Attainment

We believe that if school age education is to continue to be treated as a national social policy priority it should have parity of esteem with investment choices in the use of the national budget. The Council faces a bill for additional costs for Teacher Pensions of £1.364m, due to national reforms in employer pensions over which it has had no say.

The national agreement to increase the employer contributions to pension funds for the teaching workforce could fall on either the local council, as the local education authority, the local governing bodies of the employing schools, or a combination depending on local choice. 'Pass-porting' of the cost to local school governing bodies would place a new strain on schools delegated budgets and would be likely to reduce the ability of schools to employ their current cohort of teachers which, in turn, would affect teacher-pupil ratios and ultimately school standards and pupil attainment.

The Teachers' Pension Scheme is unfunded unlike the core local government pension scheme. Parity should be given to the treatment of the Teachers' Pension Scheme alongside the other unfunded schemes such as the NHS and civil service i.e. the responsibility for making good pension fund deficit positions should be borne by Government and not intermediate employers such as councils. Schools may be placed in an untenable financial position with new cost burdens of employment.

The big risk is that the council will have to reduce investment in services including education to meet additional costs of employment in the teaching sector.

Financial Freedom to Recover Costs to Make Services Sustainable

An important principle of local democracy is that councils should have the freedom to set local policy to recover costs through charging to help make services - within bounds of reasonableness on the affordability of charges with added protection for those most vulnerable to poverty.

There are several service areas where the Council is constrained in recovering costs from clients, who can afford to pay, by Welsh Government policy.

Domiciliary Home Care: recharging for Home Care provision used to be discretionary until the introduction of the First Steps policy in 2010 and has not been reviewed since, with charging limited to £60 per week from 2015. Income recovery falls well below the costs of

provision and the Council is losing out on income of £0.945m which could help sustain social services under huge pressure.

The charging cap makes no recognition of ability and willingness to pay. The previous charging system with higher charges linked to cost of provision was generally accepted and was a workable one. There are increasing demands from those able to pay who have switched from private provision to public provision to benefit from the heavy subsidy. Given an ageing population with increasing demands this model of service is unsustainable. As part of a fair and equitable local charging policy there is no justification for continuing with this policy.

The risks of perpetuating this system are faced with increasing demand the supply of service becomes an unsustainable model; an income generating opportunity is lost; the adequacy of care might be compromised with a lower volume/quality of care being provided e.g. short visits with limited social contact for the client; councils may be at risk of commissioning sub-standard care; cost pressures will compress the terms and conditions of employment of the sector e.g. travel time reimbursement, salary levels; the non-justification for a heavily subsidised service for those available to pay becomes ethically challenged by others under the Council's income strategy.

Minor Home Adaptations: Charging for adaptations less than £3k in value which fall outside of the mean-tested charging system would allow partial cost recovery to subsidise the service. As part of a fair and equitable local charging policy there is no justification for charging exemptions for this service. The Council could recover income of £100k per year to subsidise the service if it could charge. The risks in the future are that the service is not adequately funded to meet demand; funds have to be diverted away from other services to subsidise adaptations; the non-justification for a free service for those available to pay becomes ethically challenged by others under the Council's income strategy.

Blue Badge Scheme: A modest charge for Blue Badge issue is justifiable and would be comparable to England (£10 per issue)

and Scotland (£20 per issue). As part of a fair and equitable local charging policy there is no justification for charging exemptions for this service. The Council could raise income of £33.5k to subsidise services.

Support and relief from Welsh Government in these policy areas would make a major positive

impact on the Council's budget planning as set out in Table 5 below. The costs shown for Employer, Social Care Funding and Education are examples of the pressures for which support is needed. This is not an exhaustive list and other cost pressures could be included.

Table 5 - Funding Pressures for National Support and Relief

Subject	Proposal	Funding £m
Welfare State	Full cost funding of the Council Tax Benefits Scheme	0.625
Employer	Funding of nationally agreed pay awards	1.690
Social Care Funding	Funding Health and Social Care as a single system with parity	1.871
Education	Funding nationally agreed employment costs for schools to protect spending delegated to schools	1.364
Freedom to Charge	Removing the charging caps for a number of services such as domiciliary care and returning to a system of fuller cost recovery from clients (with protection for those least able to pay)	1.078
Totals		6.628

5. Conclusions and Way Forward

Flintshire is in uncharted territory in having to manage budget cuts of this scale. So is Welsh Government. If councils are to see a way through these challenging times - with local services on which communities depend staying in tact - then close working is needed between councils and government for common purpose.

Flintshire is shown to be a low funded council. It is also shown to be a solid performer in the standards to which it provides local services, with excellence in key services such as education and social care.

Flintshire is being recognised nationally as a council which is being innovative in finding new solutions to make its services both cost efficient and resilient, and sustainable for the future.

A fundamental point is that the scale and the pace of the escalating annual budget cuts does not allow time for innovation. Our local programme for working with communities to transfer community assets to community ownership, and our local programme to create Alternative Delivery Models (ADMs) for selected services, whilst being well advanced, both need time and space to come to fruition. So do our business plans for the ongoing modernisation of services. If our plans are not given time, and are rushed into change, then key services will be put at serious risk.

Like all counties Flintshire is shaped by its history and its make-up of communities. We have set out the challenges of managing Flintshire as a dispersed county which has a number of proud and independent principal county towns. The Council tries to support and protect each county town by ensuring that their communities have local services and amenities which can be readily accessed. We will no longer be able to maintain our networks of local services without some relief from the relentless budget cuts.

The list of services which will be exposed to major cuts if our strategy does not enjoy universal support is a long one:-

- a significant reduction in the budgets given to local schools
- withdrawal of social services such as day care
- closure or sale of residential care homes
- closure of the welfare rights service
- cuts in support for the local voluntary sector
- a major cut in maintenance expenditure for roads
- cuts in winter maintenance road gritting service to the bare minimum
- closure of leisure centres
- closure of community buildings
- cuts in countryside and coastal management services
- less frequent household waste collection services
- closure of local house recycling centres
- withdrawal of all bus subsidies which support the less commercial local bus routes
- withdrawal of our grant to Theatre Clwyd
- reduced transport provision for learners to and from schools and colleges
- closure of the business support service and no future support for tourism
- closure of the ecology and biodiversity functions
- reduced maintenance standards for our rights of way network
- reduced support for the Clwydian Range Area of Outstanding Natural Beauty
- withdrawal of our financial support for Greenfield Valley

Councils in Wales are heavily dependent on government grant to fund what they do. More so in Wales than in England. This is why, within our three part strategy, we call for greater freedoms for the Council to be able to be entrepreneurial. If Wales is to be exposed to 'English style cuts' then

councils in Wales need to be given English style powers and freedoms to be able to adapt.

The Council is playing its part and has identified around two thirds of the funding target needed for 2016/17. As a mature and responsible Council we will work with Welsh Government to find joint solutions. Local government needs to be given support with social care and health being jointly funded as a top priority.

This Strategy inevitably concentrates on 2016/17 as the next budget year we need to plan for. Equally, we have an eye on 2017/18 and subsequent budget years in planning ahead in a responsible and sustainable way.

Flintshire is at a 'tipping point'. A reorganisation of local government, still some years off, is not in itself a solution to the financial challenge. Neither is more talk of making efficiencies in 'back office' costs. The decisions to be made by the Council, by the UK Government and by Welsh Government in the coming months will define the future for local public services.

We call on local communities to stand up for their local services by working with us whether this is:-

- in being understanding and being patient with the changes we plan to make
- coming forward and working with us on transferring services to community models or
- in speaking up so that those who have decision-making power in their hands hear their voice.

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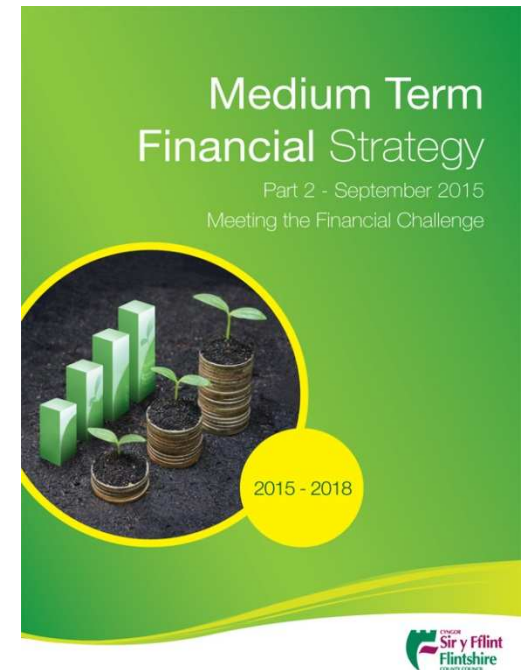


Medium Term Financial Strategy

Meeting the Financial Challenge

Page 59

Council
September 2015





Our journey thus far

- » Part I of the Medium Term Financial Strategy *Forecasting the Challenge* was published earlier in the summer
- » Part II *Meeting the Financial Challenge* presents solutions to meet an estimated budget gap of £52.8M over 3 years
- » The solutions are based on careful planning bringing together the organisational change and service business reforms of recent years
- » The Strategy sets the context for the 2016/17 budget

What do the next three years look like?



Page 61

	2015/16	2016/17	2017/18	Total
<u>Expenditure</u>	£m	£m	£m	£m
National Pressures	0.9	0.4	0.3	1.6
Local Pressures	6.2	2.5	1.2	9.9
Inflation	4.1	4.1	4.3	12.5
Workforce Pressures	2.5	9.4	3.7	15.6
<u>Income</u>				
Reduction in Revenue Support Grant (3.5%)	6.6	6.5	6.3	19.4
Council Tax Increase (3%)	(2.0)	(2.1)	(2.1)	(6.2)
Projected Gap	18.3	20.8	13.7	52.8



An efficient and innovative Council

- » The Council is already cost efficient; there is limited scope for more large-scale efficiencies
- » We have taken out around £35M of cost in the last 4 years
- » We are working on all efficiency 'fronts' with reductions in management, administration, workforce size, accommodation and organisational overheads
- » We are innovating in service transformation, new and alternative models of working, and community asset transfer



Council Annual Efficiency Targets 2008/09-2015/16

Page 63

Year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Budget	226.419	233.335	240.408	239.896	241.203	258.825	253.718	249.979
Target £	5.654	3.803	6.151	8.920	4.716	5.331	11.950	12.874
Target %	2.50	1.63	2.56	3.72	1.95	2.06	4.70	5.15





A low funded Council

- » Flintshire is one of the lowest funded councils in Wales and one of the higher performing
- » Councils are too heavily reliant on Government grant
- » The Funding Formula was designed for distributing funds and meeting additional needs; it was not designed for distributing cuts in grant of this scale
- » The Council might not be financially sustainable in the medium term under the current funding model



Our three part strategy

- » The Council and Welsh Government working together
- » Part 1: Service Reform and Business Planning
- » Part 2: Corporate Financial Stewardship
- » Part 3: Working with Welsh Government
- » The Strategy will only work if all three parts work in tandem





Business Plan Efficiency Targets 2015/16-2017/18

Portfolio	2015/16 £m	2016/17 £m	2017/18 £m
Planning and Environment	0.941	0.422	0.255
Streetscene and Transportation	2.570	2.590	3.405
Social Care	2.068	0.788	1.984
Education and Youth	1.459	0.382	1.520
Community and Enterprise	1.565	1.209	0.787
People and Resources	0.385	0.385	0.730
Governance	0.248	0.315	0.725
Organisational Change	1.306	1.272	0.902
Business plan Efficiency Totals	10.541	7.363	10.308



Corporate Finance Efficiency Proposals 2015/16

Subject	Proposal	Efficiency/Growth £m
Inflation Management	Part absorption of inflation risk	1.0
Corporate Overheads	Selective reduction in provisions	1.0
Schools Funding Formula	Controlled schools investment	2.5
Local Taxation	Enhanced Council Tax increases	0-1.8
Local Income	increases in charging	0.5
Totals		5-6.8



Funding Pressures for Support and Relief

Theme	Proposal	Funding £m
Welfare State	Full cost funding of the Council Tax Benefits Scheme	0.625
Employer	Funding of nationally agreed pay awards	1.690
Social Care Funding	Funding Health and Social Care as a single system with parity	1.871
Education	Funding nationally agreed employment costs for schools to protect spending delegated to schools	1.364
Freedom to Charge	Removing the charging caps for a number of services such as domiciliary care and returning to a system of fuller cost recovery from clients (with protection for those least able to pay)	1.078
Totals		6.628



Balancing ambition and risk

- » Councils are being challenged to meet their legal duty to set balanced annual budgets on the one hand whilst meeting their social and ethical duties on the other

- » A Medium Term Financial Strategy should not just be about 'balancing the books'. Fulfilling our ambitions and meeting our duties is an equal point of principle

- » Are we here simply to manage decline or to support and serve our communities?

- » We have to do our share; national reform is needed too



Recommendations

- » **1. the second and concluding part of the Medium Term Financial Strategy (MTFS) titled meeting the Financial Challenge is adopted (on recommendation of the Cabinet) for consultation and development as the first step towards setting balanced budgets for 2016-17 and 2017-18;**
- » **2. the specific proposals set out by Cabinet, for service reform, corporate financing options, and national support and relief are subject to detailed consultation and development; and**
- » **3. there is early engagement with Welsh Government, with cross-council support, and with the support and the involvement of the Welsh Local Government Association as our representative body, on the case for national support and relief as set out in Meeting the Financial Challenge.**



What next?

- » Work together on Parts 1 and 2 for example through Overview and Scrutiny Committees
- » Support open discussion with Welsh Government on Part 3
- » Work with the Welsh Local Government Association to promote the granting of urgent freedoms and flexibilities to local government, manageable grant reductions, and parity of funding esteem between NHS and Social Care
- » Communities to stand up in a call for action and support our strategy to protect and sustain their local services
- » Community Engagement Strategy

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CORPORATE RESOURCES & SCRUTINY COMMITTEE

Date of Meeting	8 October 2015
Report Subject	Revenue Budget Monitoring (Month 4) and Capital Programme Monitoring (Month 4)
Portfolio Holder	Leader of the Council and Lead Member for Finance
Report Authors	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2015/16 (Month 4) Report and the Capital Programme 2015/16 (Month 4) Report.

RECOMMENDATIONS

(1)	That the committee considers and comments on the Revenue Budget Monitoring 2015/16 (Month 4) report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report.
(2)	That the committee considers and comments on the Capital Programme 2015/16 (Month 4) report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report.

REPORT DETAILS

1.00	REPORT DETAILS
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1.01	The Revenue Budget Monitoring 2015/16 (Month 4) report will be presented to Cabinet on 13 October 2015. A copy of the report is attached as Appendix A to this report.
1.02	The Capital Programme 2015/16 (Month 4) report will be presented to Cabinet on 13 October 2015. A copy of the report is attached as Appendix B to this report.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in Appendix A; Revenue Budget Monitoring 2015/16 (Month 4) and in Appendix B; Capital Programme 2015/16 (Month 4).

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	As set out in Appendix A; Revenue Budget Monitoring 2015/16 (Month 4) and in Appendix B; Capital Programme 2015/16 (Month 4).

5.00	APPENDICES
5.01	Appendix A; Revenue Budget Monitoring 2015/16 (Month 4). Appendix B; Capital Programme 2015/16 (Month 4).

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required.

7.00 GLOSSARY OF TERMS

7.01 Budget – A statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.

7.02 Revenue – A term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

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CABINET MEETING

Date of Meeting	Tuesday 13 October 2015
Report Subject	Revenue Budget Monitoring 2015/16 (Month 4)
Portfolio Holder	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This regular monthly report provides the latest revenue budget monitoring position for 2015/16 for the Council Fund and Housing Revenue Account. The position is based on actual income and expenditure as at Month 4, and projects forward to year-end.

The projected year end position, as estimated at Month 4 is as follows:

Council Fund

- Net in year expenditure forecast to be £0.425m higher than budget
- Projected contingency reserve balance at 31 March 2016 of £4.111m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.002m higher than budget
- Projected closing balance as at 31 March 2016 of £1.235m

RECOMMENDATIONS

1	Note the overall report and the projected Council Fund contingency sum as at 31 st March 2016.
2	Note the projected final level of balances on the Housing Revenue

Account.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING POSITION FOR MONTH 4 - 2015/16																																																																											
1.01	<p><u>Council Fund Latest In Year Forecast</u></p> <p>The table below shows the projected position by portfolio.</p> <table border="1"> <thead> <tr> <th>TOTAL EXPENDITURE AND INCOME</th> <th>Original Budget</th> <th>Revised Budget</th> <th>Projected Outturn</th> <th>In-Year Over/ (Under) spend</th> </tr> <tr> <td></td> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>59.696</td> <td>59.669</td> <td>59.596</td> <td>(0.073)</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.598</td> <td>12.706</td> <td>12.524</td> <td>(0.182)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.782</td> <td>27.770</td> <td>28.664</td> <td>0.894</td> </tr> <tr> <td>Planning & Environment</td> <td>4.887</td> <td>5.332</td> <td>5.499</td> <td>0.167</td> </tr> <tr> <td>Education & Youth</td> <td>13.760</td> <td>13.573</td> <td>13.575</td> <td>0.002</td> </tr> <tr> <td>Schools</td> <td>82.670</td> <td>83.169</td> <td>83.169</td> <td>0.000</td> </tr> <tr> <td>People & Resources</td> <td>4.595</td> <td>4.644</td> <td>4.679</td> <td>0.035</td> </tr> <tr> <td>Governance</td> <td>8.689</td> <td>8.728</td> <td>8.866</td> <td>0.138</td> </tr> <tr> <td>Organisational Change</td> <td>9.569</td> <td>9.635</td> <td>9.525</td> <td>(0.110)</td> </tr> <tr> <td>Chief Executive</td> <td>3.296</td> <td>3.195</td> <td>3.062</td> <td>(0.133)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>23.915</td> <td>23.036</td> <td>22.723</td> <td>(0.313)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>251.457</td> <td>251.457</td> <td>251.882</td> <td>0.425</td> </tr> </tbody> </table>	TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend		£m	£m	£m	£m	Social Services	59.696	59.669	59.596	(0.073)	Community & Enterprise	12.598	12.706	12.524	(0.182)	Streetscene & Transportation	27.782	27.770	28.664	0.894	Planning & Environment	4.887	5.332	5.499	0.167	Education & Youth	13.760	13.573	13.575	0.002	Schools	82.670	83.169	83.169	0.000	People & Resources	4.595	4.644	4.679	0.035	Governance	8.689	8.728	8.866	0.138	Organisational Change	9.569	9.635	9.525	(0.110)	Chief Executive	3.296	3.195	3.062	(0.133)	Central & Corporate Finance	23.915	23.036	22.723	(0.313)						Total	251.457	251.457	251.882	0.425
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1.02	The reasons for the projected variances occurring to date are summarised within appendix 2 with movements between periods summarised in appendix 1.																																																																											
1.03	<p>Significant budget movements between original and revised budget</p> <p>Changes in the revised budget are due in the main to the transfer of budget from Social Services to Central and Corporate as a result of the one off efficiency reported in Month 3 in relation to the Independent Living Fund (ILF).</p>																																																																											
1.04	<p>Social Services</p> <p>The overall underspend within Social Services has reduced from a projected £0.573m at Month 3 to £0.073m. This in part is due to the transfer of</p>																																																																											

	£0.300m to Central and Corporate in relation to (ILF) as referenced above in para 1.03. A number of further changes mainly within Adult Services are as a result of additional care packages. Full details of movements are explained in Appendix1.
1.05	Streetscene and Transportation There is a significant overall projected overspend within the service of £0.894m due in part to the delay in the implementation of a number of efficiencies as reported to the Programme Board. In addition fluctuations in recycle sales due to a volatile market has led to an increased pressure on income projections which have resulted in a shortfall of £0.236m.
1.06	Following a request for further information a report on the overall position in relation to the service will be presented to Corporate Resources Overview and Scrutiny Committee on 8 th October.
	Programme of Efficiencies
1.07	The 2015/16 budget contains £12.874m of specific efficiencies which are being tracked through the relevant programme board.
1.08	Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.
1.09	This shows that it is currently projected that £10.878m (84%) will be achieved resulting in a net underachievement of £1.996m. The position will continue to be monitored and reported throughout the monthly monitoring process.
	Inflation
1.10	Included within the 2015/16 budget are provisions for pay (£1.304m), targeted price inflation (£0.421m), non-standard inflation (£0.102m) and income (£0.254m).
1.11	For 2015/16 the amounts for non-standard inflation (NSI) include an allocation for food (£0.064m) and an allocation for Non Domestic Rates (£0.038m).
1.12	There is also an amount of £0.240m remaining from 2014/15 which is currently also being held centrally. Areas subject to NSI increases will be monitored throughout the year and allocations made to portfolio areas only where a critical funding need is evidenced.
	Reserves and Balances
	Unearmarked Reserves
1.13	The 2014/15 outturn reported to Cabinet on 14 th July 2015 showed

	unearmarked reserves at 31 March 2015 (above the base level of £5.769m) of £4.746m.																																			
1.14	Taking into account the current overspend at Month 4 the balance on the contingency reserve at 31 st March 2016 is projected to be £4.111m.																																			
1.15	This now takes into account the expenditure of £0.210m approved at Month 3 for the costs of the Speed Limit Review.																																			
1.16	<p>Earmarked Reserves</p> <p>The Council has developed a reserves protocol which was considered by Audit Committee and approved by County Council on 24th September 2015. This sets out the principles around how the council will determine, manage and review the level of its reserves and includes reference to regular reporting of the latest position to Cabinet and Corporate Resources Overview and Scrutiny Committee.</p>																																			
1.17	As such, from Month 4 the revenue monitoring report will now include an additional section on earmarked reserves and will continue to be provided on a quarterly basis.																																			
1.18	The table below gives a summary of earmarked reserves as at 1 st April 2015 and also provides an estimate of projected balances as at the end of the financial year.																																			
1.19	This will continue to form part of regular monitoring discussions with Senior Managers to ensure regular review and challenge thus ensuring that any reserves that are no longer required, can be made available for other purposes, subject to the agreement of Cabinet.																																			
1.20	<table border="1"> <thead> <tr> <th>Reserve Type</th> <th>Actual 31/03/2015 as per Final Accounts £</th> <th>Estimated 31/03/2016 £</th> </tr> </thead> <tbody> <tr> <td>Schools</td> <td>3,540,315</td> <td>1,153,000</td> </tr> <tr> <td>Specific Reserves:</td> <td></td> <td></td> </tr> <tr> <td>Single Status/Equal Pay</td> <td>12,864,332</td> <td>7,337,269</td> </tr> <tr> <td>General Reserve - Review of Reserves</td> <td>4,666,025</td> <td>3,871,630</td> </tr> <tr> <td>General Reserve - Investment in Organisational Change</td> <td>855,391</td> <td>0</td> </tr> <tr> <td>Self Insurance Funds</td> <td>813,486</td> <td>794,486</td> </tr> <tr> <td>Benefits Equalisation Reserve</td> <td>213,044</td> <td>213,044</td> </tr> <tr> <td>Supporting People Reserve</td> <td>1,511,083</td> <td>1,511,083</td> </tr> <tr> <td>County Elections</td> <td>154,310</td> <td>154,310</td> </tr> <tr> <td>North East Wales Community Equipment Service</td> <td>178,991</td> <td>0</td> </tr> </tbody> </table>	Reserve Type	Actual 31/03/2015 as per Final Accounts £	Estimated 31/03/2016 £	Schools	3,540,315	1,153,000	Specific Reserves:			Single Status/Equal Pay	12,864,332	7,337,269	General Reserve - Review of Reserves	4,666,025	3,871,630	General Reserve - Investment in Organisational Change	855,391	0	Self Insurance Funds	813,486	794,486	Benefits Equalisation Reserve	213,044	213,044	Supporting People Reserve	1,511,083	1,511,083	County Elections	154,310	154,310	North East Wales Community Equipment Service	178,991	0		
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	Winter Maintenance	250,000	250,000
	Waste Disposal Sites	367,475	217,475
	Car Park Reserve	217,494	0
	Building Control Trading	97,697	97,697
	Planning Control Gain NEWTS	190,510	190,510
	Flintshire Enterprise Reserve	96,932	96,932
	Design Fees	120,000	120,000
	Other Specific Reserves of less than £0.025m	64,965	60,886
	Service Balances	4,047,375	1,061,355
	Total	30,249,425	17,129,677
1.21	The reserves protocol is included as appendix 6 to this report as additional information on the types of reserves.		
1.22	Housing Revenue Account On 17 February 2015 the Council approved a Housing Revenue Account (HRA) budget for 2015/16 of £30.776m.		
1.23	The budget provided for a closing balance of £1.396m which at 4.5% of total expenditure, satisfies the prudent approach of ensuring a minimum level of 3%.		
1.24	The 2014/15 Outturn Report to Cabinet on 14 th July 2015 showed a closing balance at the end of 2014/15 of £1.510m.		
1.25	The Month 4 monitoring report for the HRA is projecting in year expenditure to be £0.002m higher than budget and a projected closing balance as at 31 March 2016 of £1.235m.		

2.00	RESOURCE IMPLICATIONS
2.01	The Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations occurring to date.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None Required

4.00	KEY RISKS AND MITIGATION
4.01	Recycling The recycling market (paper in particular) is going through a volatile period

	with fluctuating re-cycle sale values. This is likely to impact on 2015/16 recycling income levels for the Council. This is now reflected in the Month 4 projections but will need to be monitored throughout the year. Status: unstable/amber risk.
4.02	Car Parking Due to car parking charges being introduced in some Flintshire towns later than anticipated during 2015/16, it is likely that there will be an increased shortfall in achieving the increased car park income targets. Therefore, work is currently ongoing to take account of the revised implementation dates and the subsequent affect this will have on revised income projections so an updated outturn position will be reflected in Month 5 monitoring.
4.03	Out of County Placements The risk is the volatility in demand and the impacts on service costs which cannot be predicted with any certainty. Therefore there is always a risk of significant variances occurring although this area will continue to be closely monitored. Status: unstable/amber risk.
4.04	Former Euticals Site Monthly costs for ongoing security and maintenance of the site are in the region of £0.030m and will accumulate throughout the financial year until site disposal. Status: unstable/amber risk.

5.00	APPENDICES
5.01	Council Fund – Movement in Variances from Month 3 – Appendix 1 Council Fund – Budget Variances – Appendix 2 Council Fund – Programme of Efficiencies – Appendix 3 Council Fund – Movement on unearmarked reserves – Appendix 4 Housing Revenue Account Variances – Appendix 5 Reserves and Balances Protocol – Appendix 6

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required Contact Officer: Sara Dulson Finance Manager Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Budget – A statement expressing the Council's policies and service levels in

	financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.
7.02	Council Fund – The fund to which all the Council's revenue expenditure is charged.
7.03	Financial Year – The period of twelve months commencing on 1 April.
7.04	Housing Revenue Account – The Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
7.05	Projected Outturn – Projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	Reserves – These are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	Revenue – A term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
7.08	Underspend – When referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
7.09	Variance – Difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
7.10	Virement – The transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.



**COUNCIL FUND - REVENUE BUDGET 2015/16
FLINTSHIRE COUNTY COUNCIL**

**Budget Monitoring (Month 4)
Summary of Movement from Month 3**

	£m	£m
Month 3		
Portfolios	0.021	
Central and Corporate Finance	(0.233)	
Variance as per Cabinet Report		(0.212)
Month 4		
Portfolios	0.738	
Central and Corporate Finance	(0.313)	
Variance as per Directorate Returns		0.425
Change Requiring Explanation		0.637
<u>Social Services</u>		
Services For Adults		
<ul style="list-style-type: none"> • Locality Teams (Localities) - Movement due to increase of + (£0.145m) in South Localities, social workers and manager vacancies filled. Further increases in Residential care management costs + (£0.085m), reduction in free nursing income + (£0.014m), offset by increase in property income - (£0.032m) giving overall net increase of + (£0.067m) within Residential Care. Increases of Costs within South Localities and Residential Care offset by reduction of costs committed within Day Care of - (£0.043m). Other minor variances amount to a net -£0.028m. 	0.141	
<ul style="list-style-type: none"> • Resources & Regulated Services (Disability Services) - Decrease of - (£0.172m) within LD supported living in-house in relation to reduction in pay projections, offset by an increase of + (£0.256m) in Independent sector domiciliary care Further movement of + (£0.300m) due to return of former Independent Living Fund budget pressure to corporate balances as per M3 recommendation.. Other minor variances amount to a net -£0.017m. 	0.367	
<ul style="list-style-type: none"> • Vulnerable Adults & Disability Services (Disability Services) - Increase in transition domiciliary care package costs for School leavers of + (£0.370m) and further domiciliary care cost package increases of + (£0.040m) reflecting additional clients. 	0.410	
<ul style="list-style-type: none"> • Resources & Regulated Services (Intake and Reablement) - Increase in LHB income - (£0.060m) in addition to a reduction in staffing costs due to Transport manager vacancy - (£0.044m). Other minor variances amount to a net - (£0.027m). 	(0.131)	
<ul style="list-style-type: none"> • Hospital Social Work (Intake and Reablement) - Movement due to staff moves - Team Manager and Senior Practitioner. 	(0.059)	
<ul style="list-style-type: none"> • First Contact (Intake and Reablement) - Movement due to movement of Senior Practitioner to other area within localities - (£0.044m) and further reductions of - (£0.040m) in committed care costs. 	(0.084)	
<ul style="list-style-type: none"> • Forensic (Mental Health & Substance Misuse Service) - Movement due to Forensic client package moved to Residential funding. 	(0.068)	
<ul style="list-style-type: none"> • Other minor changes of less than £0.025m for Services for Adults. 	0.063	
Subtotal: Services for Adults		0.639
Development & Resources		
<ul style="list-style-type: none"> • Finance (Deputyship team) - Reduction in customer care income. 	0.032	
<ul style="list-style-type: none"> • Other minor changes of less than £0.025m. 	0.019	
Subtotal: Development & Resources		0.051
Children's Services		
<ul style="list-style-type: none"> • Professional Support - Increase in court costs within resources In addition increases in CYAST support costs. 	0.079	
<ul style="list-style-type: none"> • Out of County Placements - Movement reflects current care packages for 2015/16. 	(0.200)	
<ul style="list-style-type: none"> • Early Years - Shortfall of recovery against NOVUS ESF grant. 	(0.032)	
<ul style="list-style-type: none"> • Other minor changes of less than £0.025m. 	(0.037)	
Subtotal: Children's Services		(0.190)
Total: Social Services		0.500

Community & Enterprise

Customer & Housing Services	
• Minor changes of less than £0.025m.	0.011
Subtotal: Customer & Housing Services	0.011
Supporting Services	
• Minor changes of less than £0.025m.	0.015
Subtotal: Supporting Services	0.015
Regeneration	
• Minor changes of less than £0.025m.	0.010
Subtotal: Regeneration	0.010
Revenues & Benefits	
• Additional surplus on Council Tax Collection Fund.	(0.063)
• Increased underspend on Council Tax Reduction Scheme expenditure.	(0.021)
• Housing Benefit Subsidy projected shortfall against budget.	0.193
Subtotal: Revenues & Benefits	0.109
Customer Services	
• Minor changes of less than £0.025m.	(0.018)
Subtotal: Customer Services	(0.018)
Total: Community & Enterprise	0.127

Streetscene & Transportation Portfolio

Ancillary Services & Performance	
• Under achieving in the recycling market is due to a volatile period with fluctuating re-cycle sale values.	0.236
• No income due in 2015-16 for compost from DCC.	0.060
Subtotal: Ancillary Services & Performance	0.296
Highways Network	
• Speed Limit Review now approved from Contingency as per M3 recommendation.	(0.210)
Subtotal: Highways Network	(0.210)
Total: Streetscene & Transportation	0.086

Planning & Environment Portfolio

Business	
• Animal Health & DEFRA shortfall	0.026
• Other minor changes of less than £0.025m.	0.004
Subtotal: Business	0.030
Development	
• Planning Enforcement - Vacant post following Retirement, Business Case to fill post	(0.018)
• Other minor changes of less than £0.025m.	(0.002)
Subtotal: Development	(0.020)
Access	
• Countryside - Vacant Post transferred to specific Admin vacancies	0.033
• Greenfield Valley - Vacant Post transferred to specific Admin vacancies	0.039
• Other minor changes of less than £0.025m.	0.008
Subtotal: Access	0.080
Shared Service	
• Other minor changes of less than £0.025m.	(0.004)
Subtotal: Shared Service	(0.004)
Strategy	
• Other minor changes of less than £0.025m.	(0.001)
Subtotal: Strategy	(0.001)
Administration	
• Admin Vacant Posts - budget transferred from Access	(0.083)
• Other minor changes of less than £0.025m.	(0.005)
Subtotal: Administration	(0.088)
Total: Planning & Environment	(0.003)

Education & Youth

Minor variances of less than £0.025m	
Primary & Early Years Education	
• Primary School Services	(0.003)
Subtotal: Primary & Early Years Education	(0.003)
Inclusion Services	
• Out of County	(0.020)
Subtotal: Inclusion Services	(0.020)
Other	
• Regional Services.	0.004
• School Planning.	(0.002)
• Youth & Community Service.	(0.002)
Total minor variances of less than £0.025m	0.000
Total: Education & Youth	(0.023)

People & Resources

HR & OD	
• Minor changes of less than £0.025m.	0.002
Subtotal: HR & OD	<u>0.002</u>
Corporate Finance	
• Minor changes of less than £0.025m.	(0.003)
Subtotal: Corporate Finance	<u>(0.003)</u>
Total: People & Resources	<u><u>(0.001)</u></u>

Governance

Minor variances of less than £0.025m	
• Legal Services.	0.005
• Democratic Services.	(0.002)
• Internal Audit.	0.001
• Business Support.	0.010
Total minor variances of less than £0.025m	<u>0.014</u>
Total: Governance	<u><u>0.014</u></u>

Organisational Change

Public Libraries & Arts, Culture & Events	
• Minor changes of less than £0.025m.	0.004
Subtotal: Public Libraries & Arts, Culture & Events	<u>0.004</u>
Leisure Services	
• Minor changes of less than £0.025m.	0.004
Subtotal: Leisure Services	<u>0.004</u>
Valuations & Estates	
• Minor changes of less than £0.025m.	(0.008)
Subtotal: Valuations & Estates	<u>(0.008)</u>
Property Design & Consultancy	
• £31K windfall income secured in Administrative buildings has been used to offset an efficiency within Property and Development	0.031
Subtotal: Property Design & Consultancy	<u>0.031</u>
Facilities	
• Minor changes of less than £0.025m.	0.014
Subtotal: Facilities	<u>0.014</u>
Total: Organisational Change	<u><u>0.045</u></u>

Chief Executive

• £0.015m additional workforce savings due to a transfer of salary costs from Council Revenue Funding to grant funding. £0.013m due to minor variances.	(0.028)
Total: Chief Executive	<u>(0.028)</u>

Central & Corporate Finance

• One-off in-year efficiency of (£0.300m) in relation to the Independent Living Fund (ILF) transferred from Social Care.	(0.300)
• £0.215m additional Euticals site running costs. Projected costs have been extended until the end of the financial year.	0.215
• Minor changes of less than £0.025m.	0.005
Total: Central & Corporate Finance	<u>(0.080)</u>

Total Changes	<u><u>0.637</u></u>
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MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Social Services Locality Teams (Localities)	14.250	13.959	(0.291)	(0.432)	<p>Domiciliary Care There are some significant compensating variances in this area. The main area of pressure is Domiciliary Care, which is still being influenced by clients returning to the service following successful past rehabilitation, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The current level of projected overspend is £0.436m which has significantly reduced from the 2014/15 outturn position of £0.837m, which has been partly influenced by the cessation of one complex package.</p> <p>Residential Care The significant projected overspend on Domiciliary care is being more than offset by a projected underspend of (£0.764m) on residential care, which includes, an underspend of (£0.253m) on payments to care home providers, an underspend of (£0.481m) due to an increase in the level of property related income, plus further increases in income above budget including (£0.030m) for free nursing.</p> <p>Professional Support A further area of significant area of underspend is the professional support within the area Localities teams. There is a total projected underspend of (£0.093m) which relates to staffing due to Social Worker vacancies.</p> <p>Other A further area of significant area of overspend is Minor Adaptations where an efficiency measure for £0.105m was approved in the budget relating to a means testing approach is now considered to be unachievable. It is intended that this pressure is addressed by way of realignment of budget from another area. Other minor variances amount to a net £0.025m within Day care services.</p>	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
						Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
First Contact (Intake and Reablement)	0.519	0.435	(0.084)	(0.042)	The projected under spend is due to additional income of (£0.107m) offset by other minor variances amount to net £0.023m.	Keep under review.
Hospital Social Work	0.427	0.323	(0.104)	(0.046)	Staffing savings due to vacant posts - which are intended to be used as part of budget realignment adjustments in respect of efficiency proposals which cannot be achieved.	Keep under review.
Resources & Regulated Services (Intake and Reablement)	5.931	5.812	(0.119)	0.012	Area of significant area of underspend is the Home Care within the area Resources & Regulated Services teams. There is a total projected underspend of (£0.088m) of which relates to staffing due to vacancies. Other minor variances amount to a net (£0.031m) within Day care services.	Keep under review.
Transition and Disability Services (Disability Services)	0.597	0.714	0.117	0.116	The projected overspend is mainly due to the cost of the support arrangements provided by Penderels in respect of direct payments. This accounts for £0.082m of the total projected overspend of £0.117m with other minor variances making up the remaining £0.035m.	Keep under review.

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Resources & Regulated Services (Disability Services)	15.796	15.989	0.193	(0.174)	This service is now reflecting the transfer of budget in relation to the Independent Living fund (ILF) to Central and Corporate as a one off efficiency. The remaining element is in relation to the additional admin. capacity needed to manage the payments to service users and for obligations to fund employer liability insurance payments for service users who employ carers.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Vulnerable Adults and Disability Service (Disability Services)	2.271	2.466	0.195	(0.215)	Reflects current care packages for 2015/16, estimated commitment with additional transition clients.	Keep under review.
Administrative Support (Disability Services)	0.304	0.421	0.117	0.117	This overspend is mainly due to pressures on employees costs, including use of agency staff.	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.813	0.983	0.170	0.171	Increases in Residential and Domiciliary packages along side additional new package costs.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.317	0.128	(0.189)	(0.119)	Reflects current care packages for 2015/16.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts.
Other Services for Adults variances (aggregate)	4.539	4.489	(0.050)	(0.072)	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services - Charging Policy Income	(1.673)	(1.925)	(0.252)	(0.251)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £55 per week to £60 per week.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Training	0.047	0.201	0.154	0.131	The base budget for this service has naturally reduced as a consequence of the combined impact of Single Status outcomes and EVRVR determinations. As a consequence the match funding element of the budget has fallen below the level required to meet the grant conditions for the Social Care Workforce Development Programme Grant (SCWDP). It will be necessary therefore to realign the budget from elsewhere within Social Services to top up to the level required.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Other Development & Resources variances (aggregate)	2.418	2.474	0.056	0.027	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.423	0.196	0.194	The £0.196m overspend is a result of an increase in the number of foster care placements within the service. Part of this is also due to the increasing number of court orders for Residence and Special Guardianship orders which invariably attract an ongoing allowance for the carers.	A review of the Family Placement Team has been undertaken the outcome of which is being considered and will inform future planning and possible efficiencies.
Professional Support	4.997	5.155	0.158	0.131	Most of this pressure relates to staffing costs, including the need for additional Social Workers in support of ongoing police investigations. Further influences include the need for additional budget allocations following Single Status appeals and maintenance.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures
Out of County Placements	3.416	3.216	(0.200)	0.000	Reflects current care packages for 2015/16	Keep under review.
Other Services for Children variances (aggregate)	2.473	2.333	(0.140)	(0.121)	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.669	59.596	(0.073)	(0.573)		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	0.777	0.721	(0.056)	(0.067)	Additional in-year efficiency identified in respect of Homeless Accommodation (£0.094m). Expenditure in respect of SHARP procurement of £0.031m. Other minor efficiencies of £0.007m.	Continue to monitor and review.
Supporting People	0.095	0.124	0.029	0.014	Telecare income lower than anticipated by £0.061m. Community Centres efficiency of (£0.049m). Other minor variances of £0.017m.	Continue to monitor and review.
Regeneration	0.469	0.529	0.060	0.050	Estimated shortfall of £0.060m in markets due to income targets increasing in line with inflation each year, where charges have not increased at the same rate.	Continue to monitor and review.
Revenues & Benefits	10.655	10.503	(0.152)	(0.261)	Anticipated surplus on the Council Tax Collection Fund currently stands at (£0.124m) higher than initially estimated. Projected underspend on the budgeted provision for the Council Tax Reduction Scheme (£0.240m). Housing Benefit Subsidy budgeted shortfall of £0.193m. Other minor variances of £0.019m.	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Customer Services	0.710	0.647	(0.063)	(0.045)	Underspend on the Flintshire Connects service provision of (£0.048m). Other minor variances of (£0.015m).	Continue to monitor and review.
Total Community & Enterprise	12.706	12.524	(0.182)	(0.309)		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation Waste Disposal & Waste Collection	6.652	7.348	0.696	0.400	Reduced electricity sales from gas engines following equipment breakdown and fluctuating levels of gas extraction £0.150m. Further options are being considered and consultation undertaken in relation to the proposed closure of Hope recycling centre. In addition, changes to the later than expected introduction of new operating times at Connah's Quay and Flint sites will result in a total projected shortfall on the budgeted efficiency of £0.175m. Delayed implementation of delivery service for waste containers £0.050m and introduction of charge for second waste bin £0.025m. Under achieving of £0.236m in the recycling market (paper in particular) is due to a volatile period with fluctuating re-cycle sale values. No income to the value of £0.060m due in 2015-16 for compost from DCC as they are no longer using our composting facilities.	Potential for investment to upgrade/install new extraction wells and new management arrangement. Reported through Programme Board Efficiency Tracker. Reported through Programme Board Efficiency Tracker. Monitor recycling market closely throughout 2015/16. Raised as a risk at Month 3.
Ancillary Services & Performance - other Variances	0.988	1.023	0.035	0.035	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Transportation & Logistics - other Variances	12.813	12.838	0.025	0.025	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Highways Strategy	0.904	1.054	0.150	0.360	Delay in the full externalisation of grass cutting service £0.050m. The implementation of the reduced cleansing standards is now anticipated to be 1st January 2016 which will result in an estimated shortfall in the efficiency of £0.100m.	Reported through Programme Board Efficiency Tracker. Reported through Programme Board Efficiency Tracker.
Highway Network - other Variances	6.413	6.401	(0.012)	(0.012)	Minor Variances.	Continue to review.
Total Streetscene & Transportation	27.770	28.664	0.894	0.808		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Pest Control Dog Warden	0.043	0.055	0.012	0.016	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income commitment as appropriate.
Licensing	(0.008)	0.015	0.023	0.022	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income commitment as appropriate.
Community - Aggregate of other Variances	0.668	0.662	(0.006)	(0.008)	Minor Variances.	Continue to review.
Animal Health & Defra	0.126	0.159	0.033	0.000	Shortfall on Grant Income target due to partnership with Wrexham ending in late 2015.	Investigate ways to reduce Grant Income target through potential budget realignment.
Business - Aggregate of other Variances	1.440	1.440	0.000	(0.004)	No Variance.	Continue to review.
Planning Control & Enforcement	(0.133)	(0.018)	0.115	0.138	Shortfall from Planning App fees not increasing until October, 2015 with a slight improvement at Period 4.	Planning Fee Income levels will be closely monitored
Development - Aggregate of other Variances	0.133	0.127	(0.006)	(0.008)	Minor Variances.	Continue to review.
Portfolio Aggregate of other Variances	3.063	3.059	(0.004)	0.014	Minor Variances.	Continue to review.
Total Planning & Environment	5.332	5.499	0.167	0.170		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	0.869	0.878	0.009	0.012	Minor Variances.	Continue to review.
Secondary, 14-19 & Continuing Education	1.122	1.131	0.009	0.005	Minor Variances.	Continue to review.
Inclusion Services	8.667	8.637	(0.030)	(0.010)	Out of County placements are an area of risk to the authority due to the volatile nature of the service and the potential for high cost placements and unpredictability of demand	Continue to review.
Access (School Planning & Provision)	0.508	0.532	0.024	0.026	This relates to the increase in demand for Free School Meals.	Continue to review.
21st Century Schools	0.489	0.489	0.000	0.000	No Variance.	Continue to review.
Youth Services	1.492	1.488	(0.004)	(0.002)	Minor Variances.	Continue to review.
Commissioning & Performance	0.234	0.234	0.000	0.000	No Variance.	Continue to review.
School Management & Information Team	0.192	0.186	(0.006)	(0.006)	Minor Variances.	Continue to review.
Total Education & Youth	13.573	13.575	0.002	0.025		
Schools						
Primary & Early Years Education	43.680	43.680	0.000	0.000	No Variance.	Continue to review.
Secondary, 14-19 & Continuing Education	35.605	35.605	0.000	0.000	No Variance.	Continue to review.
Inclusion Services	3.882	3.882	0.000	0.000	No Variance.	Continue to review.
Archive Services	0.002	0.002	0.000	0.000	No Variance.	Continue to review.
Total Schools	83.169	83.169	0.000	0.000		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.243	2.318	0.075	0.073	A 2015/16 budget efficiency of £0.105m is being reported as not achievable. This is being partially offset by workforce underspends of (£0.030m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Corporate Finance	2.401	2.361	(0.040)	(0.037)	A 2015/16 budget efficiency is being reported as being partially achieved with a shortfall of £0.038m. This is being offset by temporary workforce underspends of (£0.78m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Total People & Resources	4.644	4.679	0.035	0.036		
Governance						
Legal Services	0.610	0.598	(0.012)	(0.018)	Minor Variances.	Underspend is not expected to be recurrent.
Democratic Services	1.911	2.019	0.108	0.110	The overspend is due a delay in achieving an efficiency of £0.110m which was agreed within the 2014/15 budget. An underspend of year (£0.002m) is due to minor variances.	The efficiency is expected to be achieved in full next year.
Internal Audit	0.425	0.422	(0.003)	(0.003)	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.138	0.158	0.020	0.020	Minor Variances.	Overspend is not expected to be recurrent.
Business Support	0.744	0.739	(0.005)	(0.005)	Minor Variances.	Underspend is not expected to be recurrent.
Records Management	0.174	0.194	0.020	0.020	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.726	4.736	0.010	0.000	Minor Variances.	Overspend is not expected to be recurrent.
Total Governance	8.728	8.866	0.138	0.124		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.769	1.769	0.000	(0.004)	No Variance.	Continue to review.
Museums Service	0.064	0.064	0.000	0.000	No Variance.	Continue to review.
County Archives	0.259	0.258	(0.001)	(0.001)	Minor Variances.	Continue to review.
Leisure Services	3.970	3.983	0.013	0.009	£0.070m Deeside Ice rink income pressure offset by premises & supplies cost savings of (£0.063m). Other minor variances of £0.006m.	Continue to review.
Community Assets	0.018	0.018	0.000	0.000	No Variance.	Continue to review.
Valuation & Estates	(0.807)	(0.918)	(0.111)	(0.103)	Workforce efficiencies of (£0.097m) achieved following the staff release within this Service area. Other minor variances of (£0.014m) contributing to the overall underspend.	Continue to review.
Property Design & Consultancy	2.688	2.688	0.000	(0.031)	No Variance.	Continue to review.
Engineering Services	0.000	0.000	0.000	0.000	No Variance.	Continue to review.
Facilities Services	1.674	1.663	(0.011)	(0.025)	Minor Variances.	Continue to review.
Total Organisational Change	9.635	9.525	(0.110)	(0.155)		

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 3 (£m)	Cause of Major Variance	Action Required
Chief Executives						
Chief Executives	3.195	3.062	(0.133)	(0.105)	The underspend is due to workforce savings of (£0.075m) and also a reduction in Core Funding Agreements of (£0.028m). The balance of (£0.030m) is due to minor variances.	The employee savings of (£0.56m) are expected to be in-year only.
Total Chief Executives	3.195	3.062	(0.133)	(0.105)		
Central & Corporate Finance						
Central & Corporate Finance	23.036	22.723	(0.313)	(0.233)	HRA Financing - The settlement amount changed after the budget was set. Based on all original assumptions this equates to a reduction in efficiencies of approximately £0.600m. Balance of unused Non Standard Inflation from previous year (£0.240m). Pension Actuarial Review (£0.912m) due to lower than anticipated costs of additional contributions. Estimated Workforce Efficiency, £0.150m considered unachievable in year. One-off in-year efficiency of (£0.300m) in relation to the Independent Living Fund (ILF). One off / time limited, Unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site. Minor Variances of (£0.011m).	Review of CLIA will identify overall position for possible mitigation. Review as part of Medium Term Finance Strategy, Corporate Financing Options. Consider realignment options. Currently looking at other options. Continue to review. Keep under review. Keep under review.
Total Central & Corporate Finance	23.036	22.723	(0.313)	(0.233)		
TOTAL	251.457	251.882	0.425	(0.212)		

2015/16 Efficiencies Month 4 - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2015/16 £(m)	2015/16 £(m)	2015/16 £(m)
People & Resources			
Review of specialist finance functions to identify efficiencies in process	0.170	0.166	(0.004)
Ensure continuation of grant maximisation opportunities identified in 2014/15	0.100	0.066	(0.034)
Review of specialist human resources functions to identify efficiencies in process	0.105	0.000	(0.105)
Total People & Resources	0.375	0.232	(0.143)
Central and Corporate Finance			
Workforce efficiency proposal	0.300	0.150	(0.150)
Central Loans and Investment Review	1.830	1.230	(0.600)
Total Central & Corporate Finance	2.130	1.380	(0.750)
Social Services			
Rationalise the number of sites where In-House day care is provided	0.130	0.095	(0.035)
Develop means testing approach for minor adaptations	0.100	0.000	(0.100)
Review model/costs contracts for catering	0.050	0.000	(0.050)
Rationalise the number of sites where In-House short term care is provided	0.075	0.110	0.035
Review commissioning with Action for Children	0.075	0.015	(0.060)
Regional approach to advocacy	0.053	0.005	(0.048)
Review and realign funding to voluntary sector	0.203	0.070	(0.133)
Total Social Services	0.686	0.295	(0.391)
Community & Enterprise			
Welfare Rights Team Review	0.020	0.035	0.015
Community Centres	0.048	0.096	0.048
Community Based Accommodation Support Service	0.030	0.060	0.030
Telecare Charging	0.200	0.139	(0.061)
Total Community & Enterprise	0.298	0.330	0.032
Streetscene & Transportation			
Introduce non-generic Streetscene roles (3 year plan)	0.080	0.115	0.035
Develop Energy Production at Landfill	0.050	0.000	(0.050)
Rationalise HRC Sites	0.400	0.225	(0.175)
Removing the Waste Containers delivery service	0.150	0.100	(0.050)
Introduce Charge for 2nd Garden Waste Bin	0.050	0.025	(0.025)
Car Parking Charges	0.400	0.380	(0.020)
Cancel Real Time Info System	0.020	0.025	0.005
Charge Maintenance of Bus Shelters	0.005	0.000	(0.005)
Review subsidised bus routes	0.075	0.050	(0.025)
Externalise grass cutting service	0.075	0.025	(0.050)
Reduced Street Lighting resource	0.050	0.038	(0.013)
Remove second grass cut for highway verges	0.030	0.025	(0.005)
Reduce Cleansing standards zero tolerance litter	0.150	0.050	(0.100)
Part night street lighting in residential areas	0.020	0.030	0.010
Winter Maintenance (Car Parks and standard)	0.150	0.170	0.020
Total Streetscene & Transportation	1.705	1.258	(0.448)
Planning & Environment			
Staffing & Management Restructure (incl. all vacancies)	0.295	0.178	(0.117)
Staffing & Collaboration	0.024	0.036	0.012
Animal & Pest Control	0.030	0.005	(0.025)
Increased Planning Fees (15% WG increase)	0.135	0.050	(0.085)
Increase in number of Planning Applications	0.060	0.030	(0.030)
Additional elements of charging (discharge of conditions)	0.050	0.025	(0.025)
Pre-Planning Advice PDM111952P	0.020	(0.006)	(0.026)
Total Planning & Environment	0.614	0.318	(0.296)
Total 2015/16 Budget Efficiencies		100	12.874
Total Projected 2015/16 Budget Efficiencies Underachieved		16	1.996
Total Projected 2015/16 Budget Efficiencies Achieved		84	10.878

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2015	10.515	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		4.746
Less - Allocation from the Contingency Reserve for the costs of the speed limit review		(0.210)
Less projected overspend as at Month 4		(0.425)
Total projected Contingency Reserve as at 31st March 2016		4.111

HRA Major Variance Report - Period 4

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Estate Management	1.634	1.700	0.066	0.055	£0.018m pressure on Rechargeable Works due to previous years invoices starting to reverse based on bad debt procedures. £0.013m pressure on salaries due to agency staff engagement. £0.024m pressure on staff mileage and mobile phone usage due to insufficient budget being allocated.	Keep under review.
Other variances (aggregate)	(1.400)	(1.464)	(0.064)	0.015	£0.011m minor variances. Various minor variances.	Keep under review.
Total :	0.234	0.236	0.002	0.070		

RESERVES AND BALANCES PROTOCOL

1.00 INTRODUCTION AND BACKGROUND

- 1.01 The purpose of this protocol is to set out how the Council will determine, manage and review the level of its Council Fund Balance and Earmarked Reserves taking into account relevant legislation and professional guidance.
- 1.02 Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed to meet estimated spending when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires:-
- the Chief Finance Officer to report to members on the budget including the adequacy of reserves; and
 - Members to have regard to the Chief Finance Officer's (Section 151 Officer) report in making their decisions.
- 1.03 Revenue reserves are an integral part of ensuring sound financial management in an organisation and it is essential that they are considered as part of its medium term financial planning arrangements and its consideration of preparing the annual budget.
- 1.04 The Council's Financial Procedure Rules which were updated in July 2015 refer to the Council's arrangements in relation to the maintenance of reserves and this protocol sets out more detail as to the Council's requirements to ensure that the Council's Financial Procedure Rules are supported and adhered to.

2.00 TYPES OF RESERVES

The Council maintains the following 'usable' revenue reserves:

2.01 Council Fund Reserve

The purpose of the Council Fund Reserve is to manage the impact of any significant unforeseen events and historically the Council's policy has been to maintain a level equivalent to 2% of its annual budget.

Any resources in excess of this base level are referred to as the contingency reserve and are available for delegation to Cabinet. The Contingency Reserve is increased by way of any overall underspend at the end of the financial year (or reduced by way of an end of year overspend)

Cabinet make decisions around the use of the contingency reserve following the principle that 'one-off' reserves should be used either to fund; 'one-off and time limited' expenditure or to provide transitional

funding in relation to the part year effect of any efficiency saving that cannot be implemented in time to enable a full year efficiency saving.

The Council fund reserve, including the contingency reserve, is reviewed for adequacy annually as part of the budget setting process and is reported monthly to Cabinet and Corporate Resources Scrutiny Committee through the revenue budget monitoring cycle.

2.02 Earmarked Reserve

The purpose of earmarked reserves are to meet known or predicted future requirements and are held corporately or within individual service portfolios for specific purposes. These reserves are typically established to address temporary need and considered on a risk basis and also include funding required to be carried forward to the following financial year as approved through the monthly monitoring report by Cabinet. As with all reserves they should only be established to meet one-off and time limited expenditure.

The Council's Earmarked Reserves includes an Insurance reserve which provides for past and on-going costs of the Councils insurance arrangements. The Council self insures to some extent and as required sets money aside to meet its share of claim costs.

2.03 Schools' Reserves

School reserves are funds released under delegated budgets unspent at year end and held by the Council on schools behalf. The Governing Body of a School is tasked with ensuring their school maintains an adequate level of reserves. Guidance is issued to all schools through the Scheme for Financing Schools.

2.04 Housing Revenue Account (HRA) Reserve

The HRA reserve is ring fenced in the same way that the HRA budget is a ring fenced account and can only be used for activity in relation to the management and maintenance of housing. Historically Flintshire's policy has been to maintain the HRA reserve at a prudent level which is currently a minimum of 3% of total HRA expenditure.

The HRA reserve is reviewed for adequacy annually as part of the budget setting process and is reported monthly to Cabinet and Corporate Resources Scrutiny Committee through the revenue budget monitoring cycle.

3.00 PROTOCOL FOR EARMARKED RESERVES

- 3.01 It is the responsibility of the Chief Finance Officer (Section 151) to advise local authorities on the level of reserves held taking into account the strategic financial context that the council will be operating in over the medium term as detailed in its Medium Term Financial Strategy (MTFS).
- 3.02 For each Earmarked Reserve there needs to be a clear protocol which sets out:
- ° The purpose and amount of the Reserve
 - ° How and when the reserve will be utilised (drawn down)
 - ° The process for the reserve's management and control
 - ° A process and timescale for review.
- 3.03 The creation of a new earmarked reserve will require Cabinet approval which will be actioned through the monthly budget monitoring report at the relevant point in the financial year. Cabinet will approve the amount, the purpose and an estimated timeframe for when the reserve is expected to be drawn down.
- 3.04 The Earmarked Reserve must be used for the specific purpose approved by Cabinet. Should the Chief Officer wish to amend the purpose then further approval by Cabinet through the monthly budget monitoring report is required.
- 3.05 Once the estimated timeframe approved for the reserve has elapsed, there will be an expectation that the balance of the reserve will be transferred back to increase the level of contingency reserve available. Any subsequent request to retain the reserve would be subject to approval by Cabinet.

4.00 MONITORING AND REPORTING OF RESERVES AND BALANCES

- 4.01 In considering all reserves, the Section 151 Officer will have regard to relevant matters in respect of each reserve, and will advise the Council accordingly. The process for the determination of all reserves will be based upon the principles of transparency and effective overall financial management.
- 4.02 All earmarked reserves are recorded on a central schedule held by the Accountancy Section which lists the various reserves and the purpose for which they are held. The schedule includes the opening balances for the year, planned additions/withdrawals and the estimated closing balance.
- 4.03 Any appropriations to or from Earmarked Reserves are controlled in accordance with Finance Procedure Rules during the year. Appropriate working papers for each reserve are produced at year-

end and provided to the External Auditor to support the disclosures within the Statement of Accounts.

- 4.04 A summary of the latest position in relation to reserves will be reported quarterly to Cabinet and Corporate Resources Overview and Scrutiny Committee through the monthly monitoring report.

Reserves can only be used once and so should not normally be held to fund ongoing expenditure. This would be unsustainable at the point a reserve is fully exhausted.



CABINET MEETING

Date of Meeting	Tuesday 13 October 2015
Report Subject	Capital Programme Monitoring 2015/16 (Month 4)
Portfolio Holder	Leader of the Council and Cabinet Member for Finance
Report By	Corporate Finance Manager
Strategic / Operational	Operational

EXECUTIVE SUMMARY

	Para Ref
<p>The Capital Programme has increased by £75.438m in the period, largely due to the impact of:-</p> <ul style="list-style-type: none"> • HRA Subsidy Buyout (£79.248m); • Rollover from 2014/15 (£5.767m); • Additional WG grant funding (£4.223m); • Community Asset Transfers (CAT's) (£0.500m) <p>Offset by:-</p> <ul style="list-style-type: none"> • A decrease in funding required for 21st Century schools (£13.850m); and • Savings in the allocation to Flintshire Connects projects (£0.521m). 	1.03
<p>Current expenditure stands at 15.42% of budget (excluding HRA Subsidy Buyout).</p>	1.12
<p>Resources available for funding future capital expenditure currently c£2.476m.</p>	1.21

RECOMMENDATIONS	
(1)	Approve the Report.
(2)	Approve the rollover adjustments at 1.16.

REPORT DETAILS

1.00	EXPLAINING THE CAPITAL PROGRAMME MONITORING POSITION FOR MONTH 4 – 2015/16
	<p><i>Items marked with an asterisk * are included in the Glossary of Terms at the end of this Report</i></p> <p>Background</p> <p>1.01 The Council approved a Housing Revenue Account (HRA)* capital programme* for 2015/16 of £21.200m and a Council Fund (CF)* capital programme of £50.359m at its meeting of 17th February, 2015.</p> <p>1.02 For presentational purposes the capital programme is shown as a whole, with sub-totals for the Council Fund and HRA. In reality the HRA programme is ring fenced and can only be used for HRA purposes.</p> <p>Changes since Budget approval</p> <p>1.03 Table 1 below sets out how the programme has changed during 2015/16. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-</p> <p><u>Table 1</u></p>

REVISED PROGRAMME	Original Budget 2015/16	Rollover from 2014/15	Changes - This Period	Rollover to 2016/17	Savings	Revised Budget 2015/16
	£m	£m	£m	£m	£m	£m
Chief Executives	0.020	0.006	0	0	0	0.026
People & Resources	0.075	0.086	(0.018)	0	0	0.143
Governance	0.170	0.753	0	0	0	0.923
Education & Youth	45.022	1.942	(13.585)	0	0	33.379
Social Care	0	0	0	0	0	0.000
Community & Enterprise	2.841	0.857	2.960	0	(0.521)	6.137
Planning & Environment	0.551	1.147	0.020	0	0	1.718
Transport & Streetscene	0.860	0.104	1.022	0	0	1.986
Organisational Change 1	0	0.042	0.045	0	0	0.087
Organisational Change 2	0.820	0.318	0.500	0	0	1.638
Council Fund Total	50.359	5.255	(9.056)	0.000	(0.521)	46.037
HRA Subsidy Buyout	0	0	79.248	0	0	79.248
Housing Revenue Account	21.200	0.512	0	0	0	21.712
Housing Revenue Account Total	21.200	0.512	79.248	0.000	0.000	100.960
Programme Total	71.559	5.767	70.192	0.000	(0.521)	146.997

Rollover from 2014/15

1.04 Rollover* sums from 2014/15 to 2015/16, totalling £5.767m (CF £5.255m, HRA £0.512m), were approved by Cabinet.

Changes during this period

1.05 Changes during this period have resulted in a net increase in the programme total of £70.192m (CF (£9.056m), HRA £79.248m). A summary of the changes, showing major items, is in Table 2 below:-

Table 2

CHANGES DURING THIS PERIOD**COUNCIL FUND****Increases**

	£m
Introduction of WG Grant for Vibrant & Viable Places	2.960
Introduction of WG Grant for Recycling Vehicles	0.519
Introduction of WG Road Safety Grant	0.255
Introduction of WG Safer Routes in the Community Grant	0.248
Introduction of WG Flying Start Grant	0.241
Community Asset Transfers	0.500
Other Aggregate Increases	0.089
	4.812

Decreases

Reduction in Funding required for 21C Schools	(13.850)
Other Aggregate Decreases	(0.018)
	(13.868)

Total**(9.056)****HRA****Increases**

Introduction of Prudential Borrowing for HRA Subsidy buyout	79.248
	79.248

Decreases

0.000

Total**79.248**

1.06 Specific grant allocations for both new and existing capital grants are often announced by Welsh Government (WG) early in the new financial year and therefore the figures were not available when the budget was set. This is the case with the majority of the Council Fund increases listed above.

1.07 The introduction of Community Asset Transfer 'pump priming' funding was approved by Cabinet at its meeting of 15 June, 2015 (£0.500m in 2015/16 and £0.500m in 2016/17).

1.08 The decrease in the 21C Schools funding requirement reflects the revised spending profile pending the final decision on John Summers High School.

Housing Revenue Account Subsidy

1.09 Agreement was reached between the UK Government and the Welsh Government to change the financing arrangements for council housing in Wales from April 2015. Prior to this a negative subsidy system was in operation which required Flintshire to make annual payments of c£6m in negative subsidy to Welsh Government and on to UK Treasury, along with the other 11 stock retaining authorities in Wales.

- 1.10 The introduction of self-financing will end the negative subsidy system and annual payments. The subsidy payments are replaced with interest payments on Public Works Loan Board (PWLB) loans that the Council must borrow to exit the subsidy system. The PWLB loans, in the sum of £79.248m, called the settlement payment (a one-off lump sum payment classed as capital expenditure), was paid to Welsh Government and on to UK Treasury in April 2015.
- 1.11 The agreement is expected to generate revenue savings of c£0.500m per annum, allowing the Council to increase its investment in its existing housing stock and support the delivery of additional housing. It will also provide more local accountability to tenants.

Capital Expenditure compared to Budget

- 1.12 Actual expenditure as at Month 4 (end of July 2015) across the whole of the capital programme is £89.692m. The breakdown of expenditure is analysed in Table 3 below, along with the percentage spend against budget. This shows that 15.42% of the budget has been spent (CF 17.95%, HRA 10.05%). Corresponding figures for Month 4 2014/15 were 16.16% (CF 14.45%, HRA 20.38%). The HRA capital programme is significantly larger than in previous years, requiring more initial planning and therefore the bulk of expenditure will occur later in the year. This excludes the HRA Subsidy Buyout (£79.248m) which was paid in its entirety early in the financial year.

Table 3

EXPENDITURE	Revised Budget	Cumulative Expenditure Month 4	Percentage Spend v Budget	Projected Outturn	Variance Budget v Outturn (Under)/Over
	£m	£m	%	£m	£m
Chief Executives	0.026	0	0	0.026	0
People & Resources	0.143	0.000	0	0.143	0
Governance	0.923	0.421	45.61	0.923	0
Education & Youth	33.379	5.291	15.85	33.034	(0.345)
Social Care	0	0	0	0	0
Community & Enterprise	6.137	1.822	29.69	6.462	0.325
Planning & Environment	1.718	0.191	11.11	1.750	0.032
Transport & Streetscene	1.986	0.172	8.65	1.986	0
Organisational Change 1	0.087	0.149	170.96	0.087	0
Organisational Change 2	1.638	0.217	13.26	1.638	0
Council Fund Total	46.037	8.263	17.95	46.049	0.012
Housing Revenue Account	21.712	2.181	10.05	21.712	0
Programme Total (Excl HRA Subsidy)	67.749	10.444	15.42	67.761	0.012
HRA Subsidy Buyout	79.248	79.248	100.00	79.248	0
Programme Total	146.997	89.692	61.02	147.009	0.012

1.13 The table also shows the projected outturn of £147.009m. This indicates a projected overspend of £0.012m on the Council Fund and a projected breakeven position on the HRA.

1.14 Details of the variances for individual programme areas are listed in Appendix B, which includes the reasons, and required remedial actions which may be required where those variances exceed +/- 10% of the revised budget. In addition, where Early Identified Rollover (EIR) into 2016/17 has been identified, this is also included in the narrative.

Rollover into 2016/17

1.15 As at Month 4 rollover of £0.345m has been identified which reflects reviewed spending plans across all programme areas; these committed amounts have been identified as now required to meet the cost of programme works in 2016/17.

- 1.16 Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:-

Table 4

ROLLOVER INTO 2016/17	Month 4 £m	Total £m
Education & Youth	0.345	0.345
Council Fund	0.345	0.345
Housing Revenue Account	0	0

Identified Savings

- 1.17 An update on the latest position with regard to Flintshire Connects sites was reported to Cabinet in March 2015 which advised that costs were likely to be lower than previously anticipated. The financial impacts of this have now been included in the Capital Programme and have resulted in savings of £0.521m being identified.

Financing

- 1.18 The capital programme is financed as summarised in Table 5 below:-

Table 5

FINANCING RESOURCES	General Financing¹ £m	Specific Financing² £m	Total Financing £m
Latest Monitoring			
Council Fund	6.216	39.821	46.037
Housing Revenue Account	5.110	95.850	100.960
	11.326	135.671	146.997
Total Financing Resources	11.326	135.671	146.997

1 Supported Borrowing / General Capital Grant / Capital Receipts / MRA*

2 Grants & Contributions / CERA* / Reserves / Prudential & Other Borrowing

- 1.19 Given the continuing uncertainty over the realisation of asset disposals, no capital receipts were assumed for 2015/16 budget setting purposes. However, any assets realised in year would be available for capital investment (see Sections 1.21 to 1.23 below).

Funding of 2015/16 Approved Schemes

1.20 The position as at Month 4 is summarised in Table 6 below:-

Table 6

FUNDING OF APPROVED SCHEMES		
	£m	£m
Surplus from 2014/15		(1.314)
Increases		
Community Asset Transfers	0.500	
Security Works @ Deeside Leisure Centre	0.045	
Wepre Park Development match funding	0.020	0.565
Decreases		
Actual In year receipts	(0.873)	
Identified Savings	(0.521)	
Unallocated Headroom	(0.333)	(1.727)
Funding Available		(2.476)
Prospective Schemes		
Brookhill / Standard PV Sites		1.450
		1.450
Projected shortfall / (surplus) to 2016/17		(1.026)

1.21 The final outturn surplus from 2014/15 was £1.314m (£1.322m as per outturn report to Cabinet 14 July, 2015).

Additional allocations in year amount to £0.565m.

Savings identified in year amount to £0.521m.

Actual receipts to Month 4 amount to £0.873m and unallocated headroom remains unaltered at £0.333m.

Taken as a whole this indicates that c£2.476m is available to fund capital schemes.

1.22 Portfolios through their business plans have identified significant capital investment needed to improve services and achieve revenue efficiencies. Business cases are in the process of being written, the intention being to bring additional capital schemes to Cabinet for approval in the current and/or future financial years.

1.23	A report requesting support for the installation of photovoltaic (PV) arrays at ex landfill sites in Buckley was approved by Cabinet at its meeting of 16 June 2015. The provisional costs are included in the table above and a further report will come to Cabinet once all the details are finalised.
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2.00	RESOURCE IMPLICATIONS
2.01	Financial implications - As set out in the body of the report.
2.02	Personnel Implications - None directly as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	No consultation is required as a direct result of this report.

4.00	RISK MANAGEMENT
4.01	At this stage in the financial year and given the size and complexity of schemes within the programme, it is considered that the level of spend against budget is appropriate and poses no risk or negative impact for the Council e.g. loss of external funding.
4.02	As stated in Section 1.12, the 2015/16 HRA Capital Programme is significantly larger than in previous years and so may present a risk in terms of achieving spending levels. As such this will need to be closely monitored during the year.

5.00	APPENDICES
5.01	Appendix A: Capital Programme - Changes during 2015/16
5.02	Appendix B: Variances

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Capital Programme monitoring papers 2015/16. Contact Officer: Andrew Elford Accountant Telephone: 01352 702291 E-Mail: andrew.elford@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>CERA: Capital Expenditure charged to Revenue Account. The Council is allowed to use its revenue resources to fund capital expenditure. However the opposite is not permissible.</p> <p>Council Fund (CF): The fund to which all the Council's revenue and capital expenditure is charged.</p> <p>Housing Revenue Account (HRA): The fund to which all the Council's revenue and capital expenditure relating to its housing stock is charged.</p> <p>MRA: Major Repairs Allowance. A general capital grant from WG for HRA purposes.</p> <p>Rollover: Rollover occurs when schemes due to be completed in a given financial year are delayed until a subsequent year. In this case the relevant funding is 'rolled over' to meet the delayed expenditure.</p>

APPENDIX A

CAPITAL PROGRAMME - CHANGES DURING 2015/16

	Original Budget 2015/16	Rollover from 2014/15	Changes (Previous)	Changes (Current)	Rollover to 2016/17	Savings	Revised Budget 2015/16
	£m	£m	£m	£m	£m	£m	£m
Council Fund :							
Chief Executives							
Clwyd Theatr Cymru	0.020	0.006	0	0	0	0	0.026
	0.020	0.006	0.000	0.000	0.000	0.000	0.026
People & Resources							
Corporate Finance	0.075	0.086	0	(0.018)	0	0	0.143
	0.075	0.086	0.000	(0.018)	0.000	0.000	0.143
Governance							
Information Technology	0.170	0.753	0	0	0	0	0.923
	0.170	0.753	0.000	0.000	0.000	0.000	0.923
Education & Youth							
Education - General	1.950	0	0	(1.950)	0	0	0
Primary Schools	0.040	0.293	0	0.829	0	0	1.162
Schools Modernisation	42.987	0.942	0	(13.594)	0	0	30.335
Secondary Schools	0	0.254	0	0.341	0	0	0.595
Special Education	0	0.444	0	0.548	0	0	0.992
Minor Works, Furn & Equip	0.045	0.009	0	0	0	0	0.054
Community Youth Clubs	0	0	0	0.241	0	0	0.241
	45.022	1.942	0.000	(13.585)	0.000	0.000	33.379
Social Care							
Partnerships & Performance	0	0	0	0	0	0	0
	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community & Enterprise							
Flintshire Connects	0.250	0.451	0	0	0	(0.521)	0.180
Town Centre Regeneration	0.130	0.349	0	0	0	0	0.479
Vibrant & Viable Places	0	0.005	0	2.960	0	0	2.965
Private Sector Renewal/Improv't	2.311	0.052	0	0	0	0	2.363
Travellers' Sites	0.150	0	0	0	0	0	0.150
	2.841	0.857	0.000	2.960	0.000	(0.521)	6.137
Planning & Environment							
Engineering	0.115	0.674	0	0	0	0	0.789
Energy Services	0.100	0	0	0	0	0	0.100
Rights of Way	0	0	0	0	0	0	0
Planning Grant Schemes	0	0	0	0	0	0	0
Ranger Services	0.027	0.347	0	0.020	0	0	0.394
Townscape Heritage Initiatives	0.309	0.126	0	0	0	0	0.435
	0.551	1.147	0.000	0.020	0.000	0.000	1.718

CAPITAL PROGRAMME - CHANGES DURING 2015/16

	Original Budget 2015/16	Rollover from 2014/15	Changes (Previous)	Changes (Current)	Rollover to 2016/17	Savings	Revised Budget 2015/16
	£m	£m	£m	£m	£m	£m	£m
Transport & Streetscene							
Sustainable Waste Management	0	0	0	0.519	0	0	0.519
Highways	0.860	0.089	0	0	0	0	0.949
Local Transport Grant	0	0.015	0	0.503	0	0	0.518
	0.860	0.104	0.000	1.022	0.000	0.000	1.986
Organisational Change 1							
Leisure Centres	0	0.034	0	0.045	0	0	0.079
Recreation - Other	0	0.008	0	0	0	0	0.008
Play Areas	0	0	0	0	0	0	0
	0.000	0.042	0.000	0.045	0.000	0.000	0.087
Organisational Change 2							
Administrative Buildings	0.820	0.318	0	0	0	0	1.138
Community Asset Transfers	0	0	0	0.500	0	0	0.500
	0.820	0.318	0.000	0.500	0.000	0.000	1.638
Housing Revenue Account :							
HRA Subsidy Buyout	0	0	0	79.248	0	0	79.248
Disabled Adaptations	0	0.512	0	1.000	0	0	1.512
Energy Schemes	0	0	0	3.900	0	0	3.900
Major Works	2.871	0	0	0	0	0	2.871
Accelerated Programmes	15.040	0	0	(3.900)	0	0	11.140
WHQS Improvements	2.289	0	0	0	0	0	2.289
Disabled Adaptations	1.000	0	0	(1.000)	0	0	0
	21.200	0.512	0.000	79.248	0.000	0.000	100.960

Totals :

Council Fund	50.359	5.255	0	(9.056)	0	(1)	46.037
Housing Revenue Account	21.200	0.512	0	79.248	0	0	100.960
Grand Total	71.559	5.767	0.000	70.192	0.000	(0.521)	146.997

CHIEF EXECUTIVES

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance		Cause of Variance	Action Required
					%age	£m		
Ciwyd Theatr Cymru	0.026	0	0.026	0	0	0		
Total	0.026	0.000	0.026	0.000	0.000	0.000		

PEOPLE & RESOURCES

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance		Cause of Variance	Action Required
					%age	£m		
Corporate Finance	0.143	0	0.143	0	0	0		
Total	0.143	0.000	0.143	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

GOVERNANCE

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Information Technology	0.923	0.421	0.923	0	0	0		
Total	0.923	0.421	0.923	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

EDUCATION & YOUTH

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Education - General	0	(0.035)	0	0		0		
Primary Schools	1.162	0.106	1.141	(0.021)	(2)	0	Early Identified Rollover - Various Primary Schools' R&M Schemes	Request approval to move funding of £0.021m to 2016/17
Schools Modernisation	30.335	4.818	30.319	(0.016)	(0)	0	Early Identified Rollover - Hawarden Village School link scheme	Request approval to move funding of £0.016m to 2016/17
Community Youth Clubs	0.241	0.092	0	0	0	0		
Secondary Schools	0.595	0.198	0.583	(0.012)	(2)	0	Early Identified Rollover - Various Secondary Schools' R&M Schemes	Request approval to move funding of £0.012m to 2016/17
Special Education	0.992	0.111	0.696	(0.296)	(30)	0	Early identified Rollover - Relates to various DDA schemes. Castell Alun High School £0.289m, scheme currently at design stage, with planned completion early 2016/17.	Request approval to move funding of £0.296m to 2016/17
Minor Works, Furn & Equip	0.054	0.001	0.054	0	0	0		
Total	33.379	5.291	33.034	(0.345)	(1)	0.000		

Variance = Budget v Projected Outturn

SOCIAL CARE

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Partnerships & Performance	0	0	0	0		0		
Total	0.000	0.000	0.000	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

COMMUNITY & ENTERPRISE

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/Over £m	Variance		Cause of Variance	Action Required
					%age	£m		
Flintshire Connects	0.180	0.040	0.180	0	0			
Town Centre Regeneration	0.479	0.954	0.954	0.475	99		Additional grant funding has been claimed to match expenditure	
Vibrant & Viable Places	2.965	(0.064)	2.965	0	0			
Private Sector Renewal/Improvement	2.363	0.893	2.363	0	0			
Travellers' Sites	0.150	0	0	(0.150)	(100)	Budget was for anticipated grant funding which will not now be received	Remove budget for Month 6 monitoring	
Total	6.137	1.822	6.462	0.325	5	0.000		

Variance = Budget v Projected Outturn

PLANNING & ENVIRONMENT

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Engineering	0.789	0.032	0.789	0	0	0		
Energy Services	0.100	0.022	0.100	0	0	0		
Rights of Way	0	0.013	0.013	0.013		0	Rights of way slurry seal works	Use Grant Balances to fund the expenditure
Planning Grant Schemes	0	0.019	0.019	0.019		0	Tree Screening Padeswood	Use existing balances to fund expenditure
Ranger Services	0.394	0.082	0.394	0		0		
Townscape Heritage Initiatives	0.435	0.023	0.435	0	0	0		
Total	1.718	0.191	1.750	0.032	1.863	0.000		

Variance = Budget v Projected Outturn

TRANSPORT & STREETSCENE

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Sustainable Waste Management	0.519	0.141	0.519	0	0	0		
Highways	0.949	0.052	0.949	0	0	0		
Local Transport Grant	0.518	(0.022)	0.518	0	0	0		
Total	1.986	0.172	1.986	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

ORGANISATIONAL CHANGE 1

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Leisure Centres	0.079	0.041	0.079	0	0	0		
Recreation - Other	0.008	0.001	0.008	0	0	0		
Play Areas	0	0.103	0	0		0		All expenditure is funded from Section 106 contributions and FCC match funding drawn down at year end
Swimming Pools	0	0.003	0	0		0		
Total	0.087	0.149	0.087	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

ORGANISATIONAL CHANGE 2

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Administrative Buildings	1.138	0.217	1.138	0	0	0		
Community Asset Transfers	0.500	0.000	0.500	0	0	0		
Total	1.638	0.217	1.638	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
HRA Subsidy Buyout	79.248	79.248	79.248	0	0	0		
Disabled Adaptations	1.512	0.145	1.512	0	0	0		
Energy Services	3.900	0.201	3.900	0	0	0		
Major Works	2.871	0.706	2.871	0	0	0		
Accelerated Programmes	11.140	0.151	11.140	0	0	0		
WHQS Improvements	2.289	0.978	2.289	0	0	0		
Total	100.960	81.429	100.960	0.000	0.000	0.000		

Variance = Budget v Projected Outturn

SUMMARY

Capital Budget Monitoring 2015/16 - Month 4

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Chief Executive's	0.026	0	0.026	0	0	0		
People & Resources	0.143	0	0.143	0	0	0		
Governance	0.923	0.421	0.923	0	0	0		
Education & Youth	33.379	5.291	33.034	(0.345)	(1)	0		
Social Care	0.000	0	0.000	0		0		
Community & Enterprise	6.137	1.822	6.462	0.325	5	0		
Planning & Environment	1.718	0.191	1.750	0.032	2	0		
Transport & Streetscene	1.986	0.172	1.986	0	0	0		
Organisational Change 1	0.087	0.149	0.087	0	0	0		
Organisational Change 2	1.638	0.217	1.638	0	0	0		
Sub Total - Council Fund	46.037	8.263	46.049	0.012	0	0.000		
Housing Revenue Account	100.960	81.429	100.960	0	0	0		
Total	146.997	89.692	147.009	0.012	0	0.000		

Variance = Budget v Projected Outturn

Agenda Item 6

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**

DATE: **8TH OCTOBER 2015**

REPORT BY: **CHIEF OFFICER (PEOPLE AND RESOURCES)**

SUBJECT: **WORKFORCE INFORMATION REPORT - QUARTER 1 2015/16**

1.00	<u>PURPOSE OF REPORT</u>
1.01	<p>To provide Members with an update for the first quarter for 2015/16. This report provides details of the following:</p> <p>Headcount and Full Time Equivalent Organisational Age Profile Employee Turnover and Stability (Including Redundancies and Early Retirements) Attendance (Including 100% Attendance) Performance Appraisals and Development Resource Management (Agency Workers) Equality and Diversity</p>
2.00	<u>BACKGROUND</u>
2.01	<p>The format of this report and the accompanying Workforce Information has been redeveloped to focus on the organisational performance and trends, with the information being presented in a dashboard format. The dashboards are designed to be a visual presentation of data, showing the current status and historical trends of the Council's performance against key performance indicators.</p>
2.02	<p>The report provides a brief narrative on the overall performance. A more detailed explanation is provided on an exceptional basis where performance is falling below organisational performance indicators or where there has been a significant movement, either upwards or downwards, in the reported trends. The narrative will include an explanation for the movement in trend and details of the actions that are planned to improve or maintain performance.</p> <p>The performance information for the whole organisation is split to show Schools and Non-Schools data separately.</p>

2.03	The dashboards created are an interim measure before the implementation of new Business Intelligence software. The software will further enhance the visualisation of data and also provide an opportunity to use interactive dashboards which will enable Members to focus in on more detailed information.
3.00	<u>CONSIDERATIONS</u>
3.01	Headcount and Full Time Equivalent
	<p>The Voluntary Redundancy Scheme and the implementation of organisational service changes across the Council has meant the total headcount and full time equivalent has seen an overall decrease. Quarter one figures for 2015/16 show an overall decrease of 45 FTE across the Council, where the non-schools show a decrease of 35 FTE, and Schools show a decrease of 10 FTE.</p> <p>The trend for Schools and Non-Schools shows a considerable decrease (Schools) and increase (Non-Schools) in April 2015. This is due to transferring 262 catering staff from Schools into Facilities Services in order to reflect an accurate structure.</p> <p>As Vacancy Management remains a key priority within the Council, robust information around vacancies will be provided in future reports.</p>
3.02	Organisational Age Profile
	The purpose of providing the Organisational Age Profile is to enable the Council to provide a guide to the future number of potential retirements and succession plan by identifying any skill gaps that may arise. Without an analysis of age profile, no workable long term planning can be made.
3.03	Employee Turnover and Stability (Including Redundancies and Early Retirements)
	<p>Early Retirements and redundancy schemes across the Council continued to be applied.</p> <p>The Flintshire County Council turnover percentage for quarter one is 2.37%.</p> <p>For the comparative figures for last year, the turnover percentage for quarter one was 2.54%, which shows a decrease of 0.17%.</p>
3.04	Attendance (Including 100% Attendance)
	Reducing absence and improving performance is continually measured and tracked. The Flintshire County Council absence FTE days lost for quarter one is 2.48. Therefore, the cumulative absence

	<p>FTE days lost forecast for 2015/16 is 9.92, which is just short of achieving our annual target of 9.60.</p> <p>The majority of portfolio services are within, or slightly above, the quarterly target except for Social Services and Streetscene and Transportation, who continue to show higher volumes of absence. That said, there continues to be an ongoing improvement within those areas.</p> <p>Identifying and monitoring trends, and applying consistent attendance management practices should ensure that absence levels continue to decrease.</p>
3.05	Performance Appraisals and Development
	<p>The ongoing collection of Appraisals and Performance Monitoring information continues to be a high priority. The collection of this information will enable more effective monitoring of potential training needs for future planning.</p> <p>Senior Manager competency based appraisals were carried out by June 2015. Senior Managers will now begin to undertake competency based appraisals for their staff.</p> <p>The undertaking of appraisals will be tracked against target completion dates in future reports. However, issues with the current software have given cause for concern in terms of comprehensive and accurate data relating to appraisals. The issues within the software have been identified and consultancy arrangements are in place to rectify the issues.</p>
3.06	Resource Management (Agency Workers)
	<p>Business Partners continue to work with Chief Officers and Service Managers to ensure that the use of agency workers meets a legitimate business need and that steps are taken to reduce, where possible, the number of agency workers engaged at any given time.</p> <p>The agency figures show that quarter one spend is £805,000. This has exceeded the quarterly target of £0.7m. The majority of the agency spend is within Social Services (£313,000), and Streetscene and Transportation (£300,000) respectively.</p> <p>The use of agency workers within Streetscene and Transportation continues to be attributable to the number of vacancies at operative level which have yet to be filled pending the roll out of the various business planning proposals.</p> <p>Social Services are currently carrying a large number of vacancies in some areas due to gaps created as a result of an influx of staff leaving</p>

	<p>employment of the authority and also a number of dismissals made in relation to ongoing long term absence. We have a number of areas currently under review and posts have been held back for staff redeployment and due the roles being within front line care, agency has been engaged to minimise risk and maintain the services we provide and do so safely.</p> <p>Overall, there were 151 active agency placements on 30th June 2015. From the 151 placements, 132 have exceeded the 12 week AWR threshold.</p>
3.07	<u>Equality and Diversity</u>
	<p>The importance of collecting equality and diversity information remains a high priority.</p> <p>Regular measures and ongoing monitoring audits are being carried out to ensure that the data we hold is accurate. Understanding the “make up” of the Council in terms of gender, ethnicity etc. allows us to identify any inequalities and to take action to remedy these.</p>
4.00	<u>RECOMMENDATIONS</u>
4.01	Members to comment on Workforce Information Report for quarter one
5.00	<u>FINANCIAL IMPLICATIONS</u>
5.01	Increased accuracy for reporting of the employed workforce and agency workers will allow the Council to better understand and therefore both plan and manage the largest single cost of service delivery.
6.00	<u>ANTI POVERTY IMPACT</u>
6.01	None
7.00	<u>ENVIRONMENTAL IMPACT</u>
7.01	None
8.00	<u>EQUALITIES IMPACT</u>
8.01	None
9.00	<u>PERSONNEL IMPLICATIONS</u>
9.01	None

10.00	<u>CONSULTATION REQUIRED</u>
10.01	None
11.00	<u>CONSULTATION UNDERTAKEN</u>
11.01	None
12.00	<u>APPENDICES</u>
12.01	Appendix One – Glossary of Terms Appendix Two – Dashboard Report Quarter 1
	<u>LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS</u>
	Contact Officer: Sharon Carney Telephone: 01352 702139 Email: sharon.carney@flintshire.gov.uk

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WORKFORCE INFORMATION REPORT QUARTER 1 (2015/16)

GLOSSARY OF TERMS

Headcount and FTE

This will provide information on the current levels of the Council's workforce.

Organisational Age Profile

The purpose of providing the Organisational Age Profile is to enable the Council to provide a guide to the future number of potential retirements and succession plan by identifying any skill gaps that may arise. Without an analysis of age profile, no workable long term planning can be made.

Employee Turnover and Stability (Including Redundancies and Early Retirements)

This information will provide the awareness of trends in turnover rates within the Council for potential measure to be put in place for high turnover rates, if applicable.

Attendance

Attendance remains a high priority in the Council and will provide detailed information on the areas for improvement for absence/attendance.

Performance Appraisals and Development

Reporting on performance appraisals and development will enable more effective monitoring of potential training needs for future planning.

Resource Management

This information will include the usage of agency workers within the Council.

Equality and Diversity

Information will be provided to implementation measure to prevent inequalities within the Council.

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CORPORATE DASHBOARD REPORTS

(FLINTSHIRE COUNTY COUNCIL)

2015/16 - QUARTER 1

(APRIL - JUNE)

2015/16 DASHBOARD

FLINTSHIRE COUNTY COUNCIL TOTALS

TOTAL HEADCOUNT

6,910

TOTAL FTE

5,231

LEAVERS / TURNOVER

164 / 2.37%

Q1 AGENCY SPEND

£0.8m

Q1 TARGET

£0.7m

Q1 DAYS LOST PER FTE

2.48

Q1 TARGET

2.40

CORPORATE DASHBOARD REPORTS

(NON SCHOOLS)

2015/16 - QUARTER 1

(APRIL - JUNE)

QUARTER 1 2015/16 DASHBOARD

HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - NON SCHOOLS

TOTAL HEADCOUNT

3,615

TOTAL FULL TIME EQUIVALENT

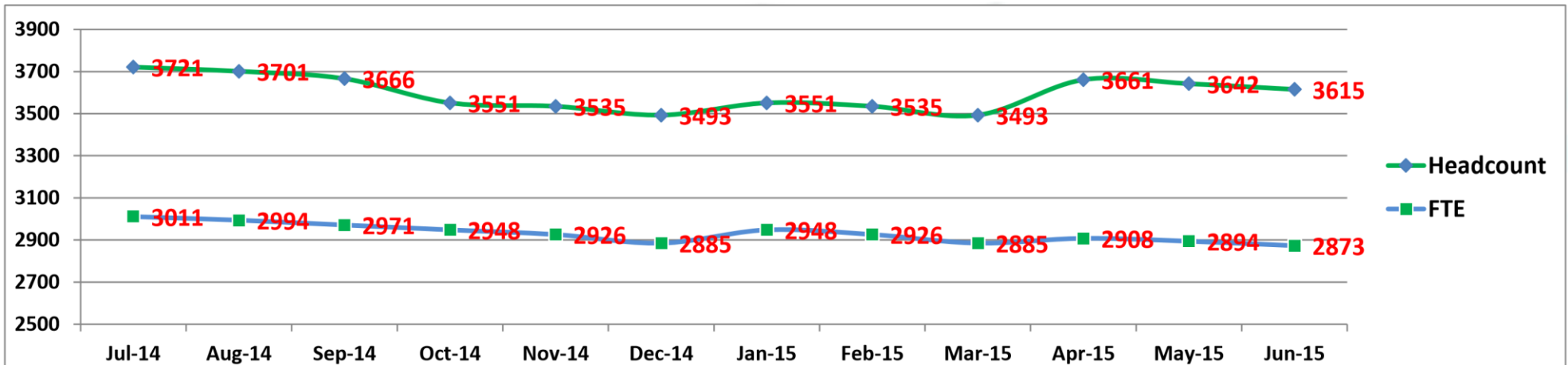
2,873

01/04/2015 **3,661** Decrease of 46 people (-1.27%) 30/06/2015 **3,615**

01/04/2015 **2,908** Decrease of 35 FTE (-1.22%) 30/06/2015 **2,873**

Page 146

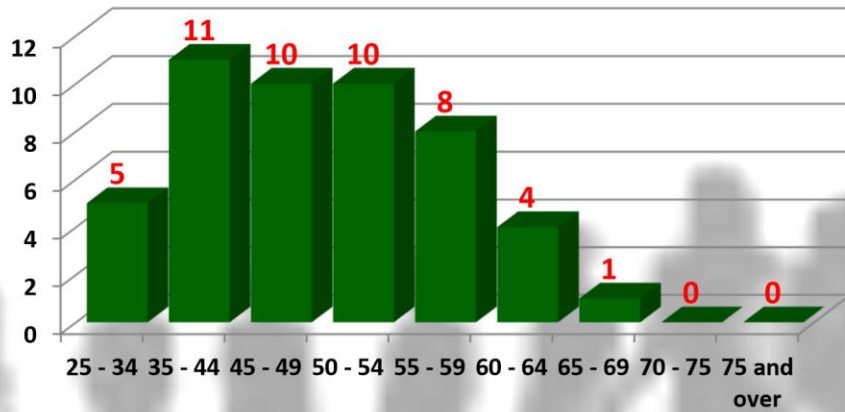
HEADCOUNT AND FTE - 12 MONTH TREND



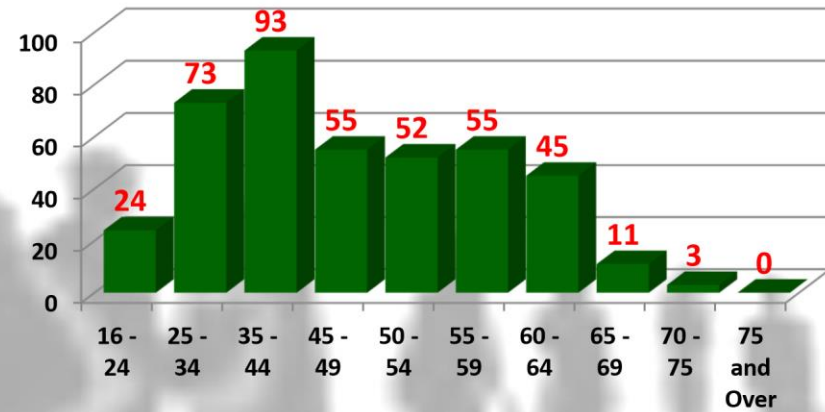
QUARTER 1 2015/16 DASHBOARD

AGE PROFILE - NON-SCHOOLS

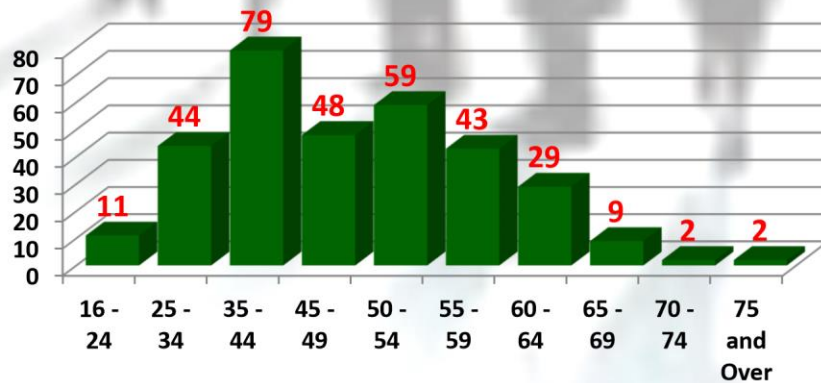
Chief Executives



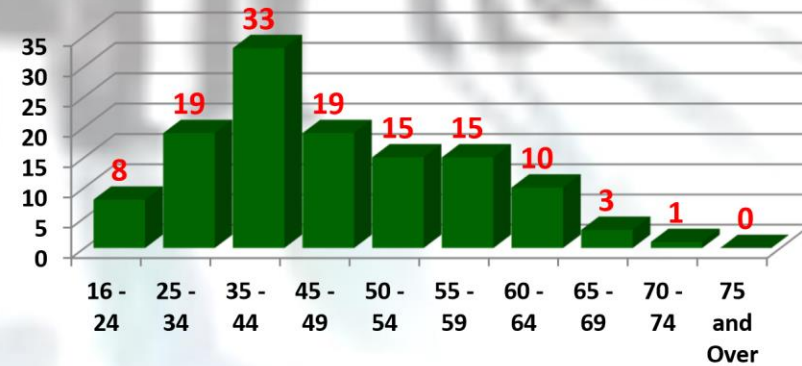
Community and Enterprise



Education and Youth



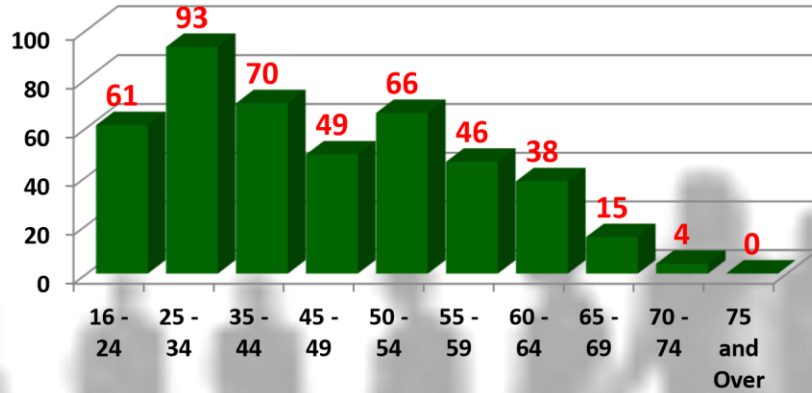
Governance



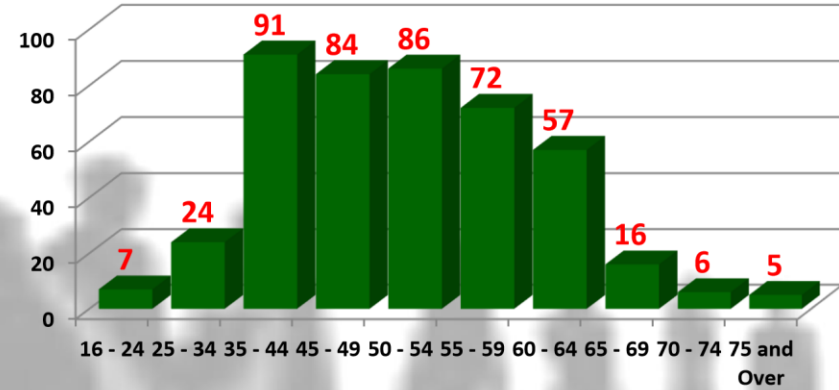
QUARTER 1 2015/16 DASHBOARD

AGE PROFILE - NON-SCHOOLS

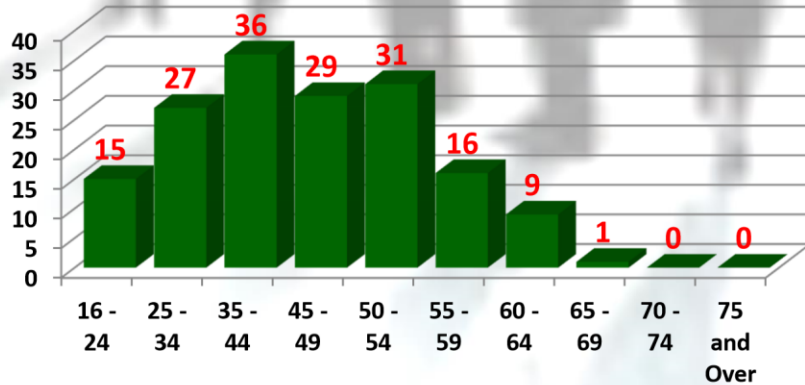
Organisational Change 1



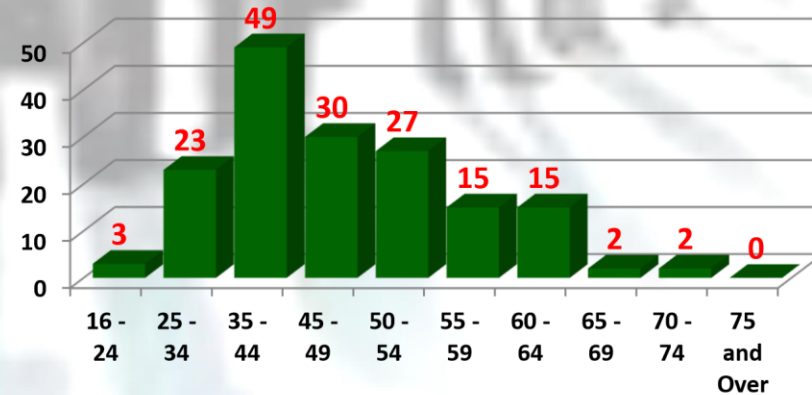
Organisational Change 2



People and Resources



Planning and Environment

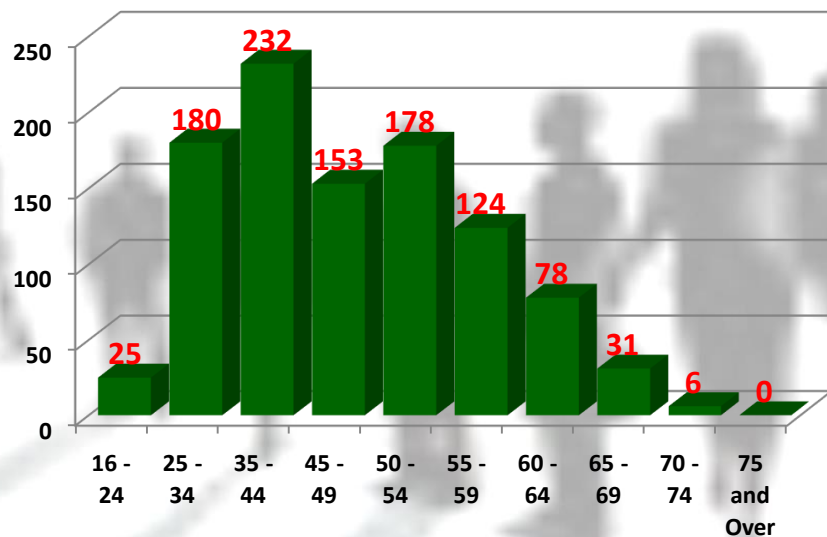


QUARTER 1 2015-16 DASHBOARD

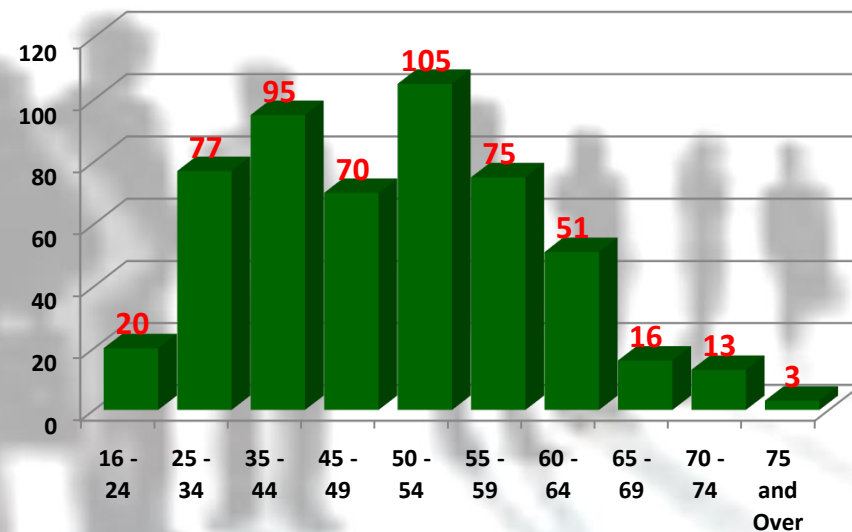
AGE PROFILE - NON-SCHOOLS

Page 149

Social Services



Streetscene and Transportation



QUARTER 1 2015/16 DASHBOARD

TURNOVER AND STABILITY - NON SCHOOLS

LEAVERS - Q1

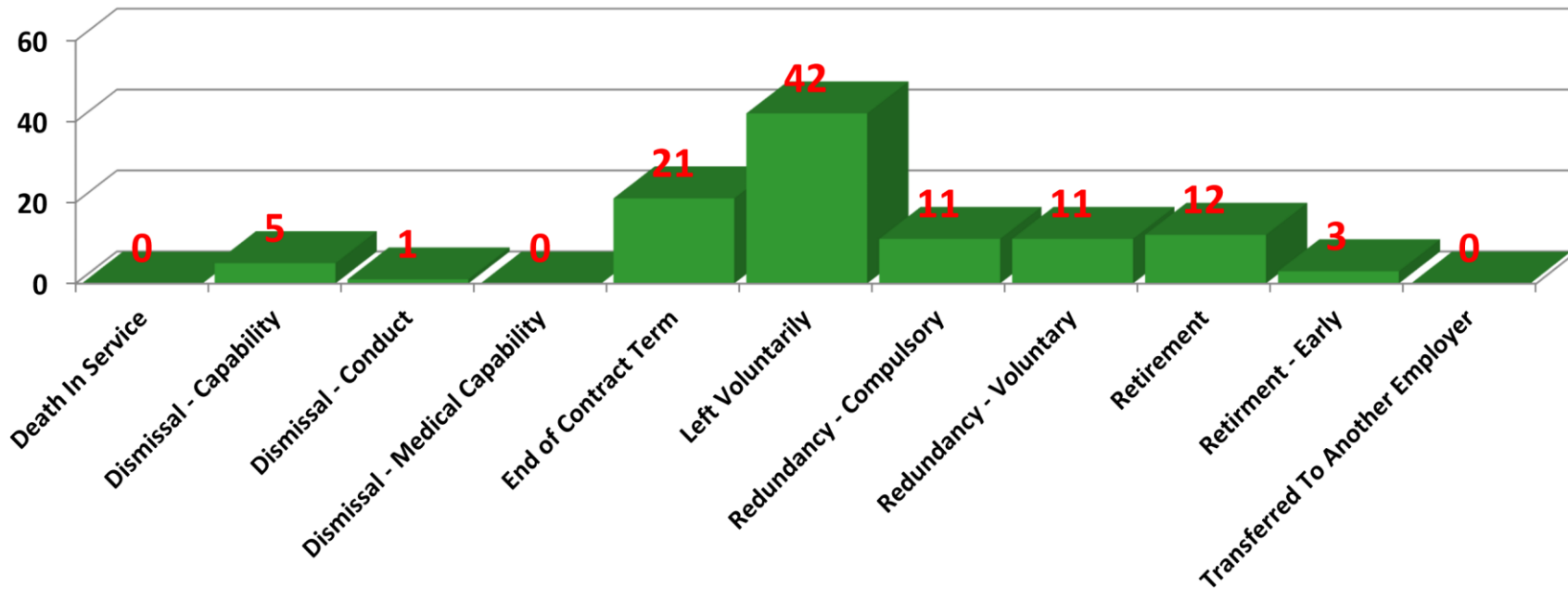
106

LEAVERS - 2015/16

106

LEAVER REASON - Q1

Page 150



QUARTER 1 2015/16 DASHBOARD

ATTENDANCE - NON-SCHOOLS

DAYS LOST PER FTE AT 30/06/2015



30/06/2014
2.50

2.86

30/06/2015
2.86



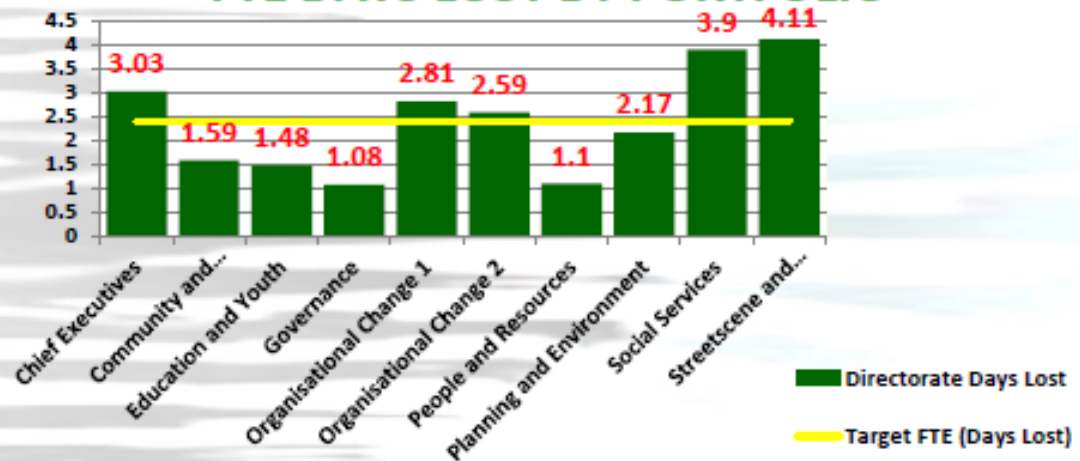
Increase of 0.36

https://encrypted-tbn3.gstatic.com/images?q=tbn:ANd9GcS-nVNemVMtYJ-XNIuYdze_AR_VDab2rhVn-i80yLkJWUB5sanxv-zuY9U

TOP 4 REASONS

1. MUSCOLOSKELETAL
2. STRESS;DEPRESSION;ANXIETY
3. INFECTIONS
4. STOMACH, LIVER: VOMITING

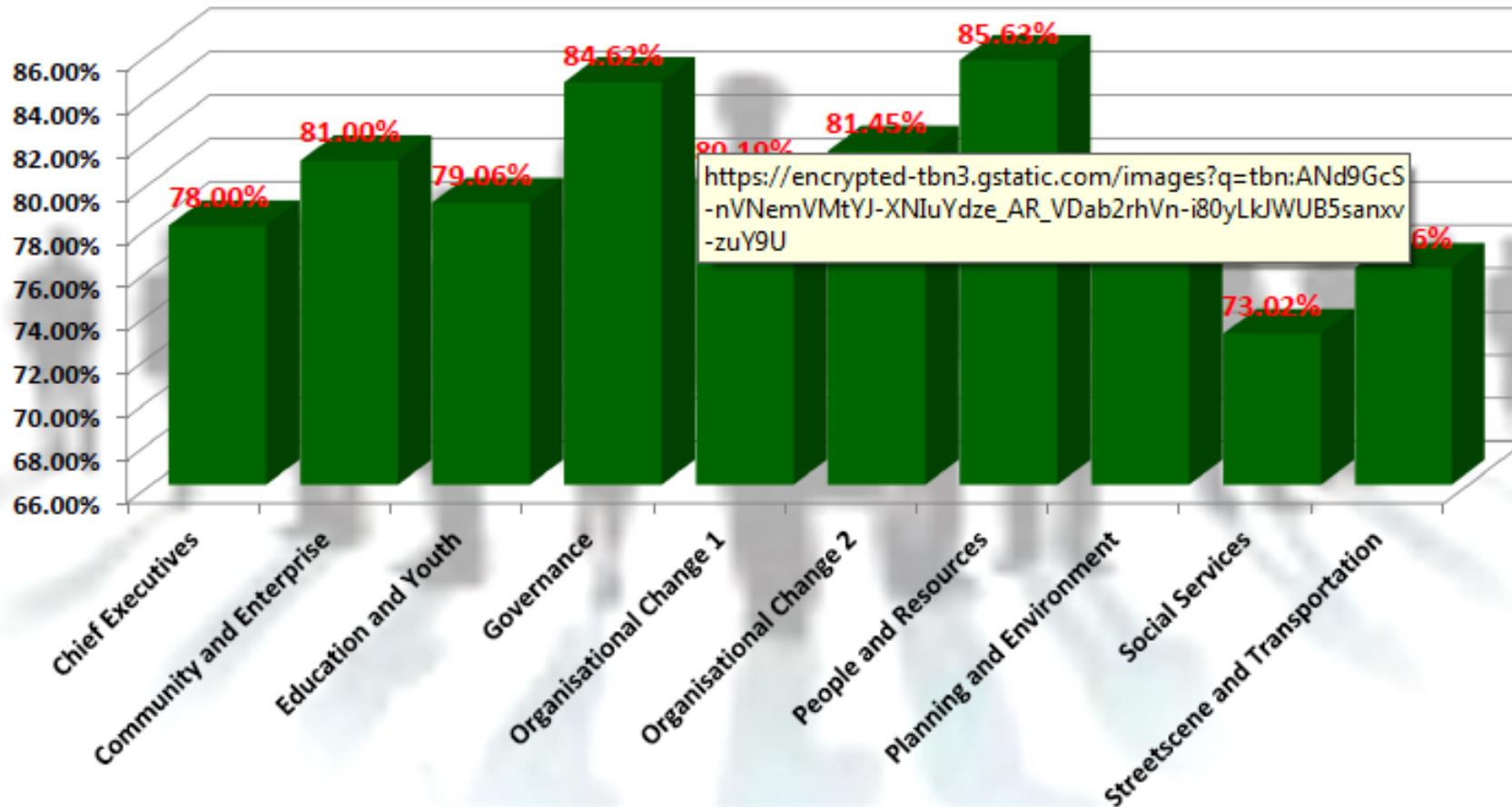
FTE DAYS LOST BY PORTFOLIO



QUARTER 1 2015/16 DASHBOARD

ATTENDANCE CONTINUED - NON-SCHOOLS

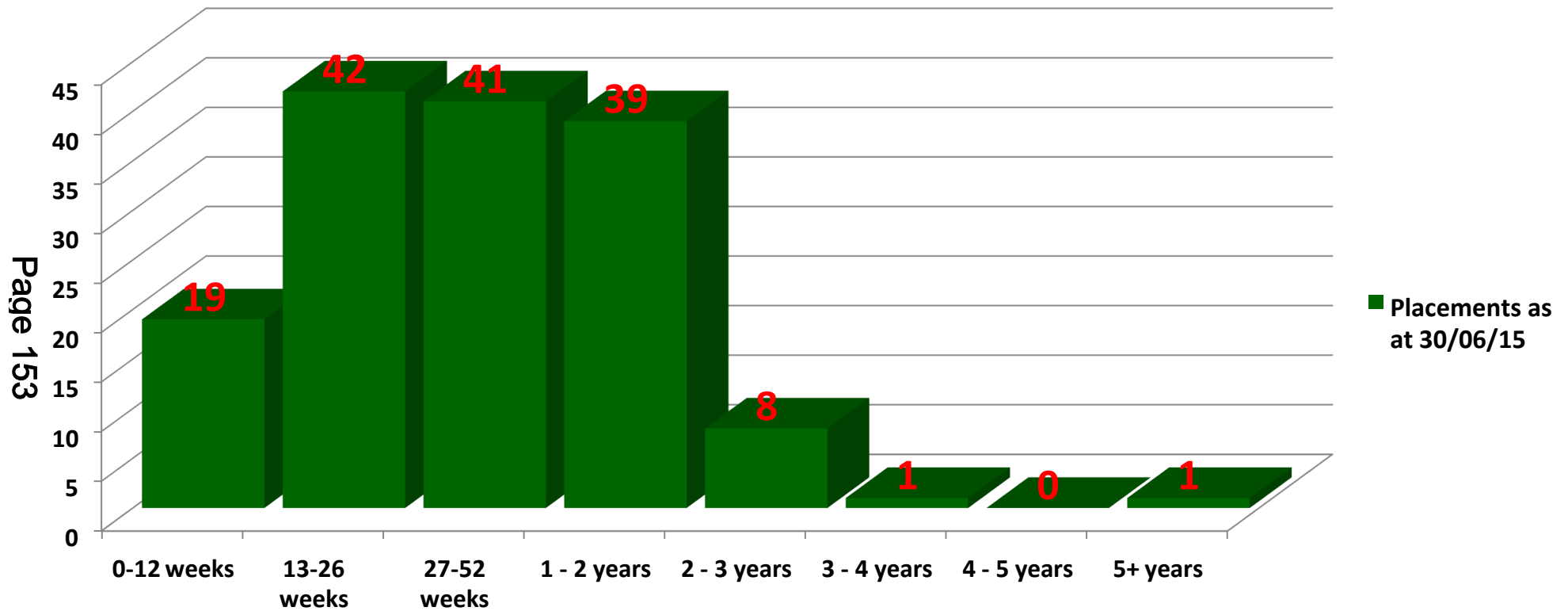
100% ATTENDANCE BY PORTFOLIO



QUARTER 1 2015/16 DASHBOARD

RESOURCE MANAGEMENT - AGENCY

Agency Tenure Management 2015/16



QUARTER 1 2015/16 DASHBOARD

EQUALITY AND DIVERSITY - NON-SCHOOLS

GENDER BREAKDOWN

MALE

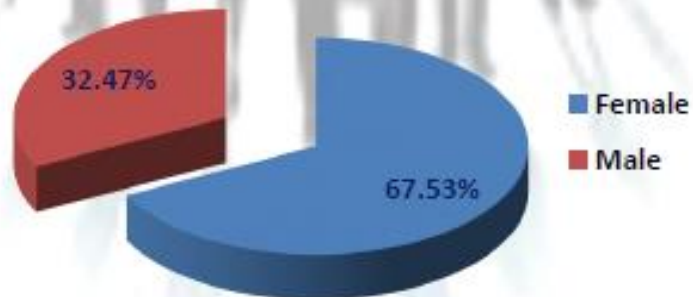
1,174
(32.47%)

FEMALE

2,448
(67.53%)

https://encrypted-tbn3.gstatic.com/images?q=tbn:ANd9GcS-nVNemVMtYJ-XNIuYdze_AR_VDab2rhVn-i80yLkJWUB5sanxv-zuY9U

GENDER BREAKDOWN (%)

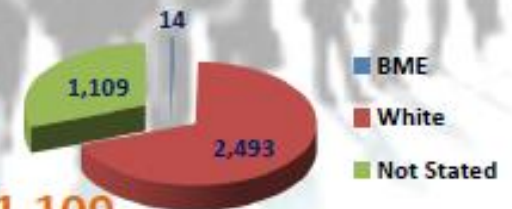


ETHNICITY

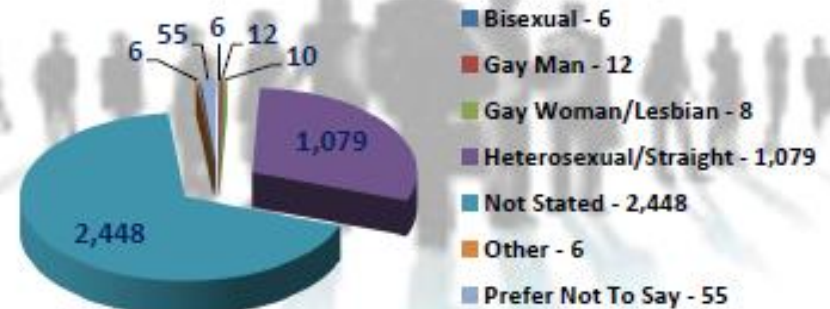
BME - 14

NOT STATED - 1,109

ETHNICITY BREAKDOWN



SEXUAL ORIENTATION



CORPORATE DASHBOARD
REPORTS
(SCHOOLS)
2015/16 - QUARTER 1
(APRIL - JUNE)

QUARTER 1 2015/16 DASHBOARD

HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - SCHOOLS

TOTAL HEADCOUNT

3,417

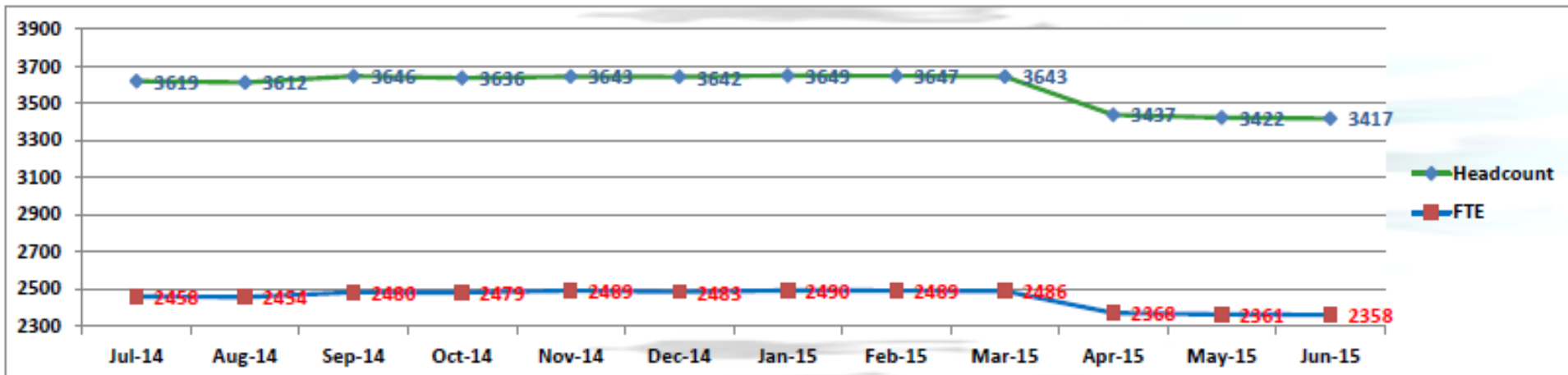
TOTAL FULL TIME EQUIVALENT

2,358

01/04/2015 3,437
 Decrease of 20 people (+0.58%)
 30/06/2015 3,417

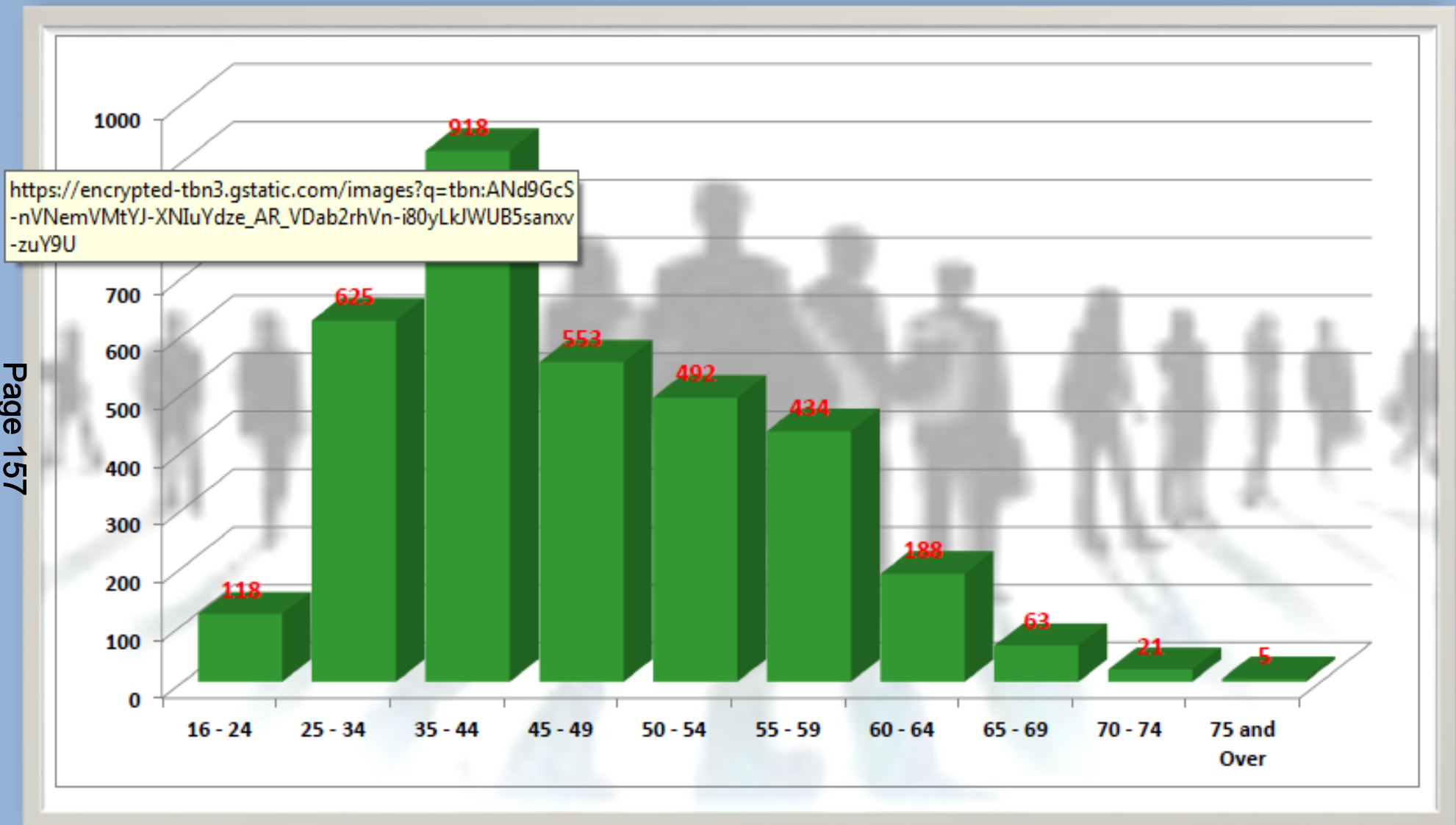
01/04/2015 2,368
 Decrease of 10 FTE (-0.42%)
 30/06/2015 2,358

HEADCOUNT AND FTE - 12 MONTH TREND



QUARTER 1 2015/16 DASHBOARD

AGE PROFILE - SCHOOLS



QUARTER 1 2015/16 DASHBOARD

TURNOVER AND STABILITY - SCHOOLS

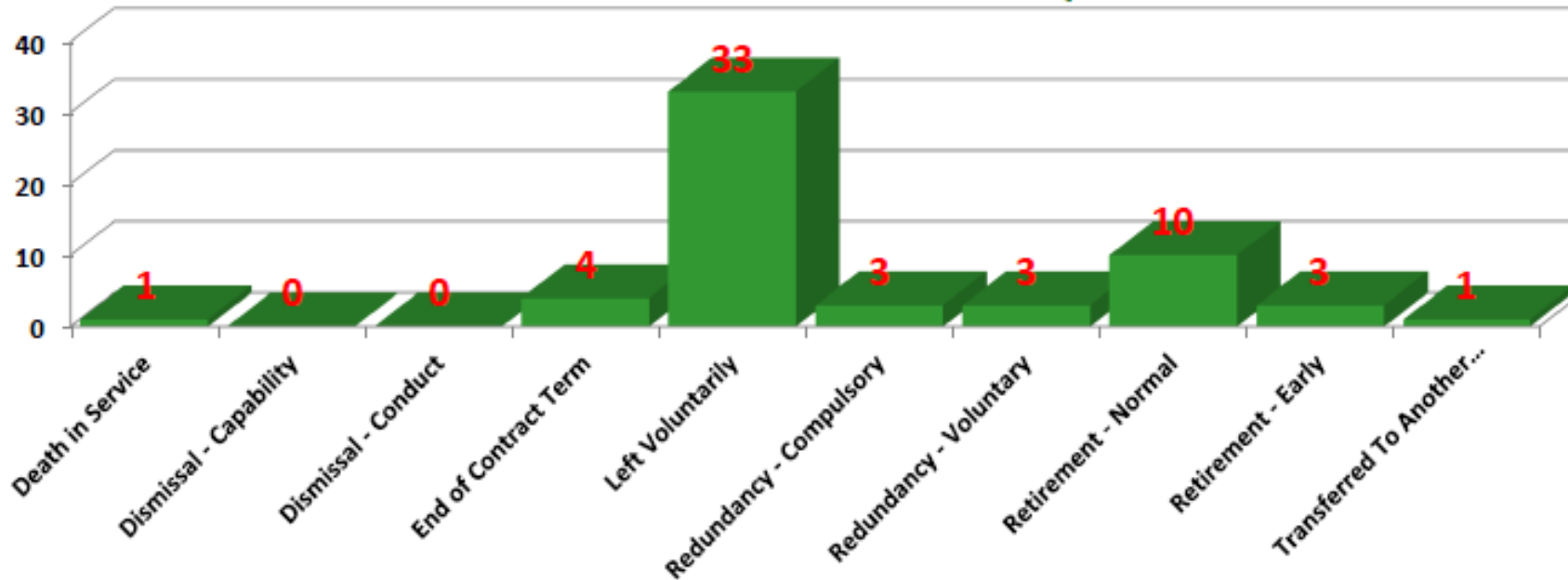
LEAVERS - Q1

58

LEAVERS - 2015/16

58

LEAVER REASON - Q3



QUARTER 1 2015/16 DASHBOARD

ATTENDANCE - SCHOOLS

DAYS LOST PER FTE AT 30/06/15



30/06/2014
1.70

2.00

30/06/2015
2.00



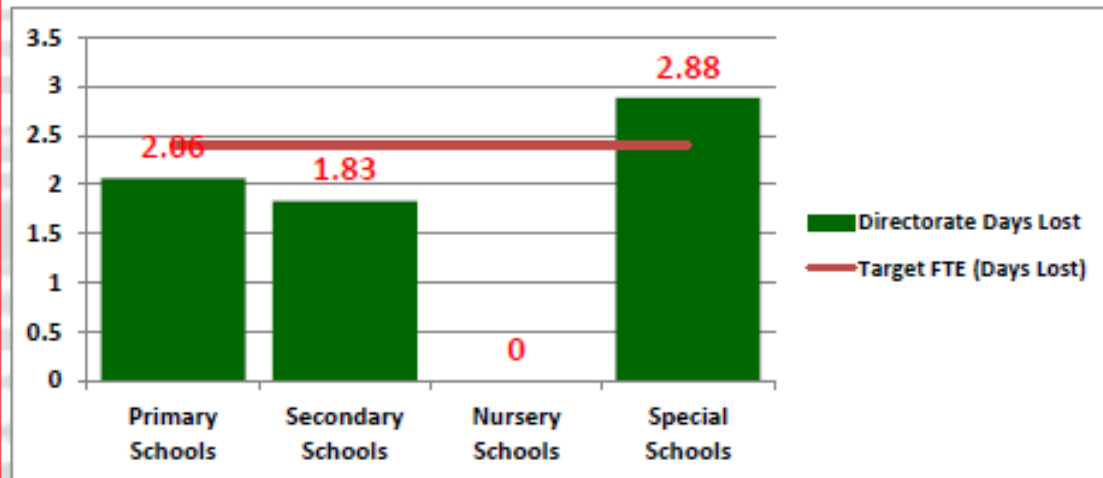
Increase of 0.30

Page 159

TOP 4 REASONS

1. INFECTIONS
2. MUSCOSKELETAL
3. STOMACH;LIVER;DISGESTION & VOMITING
4. STRESS;DEPRESSION;ANXIETY

FTE DAYS LOST BY DIRECTORATE



QUARTER 1 2015/16 DASHBOARD

EQUALITY AND DIVERSITY - SCHOOLS

GENDER BREAKDOWN

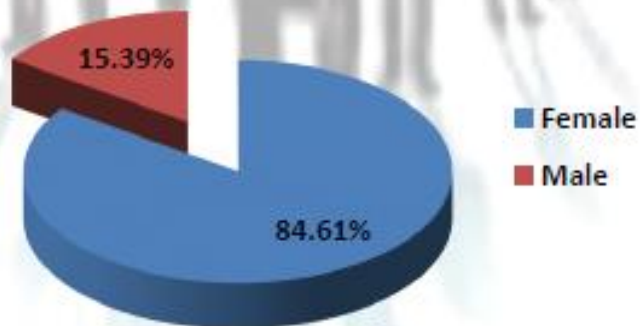
MALE

526
(15.39%)

FEMALE

2,891
(84.61%)

GENDER BREAKDOWN (%)



ETHNICITY

BME - 7

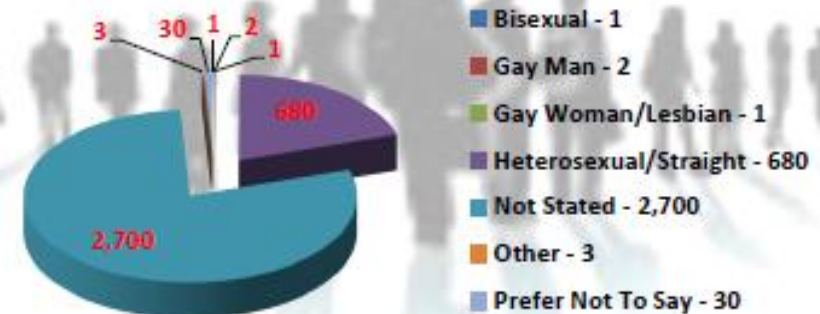
WHITE - 1,939

NOT STATED - 1,471

ETHNICITY BREAKDOWN (%)



SEXUAL ORIENTATION



FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

DATE: **THURSDAY 8TH OCTOBER, 2015**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **FORWARD WORK PROGRAMME**

1.00 PURPOSE OF REPORT

1.01 To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.

2.00 BACKGROUND

2.01 Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council or Chief Officers. Other possible items are identified from the Cabinet Work Programme and the Strategic Assessment of Risks & Challenges.

2.02 In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:

1. Will the review contribute to the Council's priorities and/or objectives?
2. Is it an area of major change or risk?
3. Are there issues of concern in performance?
4. Is there new Government guidance or legislation?
5. Is it prompted by the work carried out by Regulators / Internal Audit?

3.00 CONSIDERATIONS

3.01 Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work Programme of the Committees of which they are Members. By reviewing and prioritising the Forward Work Programme Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

4.00 RECOMMENDATIONS

4.01 That the Committee considers the draft Forward Work Programme attached as Appendix 1 and approve/amend as necessary.

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 N/A.

11.00 CONSULTATION UNDERTAKEN

11.01 Publication of this report constitutes consultation.

12.00 APPENDICES

12.01 Appendix 1 – Forward Work Programme

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

None.

Contact Officer: Robert Robins
Telephone: 01352 702320
Email: robert_robins@flintshire.gov.uk

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2015/16

DATE	SUBJECT	O&S Focus	REPORT FROM
Thursday 12 th November 10.00	North Wales Fire & Rescue Authority – Consultation: ‘Your Services, Your Choices’	Consultation	Robert Robins
	Medium Term Financial Strategy	Assurance and comment	Chief Executive/Gary Ferguson
	Revenue Budget Monitoring (Month 5)	Monitoring	
	Workforce Information Q 2	Monitoring	Sara Dulson
	Forward Work Programme	Approval and development	Robert Robins
Thursday 10 th December 10.00	Police & Crime Commissioner: consultation on the Crime & Policing Plan for 2016/17	Consultation	Robert Robins
	Medium Term Financial Strategy	Assurance and comment	Chief Executive/Gary Ferguson
	Revenue Budget Monitoring (Month 6)	Monitoring	Sara Dulson
	Forward Work Programme	Approval and development	Robert Robins

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2015/16

Budget Consultation Meetings December and January			
Thursday 14 th January 2016 10.00	<p>Medium Term Financial Strategy</p> <p>Revenue Budget Monitoring (Month 7)</p> <p>Forward Work Programme</p>	<p>Assurance and comment</p> <p>Monitoring</p> <p>Approval and development</p>	<p>Chief Executive/Gary Ferguson</p> <p>Sara Dulson</p> <p>Robert Robins</p>
Thursday, 11 th February 2016 10.00	<p>Medium Term Financial Strategy</p> <p>Revenue Budget Monitoring (Month 8)</p> <p>Quarter 3 Workforce Information</p> <p>Forward Work Programme</p>	<p>Assurance and comment</p> <p>Monitoring</p> <p>Monitoring</p> <p>Approval and development</p>	<p>Chief Executive/Gary Ferguson</p> <p>Sara Dulson</p> <p>Andrew Adams</p> <p>Robert Robins</p>
Thursday, 17 th March 2016 10.00	<p>Revenue Budget Monitoring (Month 9)</p> <p>Q3 Improvement Plan Monitoring</p> <p>Forward Work Programme</p>	<p>Assurance and comment</p> <p>Monitoring</p> <p>Approval and development</p>	<p>Sara Dulson</p> <p>Robert Robins</p> <p>Robert Robins</p>

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2015/16

Thursday, 14 th April 2016 10.00	Revenue Budget Monitoring (Month 10) Forward Work Programme	Monitoring Approval and development	Sara Dulson Robert Robins
Items to be scheduled	Health and Well-being update Customer services and Call-handling update	Information	Helen Stappleton

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