

# Public Document Pack



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To: Cllr David Roney (Chair)

Councillors: Clive Carver, Glenys Diskin, Chris Dolphin, Ian Dunbar, Andy Dunbobbin, Brian Dunn, Robin Guest, Ron Hampson, Dave Mackie, Mike Reece, Tony Sharps, Paul Shotton, Nigel Steele-Mortimer and Carolyn Thomas

2 December 2015

Dear Councillor

You are invited to attend a meeting of the Organisational Change Overview & Scrutiny Committee which will be held at 10.00 am on Tuesday, 8th December, 2015 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

## A G E N D A

### 1 APOLOGIES

**Purpose:** To receive any apologies.

### 2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

**Purpose:** To receive any Declarations and advise Members accordingly.

### 3 COUNCIL FUND REVENUE BUDGET 2016/2017 (Pages 3 - 8)

Report of Chief Executive and Corporate Finance Manager. The Portfolio of the Leader of the Council and Cabinet Member for Finance.

**Purpose:** The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee.

Yours faithfully

Peter Evans  
Democracy & Governance Manager

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## ORGANISATIONAL CHANGE OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Tuesday, 8 <sup>th</sup> December 2015
<b>Report Subject</b>	Council Fund Revenue Budget 2016/2017
<b>Cabinet Member</b>	Leader of the Council; Deputy Leader and Cabinet Member for Environment; Cabinet Member for Waste Management, Public Protection and Leisure; Cabinet Member for Corporate Manager; and Cabinet Member for Education
<b>Report Author</b>	Chief Executive and Corporate Finance Manager
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals.

The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.

The report also summarises the budget development and consultation process.

### RECOMMENDATIONS

1	To review and comment on the initial budget proposals within the Committee's portfolio.
2	To note the timetable and further consultation stage to follow.

## REPORT DETAILS

1.00	Budget Consultation process for 2016/17
1.01	<p>The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals. The proposals have been developed by each Chief Officer as part of the three year business planning process for the period 2015/16 to 2017/18. The proposals are presented in a standard form, across all Committees, with a risk rating and commentary.</p>
1.02	<p>The initial proposals have been developed to contribute to part one of the three part solution to the annual 'budget cut' within the Medium Term Financial Strategy. The Strategy is published and is within the public domain.</p>
1.03	<p>The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.</p>
1.04	<p>The budget setting process for 2016/17 is particularly complex given the lateness of the expected Final Local Government Settlement from Welsh Government and the scale of the annual budget reductions the Council has to manage. Members have been briefed and consulted in several phases of workshops from July to November. Group Leaders and Overview and Scrutiny Chairs have had specific briefing meetings.</p>
1.05	<p>The Council has organised a major public consultation – Your Moment-with area public meetings being held in seven locations between mid November and early December.</p>
1.06	<p>A series of formal budget consultation meetings are being held:</p> <p>Monday 7 December 10.00 Environment Overview &amp; Scrutiny Committee Tuesday 8 December 10.00 Organisational Change Overview &amp; Scrutiny Committee Friday 11 December 10.00 Social &amp; Healthcare Overview &amp; Scrutiny Committee Tuesday 15 December 14.00 Education &amp; Youth Overview &amp; Scrutiny Committee Thursday 17 December 14.00 Community &amp; Enterprise overview &amp; Scrutiny Committee Friday 18 December 10.00 Corporate Resources Overview &amp; Scrutiny Committee (for Corporate functions and central finance) Friday, 18 December 14.00 Corporate Resources Overview &amp; Scrutiny Committee (All Members are invited to attend to conclude this stage of the consultation process.)</p>

1.07	A further round of Overview and Scrutiny Committees is to follow from 14-29 January once the Provisional Local Government Settlement has been announced.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out in the Medium Term Financial Strategy.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	This report summarises the consultation process.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	As set out in the Medium Term Financial Strategy.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Business Plan Proposals 2016/17 for Organisational Change.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Medium Term Financial Strategy Parts 1 and 2  <a href="http://www.flintshire.gov.uk/en/Resident/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy.aspx">http://www.flintshire.gov.uk/en/Resident/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy.aspx</a>  Medium Term Financial Strategy Executive Summary  <a href="http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Summary-Medium-Term-Financial-Strategy.pdf">http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Summary-Medium-Term-Financial-Strategy.pdf</a>  Flintshire County Council 24<sup>th</sup> October 2015 Report  <a href="http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=143&amp;MId=3551&amp;Ver=4&amp;LLL=undefined">http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=143&amp;MId=3551&amp;Ver=4&amp;LLL=undefined</a>  Cabinet 15<sup>th</sup> September 2015 Report  <a href="http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=3537&amp;Ver=4&amp;LLL=undefined">http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=3537&amp;Ver=4&amp;LLL=undefined</a></p> <p><b>Contact Officer:</b> Colin Everett  Chief Executive  <b>Telephone:</b> 01352 702101  <b>Email:</b> <a href="mailto:chief.executive@flintshire.gov.uk">chief.executive@flintshire.gov.uk</a></p>

7.00	GLOSSARY OF TERMS
7.01	<b>Budget:</b> 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	<b>Local Government Finance Settlement:</b> This sets out what the Welsh Government is to allocate to each local authority in Wales. It is issued in two stages. This year, the Provisional Settlement is expected on 9 <sup>th</sup> December with the final Local Government Finance Settlement being announced on 1 <sup>st</sup> March 2016.
7.03	<b>Medium Term Financial Strategy (MTFS):</b> 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.
7.04	<b>Council Fund:</b> 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).
7.05	<b>Annual Settlement:</b> 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.

## Business Plan

2016/17

### Summary of Business Planning Proposals

Category	1	2	3	Total
Portfolio	2016/17	2016/17	2016/17	2016/17
	£m	£m	£m	£m
Organisational Change	0.728	0.544	0.000	1.272
<b>Total</b>	<b><u>0.728</u></b>	<b><u>0.544</u></b>	<b><u>0.000</u></b>	<b><u>1.272</u></b>

#### Category

1. Fully Costed and Safe - Very detailed costings/modelling undertaken and the the accuracy can be relied upon not to change significantly
2. Reasonably costed will need refining - The level of detail behind the costing/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes e.g. markets
3. High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.

These Business Plan proposals for 2016/17 build on the work shared with Group Leaders and Chairs of Scrutiny committees and more recently with all Members at the Member workshops.

The tables on the following pages have headings which are familiar.

A new heading refers to the 'Mandatory' duty to provide particular services. It should be noted that all services/functions provided by the Council are provided under many statutory duties. Within these statutory services a 'mandatory' service or function **'must'** be provided.

All 'mandatory' services/functions have been RAG assessed to determine if any 'duty' would be compromised should the business plan proposal be adopted. These are all noted with an 'M' plus an explanation as to the RAG assessment. All 'non-mandatory' services/functions are noted as NM.

Business Planning Efficiencies for Organisational Change Portfolio

ORGANISATIONAL CHANGE 1							
No	Specific 2016/17 Proposals	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation
14	Deeside Library Relocations	Service Reduction	0.030	Statutory duty for a comprehensive and efficient library service; proposals do not compromise this requirement.		1	Re-locate Mancot, Hawarden and Queensferry Libraries to Deeside Leisure Centre.
15	Community Asset Transfers	Service Reduction	0.544			2	Community Asset Transfer of: i) Connahs Quay Pool, ii) Holywell Leisure Centres iii) potentially rural libraries iv) building transfer of Holywell and Broughton libraries.
Totals			0.574				
Clwyd Theatr Cymru							
1	Proposal to reduce shows and increase productivity	Service Reduction/ Service Efficiency/ Income Generation	0.150	NM		1	Reduction in shows from 8 to 6, combined with a reduction in staffing costs, and increases in income from productions and related activities.
Total Organisational Change 1			0.724				
ORGANISATIONAL CHANGE 2							
1	Catering Work process changes and office efficiency	Service Efficiency	0.005	NM		1	Review of the office processes and paperwork flows drawing on best practice and increased use of electronic delivery.
2	Staff structural change	Structural Review	0.019	NM		1	Review of the catering service resources delivered to High Schools, Primary Schools, Residential Homes and Day Care Centres and the way the current service is delivered.
3	Stock management and control	Service Efficiency	0.077	NM		1	Stock control management system has now been purchased and its use is being embedded within the service to deliver increased efficiencies.
4	Increase meal numbers (income)	Service Efficiency	0.080	NM		1	Current performance and take up in schools is currently 39% with a recent study indicating that 43% should be a target that is achievable. This requires improved marketing and promotion of the catering service to increase take up.
5	Debt recovery (income)	Service Efficiency	0.010	NM		1	Manage more effectively the levels of debt relating to school meals and take appropriate action to tackle debt levels. This deliverable is now linked to a new debt process.
Totals			0.191				
7	Increased Growth	Income Generation	0.003	NM		1	Grow cleaning service into other areas such as leisure services, schools, care facilities.
8	Different model of delivery (mobile)	Income Generation	0.004	NM		1	Deliver a peripatetic cleaning service to areas of the County and in addition increase external market contracts.
Totals			0.007				
9	Security/Caretaking Staff reductions	Service Reduction	0.056	NM		1	Review undertaken for County Hall and close down at County Hall in place augmented by improved CCTV coverage around the campus.
10	Lock Down and Shift Pattern modifications	Service Efficiency	0.020	NM		1	Review position at Flint and modify service. Continue to review Mold service.
Totals			0.076				
11	CCTV Staff reductions	Service Reduction	0.040	NM		1	Rationalise service following a review to create efficiencies.
12	Income increase	Income Generation	0.010	NM		1	A number of strands relating to recovery of fee income from system users based upon a more responsive and peripatetic provision, and reductions in system maintenance costs.
Totals			0.050				
13	Other Campus Management	Structural Review	0.030	NM		1	Rationalise service following a service review to create efficiencies.
14	Maintenance	Service Efficiency	0.005	NM		1	Review budgets and reduce the level of maintenance to the main campus facility.
Totals			0.035				
16	Valuations & Estates Lease renewals	Income Generation	0.023	NM		1	Increases in rental income on new leases, renewal of leases, agricultural rents and grazing licences.
18	Office management	Service Efficiency	0.002	NM		1	Undertake a LEAN review of the office processes and paperwork flows drawing on best practice and increased use of electronic delivery of the service.
19	Estate management cost recovery (dilapidations etc)	Income Generation	0.005	NM		1	Increased and more effective recovery from tenants of dilapidation costs following tenant vacation of our property assets.
Totals			0.030				
20	Property Maintenance & Design Reduce maintenance budget	Structural Review	0.150	NM		1	Review of the council's existing corporate maintenance budgets in conjunction with a reducing property estate, through rationalisation. The Councils performance in relation to its maintenance delivery is already upper quartile.
22	Office running costs	Service Efficiency	0.004	NM		1	Undertake a review of the office running costs, reducing accommodation space and service cost.
23	Office management	Service Efficiency	0.005	NM		1	Undertake a review of office processes and paperwork flows drawing on best practice.
Totals			0.159				
Total Organisational Change 2			0.548				

TOTAL ORGANISATIONAL CHANGE 1.272

ORGANISATIONAL CHANGE	1.272
Total value of Business Plan proposals	1.272

CATEGORISATION KEY	Total 16-17
1 = Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	0.728
2 = Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	0.544
3 = High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.	0.000

1.272