

# Public Document Pack

**Gareth Owens LL.B Barrister/Bargyfreithiwr**  
Head of Legal and Democratic Services  
Pennaeth Gwasanaethau Cyfreithiol a Democraidaidd



To: Cllr Aaron Shotton (Leader)

CS/NG

Councillors: Bernie Attridge, Chris Bithell,  
Helen Brown, Derek Butler, Christine Jones,  
Kevin Jones and Billy Mullin

12 February 2014

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Dear Sir / Madam

A meeting of the **CABINET** will be held in the **CLWYD COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **TUESDAY, 18TH FEBRUARY, 2014** at **9.30 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

## **AGENDA**

1 **APOLOGIES**

2 **DECLARATIONS OF INTEREST**

3 **MINUTES** (Pages 1 - 12)

To confirm as a correct record the minutes of the meeting held on 21 January 2014.

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The Council welcomes correspondence in Welsh or English  
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

TO CONSIDER THE FOLLOWING REPORTS

**STRATEGIC REPORTS**

4 **OUTCOME AGREEMENT 2013-2016** (Pages 13 - 40)

Report of Chief Executive - Cabinet Member for Corporate Management

5 **NATIONAL MODEL FOR REGIONAL WORKING ON SCHOOL IMPROVEMENT** (Pages 41 - 78)

Report of Director of Lifelong Learning - Cabinet Member for Education

6 **SCHOOL FUNDING FORMULA REVIEW** (Pages 79 - 110)

Report of Director of Lifelong Learning - Cabinet Member for Education

7 **COUNCIL FUND REVENUE BUDGET 2014/15** (Pages 111 - 172)

Report of Head of Finance - Leader of the Council and Cabinet Member for Finance

8 **COUNCIL FUND CAPITAL PROGRAMME 2014/15 AND INDICATIVE FUNDING TO 2017/18** (Pages 173 - 194)

Report of Head of Finance, Chief Executive, Director of Environment - Leader of the Council and Cabinet Member for Finance

9 **HOUSING REVENUE ACCOUNT 2014/15 & CAPITAL PROGRAMME 2014/15** (Pages 195 - 218)

Report of Chief Executive, Head of Finance, Director of Community Services, Head of Housing - Leader of the Council and Cabinet Member for Finance

10 **PRUDENTIAL INDICATORS 2014/15** (Pages 219 - 226)

Report of Head of Finance - Leader of the Council and Cabinet Member for Finance

11 **MINIMUM REVENUE PROVISION 2014/15** (Pages 227 - 230)

Report of Head of Finance - Leader of the Council and Cabinet Member for Finance

- 12 **TREASURY MANAGEMENT STRATEGY 2014/15** (Pages 231 - 254)  
Report of Head of Finance - Leader of the Council and Cabinet Member for Finance

- 13 **REVIEW OF THE COUNCIL'S HOUSEHOLD WASTE COLLECTION POLICY AND HRC/BRING SITE ARRANGEMENTS** (Pages 255 - 280)

Report of Director of Environment - Cabinet Member for Waste Strategy, Public Protection and Leisure

- 14 **HOUSING ASSET MANAGEMENT STRATEGY** (Pages 281 - 316)

Report of Head of Housing - Cabinet Member for Housing

#### **OPERATIONAL REPORTS**

- 15 **REVENUE BUDGET MONITORING 2013/14 (MONTH 8)** (Pages 317 - 368)

Report of Head of Finance - Leader of the Council and Cabinet Member for Finance

- 16 **COUNCIL TAX REDUCTION SCHEME CONSULTATION** (Pages 369 - 380)

Report of Head of Finance - Cabinet Member for Corporate Management

- 17 **INTERMEDIATE CARE FUND** (Pages 381 - 386)

Report of Director of Community Services - Cabinet Member for Social Services

- 18 **PLAY PROVISION: SUMMER PLAYScheme 2014** (Pages 387 - 390)

Report of Head of Legal and Democratic Services - Cabinet Member for Education

- 19 **WORKFORCE INFORMATION QUARTER 3 (OCT - DEC 2013)** (Pages 391 - 400)

Report of Head of Human Resources and Organisational Development - Cabinet Member for Corporate Management

- 20 **EXERCISE OF DELEGATED POWERS** (Pages 401 - 404)

Report of the Chief Executive enclosed.

**FORWARD WORK PROGRAMME - COUNTY COUNCIL, CABINET, AUDIT AND OVERVIEW & SCRUTINY - FOR INFORMATION**

**Annual Improvement Report from Wales Audit Office**

- Deferred to 18 March as the report is not yet available.

**Single Integrated Plan 2012-2017**

- Deferred to 18 March.

**Flintshire Registration Service - Fees**

- Dealt with under Delegated Powers.

**Universal Credit Delivery Partnership Agreement**

- Deferred to 18 March.

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

**STRATEGIC**

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

Balance of public interest against the report being public as could prejudice tender process.

- 21 **NORTH WALES CAPITAL PROCUREMENT FRAMEWORK** (Pages 455 - 460)

Report of Director of Lifelong Learning - Cabinet Member for Education



## **CABINET** **21 JANUARY 2014**

Minutes of the meeting of the Cabinet of Flintshire County Council held at County Hall, Mold on Tuesday, 21 January 2014

### **PRESENT: Councillor Aaron Shotton (Chair)**

Councillors: Bernie Attridge, Chris Bithell, Helen Brown, Derek Butler, Christine Jones, Kevin Jones and Billy Mullin

### **ALSO PRESENT:**

Councillor Mike Peers

### **IN ATTENDANCE:**

Chief Executive, Director of Community Services, Director of Environment, Director of Lifelong Learning, Head of Legal and Democratic Services, Head of Finance, Head of ICT and Customer Service, Head of Human Resources and Organisational Development and Overview & Scrutiny Facilitator

Prior to the start of the meeting the Leader of the Council paid tribute to the late Councillor Ted Evans who had sadly passed away and invited Members and officers to take part in a minute silence as a mark of respect to Councillor Evans.

## **145. DECLARATIONS OF INTEREST**

Councillor Bernie Attridge declared a personal interest in Agenda Item Number 17 – Charging for Re-rating Inspections carried out under the Food Hygiene Rating (Wales) Act 2013 as he was the Chairman of Connah’s Quay Labour Club.

Councillor Derek Butler declared a personal interest in Agenda Item Number 8 – Rural Development Plan Local Action Groups 2014-2020 as he was a Board Member for Cadwyn Clwyd.

Councillor Aaron Shotton declared a personal interest in Agenda Item Number 17 – Charging for Re-rating Inspections carried out under the Food Hygiene Rating (Wales) Act 2013 as he was the Chairman of Connah’s Quay Labour Party and Social Club.

## **146. MINUTES**

The minutes of the meeting held on 17 December 2013 had been circulated with the agenda.

### **RESOLVED:**

That the minutes be approved as a correct record.

## **147. COUNCIL FUND REVENUE BUDGET 2014/15**

The Leader of the Council and Cabinet Member for Finance introduced the draft revenue budget proposals for the Council Fund and advised of the ongoing work to close the current remaining budget gap in 2014/15.

The Leader and Cabinet Member for Finance explained that for Cabinet the overall strategy for 2014/15 had been to seek to maximise internal cost reductions as much as possible including management, operating and workforce costs. In early 2014, it was proposed that consultation with local communities be carried out on the priorities for the future and the choices to be made over the way the Council runs and pays for local services from 2015 onwards. Local communities would be invited to share in planning solutions for the future. The Cabinet continued to remain resolute in defending local communities against the worst impacts of cuts to the Council's funding.

The Head of Finance detailed the financial strategy which had been adopted to support the Organisational Redesign and Change Programme as shown in the report. The report provided details of the total revenue budget and budget requirements, details on expenditure, pay and inflation, schools budget, earmarked and unearmarked reserves and the Investment Strategy. The Council had an obligation to assess the potential equalities impacts of its budget proposals and it was important that all aspects of the Organisational Redesign and Change Programme were subject to an appropriate Equalities Impact Assessment, to ensure that there was no potential for discrimination or disadvantage to either service users of employees.

The Chief Executive thanked Members and officers who had worked together in setting the proposed 2014/15 budget. He provided details on the Organisational Redesign and Change Programme and the expectations of the Cabinet for this programme. The programme had four sub-programmes, as set out in the Medium Term Financial Plan:-

- Corporate Value for Money
- Functional Value for Money
- Organisation Design: Structure and Operating Model
- Operational Design: Workforce

The newly adopted Value for Money Model had replaced the previous programmes of targeted service reviews. The Organisation Design: Structure and Operating Model Sub-Programme involved a two phased review of the way the Council was structured and operated with the dual aim of (1) improving the way the Council worked and (2) making significant reductions in senior management costs. The combined efficiency target for these two phases was set at £2m in a full financial year with a proportionate target for 2014/15 of £1.45m based on the timing of the current implementation plan. There will be operational efficiencies across corporate level and there was a good degree of confidence that the £10m savings in this area could be achieved. A more challenging review involved the changes to workforce and management with big decisions needing to be taken over the coming months.

In line with the financial strategy, a risk based approach had been taken to the assessment of all potential items of additional cost as to their likelihood and the level required. The achievement of planned efficiencies was a priority with the Improvement Plan and the Council had a good record of making efficiencies year on year. For 2014/15, the scale of the challenge was greater than in previous years which was recognised through the broader based and more ambitious change programme.

The Chief Executive concluded by detailing the use of single status/equal pay reserves should it be necessary as part of the total workforce strategy. During 2014 the Council planned to review and consult on a number of service models and their future shape from 2015/16 onwards. This would be politically led to consider options where future budget efficiencies would be drawn from.

The Head of Finance detailed the formal consultation required on the draft revenue budget proposals. A number of Overview & Scrutiny Committee meetings had been arranged for the week commencing the 28 January and they could be preceded by an all Member Workshop on the afternoon of the 27 January to consider the budget overview.

As the Chief Finance Officer, the Head of Finance confirmed the reasonableness of the estimates shown in the budget proposals and said that she was satisfied that the Council's Change Programme was reasonable and supported the Council's ability to deliver an ongoing programme of change and efficiencies in the base budget.

Cabinet Member supported the draft revenue budget proposals which they felt were achievable and commented on the investment to continue to provide services for residents of Flintshire.

**RESOLVED:**

- (a) That the initial budget proposals and ongoing work to close the budget gap be endorsed; and
- (b) That the initial budget proposals be referred to Overview & Scrutiny Committees for consideration.

**148. COUNCIL FUND CAPITAL PROGRAMME 2014/15 AND INDICATIVE TO 2017/18**

The Chief Executive, Head of Finance and Director of Environment jointly presented the proposed allocation of funding to the core capital programme in 2014/15 together with information on the estimated total capital programme, based on current available information.

The Chief Executive reported that the indicative funding for 2015/16 included £44.176m related to 21<sup>st</sup> Century Schools programme. Whilst preliminary expenditure on the programme had taken place in 2013/14, the programme was for significant expenditure to commence from 2015/16 to deliver in the investment in

Flintshire schools which would be equally funded by Flintshire and the Welsh Government (WG).

The Head of Finance highlighted the elements of funding received for the capital programme, specific grants, unsupported (prudential) borrowing and the Local Government Borrowing Initiative as detailed in the report.

The Director of Environment reported that the total projected core funding available over the four year period 2014/15 to 2017/18 amounts to £31.898m. The total resources available in 2014/15 to fund the core capital programme are £7.403m. The issue of capital receipts continues to be a problematic one for the Council and in the current economic climate it was difficult to predict when disposals would be effected and the fund therefore realised to support the capital programme. As a consequence it was considered to be imprudent to set capital budgets where the funding may not be realised, therefore, it was recommended that the 2014/15 core capital programme budget be set based on a minimal capital receipts target which would have the effect of reducing the overall core programme indicated in last year's budget papers by 30%. It was proposed that any receipts generated over and above the target figure for 2014/15 be kept until the 2015/16 financial year.

The Leader of the Council reported on the total projected Council fund capital programme which amounted to £101.361m over the four year period 2014/15 to 2017/18. He spoke in support of the need to reduce the core capital programme in order to plan for the future and commented on the commitment of the Council to establish a Connects centre in Flint, Connah's Quay and Buckley.

Cabinet Members spoke in support of setting a more prudent capital programme based on capital receipts the Council was confident could be achieved.

**RESOLVED:**

- (a) That the report be noted;
- (b) That Cabinet approve the allocation of funding to the core capital programme in 2014/15, as shown in Appendix 1 of the report, including the additional items referred to in Section 5.05 of the report and note the indicative funding available for future years.
- (c) That Cabinet approve the setting of a minimal capital receipts target for 2014/15 and the process whereby receipts generated in one financial year are used to fund expenditure in the next (Sections 5.02.03 and 5.02.4 of the report).

**149. HOUSING REVENUE ACCOUNT 2014/15 & CAPITAL PROGRAMME 2014/15**

The Cabinet Member for Housing introduced the budget proposals for the Housing Revenue Account (HRA) and Capital Programme for the 2014/15 financial year.

The Cabinet Member for Housing explained that 2014/15 was anticipated to be the final year under the current rent and subsidy system in Wales. The proposed guideline weekly rent increase for Flintshire was £3.29 per week and the proposed garage rent increase for Flintshire was £0.25 per week. Outlined within the appendices to the report were the key areas of expenditure and details of proposed savings and efficiencies. Overall the budget provided £0.536m of additional investment in services and £0.789m of additional funding for the capital programme. The budget proposals were based on the draft determinations from the Welsh Government (WG) and the final budget would be adjusted to reflect the final determination received.

The Chief Executive provided details of the robust business plan the Council had in place to meet the Welsh Housing Quality Standard (WHQS) by the target of 2020. He commented on the current funding shortfall projected in the business plan and reported that this could potentially be met by prudential borrowing if the gap was not closed over the next three years from savings anticipated as a result of the rent reform.

The Cabinet Member for Housing thanked officers for the work undertaken to reduce the funding shortfall by £6.816m from the amount initially submitted to the WG in the Council's business plan.

**RESOLVED:**

- (a) That Cabinet approve and recommend to Council:-
- i. The proposed HRA budget for 2014/15 as set out in Appendix 1 of the report, incorporating the financial assumptions in Appendix 2 of the report and the service Improvements and Efficiencies in Appendix 3 of the report.
  - ii. The level of rent and service charges for 2014/15 as set out in paragraphs 3.01 to 3.07 of the report.
  - iii. The level of projected balances at 31<sup>st</sup> March 2015 at 3.20% of total expenditure.
  - iv. The proposed HRA Capital Programme as set out in Appendix 4 of the report.
- (b) That the impact of the proposed revenue budget and capital programme on the 30 year Business Plan be noted.

**150. IMPROVEMENT ASSESSMENT LETTER FROM WALES AUDIT OFFICE**

The Cabinet Member for Corporate Management introduced the report on the Council's Improvement Assessment Letter from the Auditor General for Wales and the Council's response.

Mr. Huw Lloyd-Jones Audit Office (WAO) was welcomed to the meeting and was invited to provide an overview of the key points detailed in the WAO letter. It

was noted that the Auditor General for Wales' opinion was that the Council had discharged its improvement reporting duties under the Local Government (Wales) Measure 2009, although there was potential to strengthen its arrangements further. In outlining the Cabinet's response, the Chief Executive explained that the Letter was, overall, a fair summary of the position of the Council with no new statutory recommendations or proposals for improvement.

The Cabinet Member for Corporate Management thanked Mr. Huw Lloyd-Jones for his attendance.

**RESOLVED:**

That the Council's Improvement Assessment Letter received from the Auditor General for Wales and the Council's response be noted.

**151. RURAL DEVELOPMENT PLAN LOCAL ACTION GROUPS 2014-2020**

The Cabinet Member for Economic Development introduced a report which sought approval in principle for Cadwyn Clwyd to act as the Local Action Group for Flintshire for the next Rural Development Plan (RDP) Programme. Within the context of declining public sector finances, the Programme should make a significant contribution to the strategic priorities of the County Council and make a measurable impact on the lives of the rural population.

**RESOLVED:**

- (a) That the nomination of Cadwyn Clwyd as the Local Action Group for Flintshire for the 2014 to 2020 Rural Development Plan Programme be approved in principle subject to satisfactory agreement being reached on the areas listed in Section 3.06 of the report; and
- (b) That a further report is brought to Cabinet for approval of the final details of the management and delivery arrangements for the new Programme.

**152. LOCAL DEVELOPMENT PLAN DELIVERY AGREEMENT: FINALISING THE DELIVERY AGREEMENT FOLLOWING CONSULTATION**

The Deputy Leader and Cabinet Member for Environment introduced a report which sought agreement for revisions to the draft Local Development Plan (LDP) Delivery Agreement following consultation feedback, in order to submit the Delivery Agreement to the Welsh Government (WG) for their formal approval. Once the WG had approved the Delivery Agreement, it could be formally published and substantive work on the preparation of the LDP could begin.

**RESOLVED:**

That the amendments to the Local Development Plan Delivery Agreement and Timetable for submission to the Welsh Government for formal approval be approved.

### **153. SARTH**

The Cabinet Member for Housing introduced a report which sought approval to implement the Single Access Route to Housing (SARTH) Project locally, the development of a Housing solutions service and to continue to engage with the project across the North East Wales sub region.

The overall aim of SARTH was to simplify access to a range of affordable housing options which was transparent, legal, efficient and accessible to all sections of the community. The SARTH policy not only included a revised allocation policy but also included some changes to the way the register was currently managed, such as, moving towards providing advice on realistic housing options.

Cabinet Members welcomed the proposals to implement a Single Access Route to Housing Project locally.

#### **RESOLVED:**

- (a) That the new Allocations Policy for Flintshire County Council, as shown in Appendix 1 of the report, be approved;
- (b) That the phased implementation of the new Allocations Policy and Housing Solutions Service in Flintshire as detailed in the project plan, as shown in Appendix 2 of the report, be approved; and
- (c) That the continued involvement in the regional project work to the benefit of Flintshire residents be supported.

### **154. CUSTOMER SERVICES STRATEGY UPDATE**

The Cabinet Member for Corporate Management introduced an update on the progress made with the implementation of the Customer Services Strategy. The report set out what has been achieved over the previous four years and included an overview of the future proposed direction for customer services which would be included in the next version of the strategy.

The Head of ICT and Customer Services reported that the Council's new website went live on 1 October, 2013 and a post implementation review of the new website would be undertaken in early 2014, taking into account feedback received and benchmarking information. The Corporate Twitter account was now being used far more proactively recognising the huge increase in use of social media. To increase the awareness of social media, a live question and answer session was held in December, 2013 with Streetscene around preparations for winter and it was hoped similar sessions could be arranged in the future to promote key activities throughout the Council. During 2014 the Flintshire Connects Programme will see the establishments of new Connects Centres at Flint, Connah's Quay and Buckley.

The Leader of the Council commented on the importance of being able to effectively engage with local communities in terms of how services are delivered in the future with further budget reductions forecast.

The Deputy Leader asked that the relevant Cabinet Member be invited to take part in future live question and answer sessions.

**RESOLVED:**

That the report and progress made in relation to the Customer Service Strategy be noted.

**155. DOUBLE CLICK & THE CASE TO PROGRESS TO A SOCIAL ENTERPRISE**

The Cabinet Member for Social Services introduced a report which sought approval to progress Double Click to a Social Enterprise in 2014. The report provided information which indicated the benefits of the proposals for Service Users supported at Double Click and the benefits to the Council in terms of short and long term efficiencies. The Business Model and Governance Arrangements that would be in place were attached at Appendix 1 to the report.

The Director of Community Services reported that Mental Health Support Services started looking at the Social Enterprise Model for their work services around three years ago in response to a letter from a user of the service. A detailed Business Plan had been developed and was supported by the Social & Health Care Overview & Scrutiny Committee at its meeting in November, 2013.

In the short term the Council did not expect to see a change in its financial contribution to this service. In the long term any surplus profit would be reinvested back into the business.

**RESOLVED:**

That the development of Double Click as a Social Enterprise in accordance with the business model and governance arrangements proposed be approved.

**156. REVENUE BUDGET MONITORING 2013/14 (MONTH 7)**

The Head of Finance provided the most up to date revenue budget monitoring information (Month 7) for the Council Fund and the Housing Revenue Account (HRA) in 2013/14.

The projected year end position on the Council Fund, as estimated at Month 7 was:

- Net in year expenditure forecast to be £0.944m less than budget (a decrease of £0.068m on the £1.012m reported at Month 6)
- Projected contingency reserve balance at 31 March 2014 of £3.585m

The projected year end position on the HRA, as estimated at Month 7 was:

- Net in year expenditure forecast to under spend the budget by £0.117m (£0.062 m under spend reported at Month 6)



- Projected HRA balances at 31 March 2014 of £1.551m

The report provided details on the projected positive variance of expenditure against budget of £0.944m, programme of efficiencies, inflation, monitoring budget assumptions and new risks, and unearmarked reserves.

On the HRA, for 2013/14 there was an overall projected under spend of £0.117m and a projected closing balance at Month 7 of £1.551m, which at 5.4% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

**RESOLVED:**

- (a) That the report be noted;
- (b) That the projected Council Fund contingency sum as at 31 March 2014 be noted; and
- (c) That the projected final level of balances on the Housing Revenue Account be noted.

**157. COUNCIL TAX AND BUSINESS RATE POLICIES 2014-15**

The Cabinet Member for Corporate Management introduced the various policies for the administration of Council Tax and Business Rates for the 2014/15 financial year. The policies required by statute to be approved each year were:-

- Council Tax Discounts on second and long term empty homes
- Council Tax Discretionary discounts
- Business Rates Discretionary Rate Relief
- Business Rates Discretionary Rate Relief for Small Businesses

The Head of Finance reported that during consideration of the report at a meeting of the Corporate Resources Overview & Scrutiny Committee, a Member had queried why discretionary discounts were not available to those who made payments by standing order/direct debit. She explained that a high proportion of residents currently used this preferred method and that a discount was not applied due to anti-poverty issues to residents and cost implications to the Council.

**RESOLVED:**

That the current Council Tax and Business Rate Policies for 2014/15, as detailed in the report, be continued.

**158. COUNCIL TAX REDUCTION SCHEME**

The Cabinet Member for Corporate Management introduced a report to explain the requirement for the Council to adopt the Council Tax Reduction Scheme for 2014/15 by 31 January, 2014.

The Council Tax Reduction Scheme in Wales was set by regulations made under Schedule 1B of the Local Government Finance Act 1992. The regulations have been amended to reflect changes in benefit allowances and were approved by the Welsh Government (WG) on 14 January, 2014.

In 2013/14 the Council adopted the discretions as set out in Appendix 1 of the report and it was recommended that these continue.

The Head of Finance reported that the proposed Council Tax Reduction Scheme for 2014/15 as set out in the report had been supported by the Corporate Resources Overview & Scrutiny Committee at its meeting on the 16 January, 2014.

**RESOLVED:**

- (a) That the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ('the Prescribed Requirements Regulations') by Wales Government on 26 November 2013 be noted, as amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014; and
- (b) That Council be recommended to adopt the Council Tax Reduction Scheme discretionary elements as outlined in Appendix 1 to the report.

**159. TREASURY MANAGEMENT MID YEAR REPORT 2013/14**

The Head of Finance introduced the draft Treasury Management Mid Year report for 2013/14 for recommendation to Council.

Treasury Management updates had been provided to the Audit Committee at each quarterly meeting with the Committee receiving the Mid Year update on 18 December, 2013. The recommendations of the Audit Committee were shown in the report, together with the key points of the Mid Year Report.

The development of the 2014/15 Treasury Management Strategy was well underway. A seminar, presented by the Council's Treasury Management Advisors, was scheduled to be held on 27 January, 2014 to assist Members in their role in approving the 2014/15 Strategy and the ongoing monitoring of treasury management activity.

The Cabinet Member for Corporate Management commended the work of the Audit Committee in ensuring the effective scrutiny of the Treasury Management Strategy.

**RESOLVED:**

That the Treasury Management Mid Year Report 2013/14 be approved and recommended to Council.

**160. CHARGING FOR RE-RATING INSPECTIONS CARRIED OUT UNDER THE FOOD HYGIENE RATING (WALES) ACT 2013**

The Cabinet Member for Waste Strategy, Public Protection and Leisure introduced the new legislation on charging for re-rating inspections carried out under the Food Hygiene Rating (Wales) Act 2013.

The Regulations that implement the Act, namely, the Food Hygiene Rating (Wales) Regulations 2013, came into force on 28 November, 2013 and allowed officers to issue Fixed Penalty Notices to any person guilty of the offences listed within the report. Fixed Penalty Notices would be issued in line with the Public Protection Enforcement Policy.

As a safeguard to businesses, the Act provided a mechanism by which they could apply to be re-rated before their next programmed inspection date and for Local Authorities to charge for carrying out visits for the purpose of re-rating them. The report proposed a charge of £150 per visit. If the request for re-score visits remained at a similar level seen over the previous two years, the current resources should be sufficient to absorb this work. If the level increased significantly, additional resources may be required, therefore, the number of requests for re-score visits would be monitored closely.

**RESOLVED:**

- (a) That the £150 Rescore Charge recommended by the Welsh Heads of Environmental Health "All Wales Food Technical Panel" be approved; and
- (b) That delegated authority be given to the Director of Environment in consultation with the Cabinet Member for Waste Strategy, Public Protection and Leisure to review the fee level in the future.

**161. ELEVENTH ANNUAL REPORT OF THE FLINTSHIRE LOCAL ACCESS FORUM**

The Head of Legal and Democratic Services introduced the eleventh annual report of the Flintshire Local Access Forum, prepared in accordance with Regulation 16 of the Countryside Access (Local Access Forums) (Wales) Regulations 2001.

The annual report covered the period 1 April 2012 to 31 March 2013 and had been completed in accordance with the guidance issued by Natural Resources Wales (NRW) on the preparation of annual reports.

**RESOLVED:**

- (a) That, on behalf of the County Council, the eleventh annual report of the Flintshire Local Access Forum be approved; and
- (b) That the annual report be submitted to Natural Resources Wales for their records.

**162. EXERCISE OF DELEGATED POWERS**

An information report on the actions taken under delegated powers was submitted. The actions were as set out below:-

<b>Corporate Services</b>	Business Rates – Application for Hardship Rate Relief  Business Rates – Write Offs
<b>Community Services</b>	Entering into a private sector leasing agreement for a 7 bedroom property in Queensferry to provide interim accommodation for individuals who have been homeless.
<b>Environment</b>	Disposal of car park adjacent to Buckley Town Council Offices  The sale of two areas of land adjacent to Bryn Coch House and Flint Filling Station, Mold Road, Flint.  Englefield Avenue / Linden Avenue / Celyn Avenue – proposed traffic calming
<b>Lifelong Learning</b>	Leisure Services Tariff 2014  Leisure Services Re-structure

**163. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There were two members of the press in attendance.

(The meeting started at 9.00 am and ended at 10.55 am)

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**Chairman**

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**  
**DATE:**               **TUESDAY, 18 FEBRUARY 2014**  
**REPORT BY:**       **CHIEF EXECUTIVE**  
**SUBJECT:**           **OUTCOME AGREEMENT 2013-2016**

### **1.00 PURPOSE OF REPORT**

1.01 To recommend a new Outcome Agreement for 2013-16.

### **2.00 BACKGROUND**

#### **2.01 Outcome Agreements**

The Outcome Agreements were introduced by Welsh Government to drive local partnership performance to achieve local outcomes in support of set national priorities.

2.02 The new successor Outcome Agreement will be a three year agreement. The guidance for the new successor Outcome Agreement was received from Welsh Government during October 2013.

2.03 The structure of the new successor Outcome Agreement framework is based on outcomes and corporate governance in two parts. The successor Outcome Agreement Grant (approximately £1.46M) paid as follows: 70% on the delivery of outcomes and 30% in meeting any statutory recommendations made to Welsh Ministers on Council corporate governance. The latter does not apply to Flintshire based on its current governance.

### **3.00 CONSIDERATIONS**

#### **3.01 Outcome Agreement 2013-14 onwards**

The choice of five of the strategic themes from the Welsh Government's Programme for Government has been made carefully to ensure: -

- A close 'fit' with priorities within the Improvement Plan
- A strong evidence base to support our actions
- A reasonable level of confidence in meeting our outcomes to secure the grant

Integration with the Improvement Plan is important to ensure that we

incorporate monitoring of achievement against the Outcome Agreement within our quarterly reports of progress against the Improvement Plan. This reduces duplication and provides regular progress reports to identify if intervention is needed to maintain progress and secure achievement.

3.02 As previously endorsed by Cabinet (17 September 2013) the strongest five themes and outcomes are: -

- Growth and Sustainable Jobs / Supporting the economy and business
- Education / Improving school attainment
- 21st Century Health Care / Ensuring people receive the help they need to live fulfilled lives
- Welsh Homes / Supporting People / Welsh Homes - Improving quality
- Tackling Poverty / Improving the skills of young people and families

3.03 The previous Cabinet report set out the requirement to use three of the Programme for Government's 'tracking indicators' against each of the five themes. Where appropriate tracking indicators have been included in Flintshire's draft Outcome Agreement.

3.04 Attached at Appendix 1 are the drafts of the 5 themes. These final drafts have been shared with Welsh Government as part of the negotiation process. Welsh Government has confirmed that they are content with this version and that it is ready to be agreed by the Minister for Local Government and Government Business subject to approval.

Similarly to the existing Outcome Agreement there will be scope to renegotiate parts of the successor Outcome Agreement as necessary over its life time.

3.05 Following Welsh Government's assessment of our performance against our existing agreement for 2012-13, we received a full grant payment of £1.465M in December 2013.

#### **4.00 RECOMMENDATIONS**

4.01 To approve the new Outcome Agreement.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 A full grant of approximately £1.46M annually will be made payable depending upon Welsh Government's scoring and assessment. The Council's Medium Term Financial Plan assumes receipt of the full grant over the coming period.

**6.00 ANTI POVERTY IMPACT**

6.01 There are no specific poverty implications for this report. However poverty is a strategic theme within the proposed successor Outcome Agreement as well as a priority within the Improvement Plan.

**7.00 ENVIRONMENTAL IMPACT**

7.01 There are no specific environmental implications for this report.

**8.00 EQUALITIES IMPACT**

8.01 There are no direct equality implications for this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 There are no direct personnel implications for this report.

**10.00 CONSULTATION REQUIRED**

10.01 The Local Service Board will be informed of any collaborative or joint arrangements for achievement.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Consultation has been undertaken within the Council and with local partners in the development of the new successor Outcome Agreement.

11.02 The draft successor Outcome Agreement has been shared with Welsh Government and they have confirmed that they are content with this version and that it is ready to be agreed by the Minister.

**12.00 APPENDICES**

12.01 Appendix 1 – Draft Outcome Agreement 2013/14 – 2015/16

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

None

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**Key**

Measure from the Improvement Plan

Additional measure

WG Tracking Indicator (There are no tracking indicators for this theme)

<b>Strategic theme:</b> Growth and Sustainable Jobs	<b>Flintshire County Council</b>
<b>Broad Outcome:</b> Supporting the Economy and Business	Outcome 1
<b>Why are we focusing on this outcome?</b> In Flintshire we will: - <ul style="list-style-type: none"><li>• Meet the employment needs of local people.</li><li>• Grow the local economy and create local wealth.</li><li>• Attract businesses to support local economic growth.</li><li>• Develop the energy and advance manufacturing sectors to fit with national priorities.</li></ul> By developing Social Enterprise we will: - <ul style="list-style-type: none"><li>• Develop alternative model(s) of employment to expand the mixed economy market.</li><li>• Grow the social enterprise business model.</li><li>• Maximise social benefits in the community e.g. increasing training opportunities for young people; keeping local money in the community.</li></ul>	<b>What will success look like?</b> Creating jobs and growing the local economy  Supporting and creating new forms of local business

	Reporting year out-turn 2012-13	2013-14 Targets	2014-15 Targets	2015-16 Targets
<b>How much did we do?</b> Input/ throughput indicators taken from any source including the tracking indicators in the <i>Programme for Government</i>				
<ul style="list-style-type: none"> <li>Number of enquiries leading to inward investment in Deeside Enterprise Zone (DEZ), including the Deeside Industrial Park (DIP).</li> </ul>	36	35 - 45	40 - 50	45 - 55
<ul style="list-style-type: none"> <li>Number of people attending Flintshire Business Week (FBW)</li> </ul>	1876	2475 - 2525	2525 - 2575	2575 - 2625
<ul style="list-style-type: none"> <li>Number of sponsors for FBW maintained</li> </ul>	40	40	40	40
<ul style="list-style-type: none"> <li>Approval of the Northern Gateway site "masterplan"</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Establishing a social enterprise from within the Council (targets are not applicable but actual figures will be reported annually)</li> </ul>	0	Not Applicable	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Appointment of a part time project manager for the Social Enterprise project</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Agreement of the Social Enterprise investment plan</li> </ul>	Not Applicable	June 2013	Not Applicable	Not Applicable
<b>How well did we do it?</b> Qualitative assessment of effectiveness/ evidence from surveys/ output data etc				
<ul style="list-style-type: none"> <li>FBW Evaluation – Percentage of attendees scoring FBW as 4 or 5 for the question "How useful was FBW to your organisation?" (Score 1 = Poor and 5 = Excellent)</li> </ul>	Baseline Year 60%	Baseline or better	62%-64%	64%-66%
<ul style="list-style-type: none"> <li>FBW Evaluation – Percentage of attendees who felt the event had presented opportunities to create new business leads</li> </ul>	Baseline Year 35%	Baseline or better	35%-37%	37%-39%
<ul style="list-style-type: none"> <li>Secure capital seed corn funding by July 2013</li> </ul>	Not Applicable	£50,000	Unable to determine at present	Unable to determine at present
<b>Is anyone better off?</b> Quantative evidence of the outcome achieved using tracking indicators from the <i>Programme for Government</i> and your				

single integrated plans				
• Percentage of enquiries that have led to investment in DEZ (includes the DIP)	42%	60%	65%	70%
• Number of jobs sustained within DEZ (includes the DIP)	1300	1000	1000	1000
• Number of jobs created within DEZ (includes the DIP)	431	600	1000	1500
• Number of social enterprises supported (seed corn funding)	Not Applicable	Baseline to be established	To be determined following establishment of baseline	To be determined following establishment of baseline
• Relevant contracts that community benefit clauses have been applied to	TBC	100%	100%	100%

**Story behind the data?** Brief analysis of the context, updated each year. What are the factors that are at work in determining the outcomes? Which other organisations have a significant role to play in achieving the outcomes?

There is a clear correlation between attracting business investment into an area and increasing the local employment rates, wealth and quality of life. Persuading companies that Flintshire is the right location for them to set up or grow their business is essential to creating jobs, improving people's wealth and in turn increasing their quality of life.

Flintshire County Council have two key Improvement priorities that will significantly contribute to this Strategic Theme: -

- Business Sector Growth in Deeside
- Social Enterprise

#### **Business Sector Growth in Deeside**

Key activities for 2013/14 include: -

- Promotion of Deeside as a recognised centre for energy and advanced manufacturing through joint marketing and promotion of Deeside Industrial Park (DIP) and Deeside Enterprise Zone (DEZ) - *Achievement is measured through the scale and take-up of enquiries leading to inward investment in DIP and DEZ.*
- Supporting the growth of existing business on Deeside, to maximise opportunities for business development - *Achievement is measured through the number of jobs sustained and created.*
- Producing, agreeing and implementing the "masterplan" for the Northern Gateway site to facilitate development of a key part of

the Enterprise Zone – *Achievement is measured through approval of the Northern Gateway site “masterplan” for 2013/14 and in future the years the scale of the development within the site.*

- Exploring with Welsh Government the opportunities to improve the infrastructure (transport and housing etc) - *Achievement is measured through the approval by Welsh Government of the Infrastructure Business Plan for the DEZ by March 2014. Progress milestones include flood mitigation, spine road development and energy and utilities, all of which have a target completion date of January 2014. For future years achievement will be measured through the progress of implementing the business plan.*

Key Risks/Challenges being faced: -

- Meeting the needs of local employers to be able to recruit skilled people ready for work.
- Ensuring that planned infrastructure arrangements to support the development of the DIP and DEZ can be undertaken given the private ownership of the land for Northern Gateway and subject to approval of the DEZ business plan.

### **Social Enterprise**

Key activities for 2013/14 include: -

- Agreeing an investment plan for growing and supporting Social Enterprise – *Achievement is measured through agreeing an investment plan and securing capital seed corn funding.*
- Develop effective support for Social Enterprises - *Achievement is measured through establishing a Social Enterprises network and ensuring that community benefit clauses are applied to relevant contracts during 2013/14. For future years achievement will be measured through the feedback received from the Social Enterprise network.*
- Develop new social enterprise projects to meet the Council’s priorities – *Achievement will be measured through establishing a Social Enterprise from within the Council.*

Key Risks/Challenges being faced: -

- Maintenance of the necessary capacity and investment to support the development of Social Enterprises.
- Building the skills in the community to develop a social enterprise.
- The ability of local Social Enterprises to compete effectively in the market.

**Key**

Measure from the Improvement Plan

Additional measure

WG Tracking Indicator

<b>Strategic theme:</b> Education	<b>Flintshire County Council</b>
<b>Broad Outcome:</b> Improving School Attainment	Outcome 2
<b>Why are we focusing on this outcome?</b> <ul style="list-style-type: none"><li>• Achieve better learning outcomes for all children and young people.</li><li>• Achieve consistently high learner outcomes across schools.</li><li>• Support the national Welsh Government priorities by:-<ul style="list-style-type: none"><li>○ Improving literacy levels;</li><li>○ Improving numeracy levels;</li><li>○ Raising standards by sharing best teaching practice and resources across schools and the region; and</li><li>○ Raising standards through effective use of new technologies.</li></ul></li><li>• Improve further through implementing the agreed actions from the Estyn inspection of Local Authority Education and Services for Children and Young People in Flintshire.</li><li>• Develop the design and building of planned new schools and the post 16 centre at Connah's Quay.</li><li>• Improving governance and financial resilience and reduce surplus places through having fewer schools.</li></ul>	<b>What will success look like?</b> Improving standards in schools to get the best learner outcomes

	Reporting year 2012/13 out-turn (Summer 2012)	2013-14 Targets / out-turn	2014-15 Targets	2015-16 Targets
<b>How much did we do?</b> Input/ throughput indicators taken from any source including the tracking indicators in the <i>Programme for Government</i>				
<ul style="list-style-type: none"> <li>Establish subject forums within the secondary sector (sharing of best practice and resources)</li> </ul>	Not Applicable	Sept 2013	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Establishment of cross phase (Pedagogy) learning consortium groups</li> </ul>	Not Applicable	Not Applicable	April 2014	Not Applicable
<ul style="list-style-type: none"> <li>21<sup>st</sup> Century Schools Programme <ul style="list-style-type: none"> <li>Completing consultation (Holywell, Connah's Quay and Queensferry)</li> <li>Ministerial Approval for 21<sup>st</sup> Century Schools Programme</li> <li>Submission of planning application for the Post 16 Hub</li> <li>Setting up of local advisory board for the Post 16 Hub</li> </ul> </li> </ul>	Not Applicable	<p>Complete consultation for Holywell, Connah's Quay and Queensferry (July 2013)</p> <p>Approval by WG of outline business case (Sept 2013)</p> <p>Submission of planning application for the Post 16 Hub (March 2014)</p>	<p>Complete Consultation for Saltney and Flint (April 2013)</p> <p>Submission (June 2014) and approval (Sept 2014) of full business case by WG for 21<sup>st</sup> Century Schools programme</p>	<p>Setting up of the local advisory board for the Post 16 Hub (Oct 2015)</p>
<ul style="list-style-type: none"> <li>Introducing wireless technology in all schools</li> </ul>	Not Applicable	Not Applicable	100% by Easter 2014	Not Applicable
<b>How well did we do it?</b> Qualitative assessment of				

effectiveness/ evidence from surveys/ output data etc.				
<ul style="list-style-type: none"> <li>Maintain or improve attendance at Primary Schools</li> </ul>	94.5%	94% - 95%	94% - 95%	94% - 95%
<ul style="list-style-type: none"> <li>Maintain or improve attendance at Secondary Schools</li> </ul>	93.1%	93% - 94%	93% - 94%	93% - 94%
<ul style="list-style-type: none"> <li>Reduce the percentage of surplus places (primary)</li> </ul>	17.83%	Reduction year on year	Reduction year on year	Reduction year on year
<ul style="list-style-type: none"> <li>Reduce the percentage of surplus places (secondary)</li> </ul>	12.76%	Reduction year on year	Reduction year on year	Reduction year on year
<ul style="list-style-type: none"> <li>Percentage of schools inspected during academic year graded as good or excellent by Estyn for Current Performance or Prospects For Improvement</li> </ul>	64%	60% or better	60% or better	60% or better
<b>Is anyone better off?</b> Quantative evidence of the outcome achieved using tracking indicators from the <i>Programme for Government</i> and your single integrated plans				
<ul style="list-style-type: none"> <li>The percentage of learners achieving the Level 2 Threshold (5 or more A* to C passes at GCSE or the vocational equivalent)</li> </ul>	77.3%	75% - 78.3%	78.4% -81.4%	81% – 82.5%
<ul style="list-style-type: none"> <li>The percentage of learners achieving the Level 2 Threshold inclusive of Mathematics and English and/or Welsh 1<sup>st</sup> Language</li> </ul>	59.6%	60% - 63%	63% - 65%	65% - 67%
<ul style="list-style-type: none"> <li>The percentage of learners achieving the Core Subject Indicator at Key Stage 4</li> </ul>	57.6%	58% - 62.3%	60% -65.5%	65% - 66.5%
<ul style="list-style-type: none"> <li>The percentage of learners achieving GCSE grade C or above in Mathematics</li> </ul>	69.4%	69% - 71.5%	69% -72.4%	72% - 74%
<ul style="list-style-type: none"> <li>The percentage of learners achieving GCSE grade C or above in English</li> </ul>	69.2%	69.5% - 75.1%	72% -75.5%	73% - 76.5%

**Story behind the data?** Brief analysis of the context, updated each year. What are the factors that are at work in determining the outcomes? Which other organisations have a significant role to play in achieving the outcomes?

Flintshire County Council continues to make progress in education; the Authority is no longer being monitored and none of our schools are in special measures.

During 2012/13 we: -

- Put our School Improvement Strategy in place, replacing individual Primary and secondary improvement strategies to achieve greater co-ordination.
- Approved a full business case for regional school improvement delivery.
- Improved attendance levels for primary and secondary schools.
- Improved performance at all key stages for core subject indicators.
- Put our School modernisation strategy in place.
- Completed consultations for the three area reviews (Buckley/ Queensferry/Connah's Quay and Holywell).
- Developed the specification and design of the proposed new schools at Holywell and Queensferry as well as the Post-16 'Hub' at Connah's Quay which is being developed in partnership with Deeside College.
- Infant and Junior schools in Hawarden and Penyffordd successfully amalgamated, new Primary School in Connah's Quay officially opened and closure of a small primary school.

However we didn't do so well in the following areas which are part of our focus for 2013/14 and beyond: -

- Performance in the core subject indicators at Key Stage 2 and 3 improved but not to the same level achieved across Wales, ranking us 16th and 7th in Wales respectively for 2012/13.
- Significant backlogs of repair and maintenance still exist and will be a feature for the foreseeable future. Future rationalisation will also need to be used in order to further reduce backlogs.

Flintshire County Council have two key Improvement priorities that will significantly contribute to this Strategic Theme: -

- Modernised and High Performing Education
- Places of Modernised Learning

### **Modernised and High Performing Education**

Key activities for 2013/14 include: -



- Make a difference through our Schools Improvement Strategy by: -
  - Raising standards by improving skill in literacy and numeracy
  - Raising educational attainment by reducing the impact of poverty and disadvantage
  - Raising standards by sharing best teaching practice and resources across schools and the region
  - Raising standards through effective use of new technologies
  - Better preparing young people for the work place
  - Making sure schools receive the best possible support from the new Regional School Effectiveness and Improvement Service

*Achievement is measured through:-*

- *outcomes in Maths and English at all Key Stages*
- *reduction in the gap in performance in learners entitled to free school meals and those who are not*
- *% of learners achieving 5 or more A\* to C passes at GCSE or the vocational equivalent*
- *% of learners achieving Core Subject Indicator at Key Stage 3*
- *% of learners achieving Core Subject Indicator at Key Stage 2*

Key Risks/Challenges being faced: -

- Ensuring that we wisely invest our resources to achieve the aspirations of our plans
- Ensuring that schools receive the support they need from the Council and those organisations commissioned to provide support services
- Ensuring that schools work together effectively to share and develop best practice

**Please Note** - Target setting is used to express aspirations for improvements and challenge all schools to improve. A target range will therefore appropriately express progress and whilst recognising the aspirational targets. Following completion of target setting meetings with schools during the autumn and early spring term, revised targets for 2015 will be confirmed by 31<sup>st</sup> January 2014.

### **Places of Modernised Learning**

Key activities for 2013/14 include: -

- Make a difference through our School Modernisation Strategy by: -
  - Implementing our primary and secondary school modernisation plans
  - Submitting a business case for future change to Welsh Government for approval
  - Developing the design and building of planned new schools and the post-16 centre at Connah's Quay
  - Strengthening school 'cluster working' and federations

- Improving Information Communication Technology Infrastructure in all schools using Learning in Digital Wales funding

*Achievement is measured through:-*

- *Completing decision making on Infant and Junior School amalgamations*
- *Completing consultations on post-16 provision (Saltney and Flint).*
- *Improving governance and financial resilience through having fewer schools*
- *Reducing surplus places*
- *Approval of Business Case by Welsh Government*
- *Achieving Key 21<sup>st</sup> Century Schools planning and design*
- *Introducing 'wireless' technology in all schools in 2013/14*

Key Risks/Challenges being faced: -

- Changing demographics and impact on supply of school places
- Community attachment to current patterns of school provision
- Limited Funding to Address Backlog of known repairs and maintenance works in educational assets
- Programme Delivery Capacity (21<sup>st</sup> Century Schools)
- Approval of business cases to drawn down 21st Century Schools Grant

**Key**

Measure from the Improvement Plan

Additional measure

WG Tracking Indicator

<b>Strategic theme:</b> 21 <sup>st</sup> Century Health Care	<b>Flintshire County Council</b>
<b>Broad Outcome:</b> Ensuring people receive the help they need to live fulfilled lives	Outcome 3
<b>Why are we focusing on this outcome?</b> <ul style="list-style-type: none"> <li>• Maximise the independence of the ageing population and meeting the challenges of dementia.</li> <li>• Prevent homelessness for people who are alcohol and drug dependent, victims of domestic violence, ex-offenders and young people including care leavers.</li> <li>• Avoid unnecessary admission to hospital and support early and successful hospital discharges.</li> <li>• Work with Betsi Cadwaldr University Health Board (BCUHB) to develop the Enhanced Care Model in all localities in Flintshire as a result of the Health Review <i>Health Care in North Wales is Changing</i>.</li> </ul>	<b>What will success look like?</b> Improving people’s quality of life and helping more people to live independently and well at home.

	Reporting year out-turn 2012-13	2013-14 Targets	2014-15 Targets	2015-16 Targets
<b>How much did we do?</b> Input/ throughput indicators taken from any source including the tracking indicators in the <i>Programme for Government</i>				
<ul style="list-style-type: none"> <li>• Agreeing the regional plan for telecare / telehealth</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable

<ul style="list-style-type: none"> <li>Commissioning Plans in place for: - <ul style="list-style-type: none"> <li>Learning Disability</li> <li>Mental Health Services</li> <li>Dementia</li> </ul> </li> </ul>	Not Applicable	November 2013	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Development of one co-located community based health and social care team within Holywell locality</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable
Number of homes disabled adaptations were provided to, to promote independence (measure of demand/pressure on service to be reported each year, hence no targets set for future years)	404 homes	Not Applicable	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Referrals to the Homesafe Service (victims of domestic abuse) (measure of demand/pressure on service to be reported each year, hence no target set for future years)</li> </ul>	170 people	Not Applicable	Not Applicable	Not Applicable
<b>How well did we do it?</b> Qualitative assessment of effectiveness/ evidence from surveys/ output data etc				
<ul style="list-style-type: none"> <li>The average number of calendar days taken to deliver a Disabled Facilities Grant for adults (PSR/009b)</li> </ul>	277 days	300 days	270 days	260 days
<ul style="list-style-type: none"> <li>The average number of calendar days taken to deliver a Disabled Facilities Grant (PSR/002)</li> </ul>	283 days	300 days	270 days	260 days
<ul style="list-style-type: none"> <li>Rate of delayed transfers of care for social care reasons</li> </ul>	1.11 per 1,000	2 per 1,000	2 per 1,000	2 per 1,000
<b>Is anyone better off?</b> Quantative evidence of the outcome achieved using tracking indicators from the <i>Programme for Government</i> and your single integrated plans				
<ul style="list-style-type: none"> <li>Percentage of referrals where support was maintained or reduced or no further support was required at the end of a period of Reablement (SCAM2L)</li> </ul>	72.7%	71-75%	71-75%	71-75%
<ul style="list-style-type: none"> <li>Number of adults receiving a personal budget for services via either a direct payment or Citizen Directed Support (IA1.1L4)</li> </ul>	215 people	210-220 people	210-220 people	210-220 people
<ul style="list-style-type: none"> <li>Homeless prevention for at least 6 months for households and individuals (including care leavers) (HHA/013)</li> </ul>	83.41%	85-90%	85-90%	85-90%

<ul style="list-style-type: none"> <li>Gather patient stories where the patient has had positive experiences of Enhanced Care Service (one off activity)</li> </ul>	Not Applicable	3	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>The percentage of identified carers of adult service users who were assessed or reassessed in their own right during the year who were provided with a service (SCA/018c)</li> </ul>	72%	73-78%	75-80%	76-81%

**Story behind the data?** Brief analysis of the context, updated each year. What are the factors that are at work in determining the outcomes? Which other organisations have a significant role to play in achieving the outcomes?

Flintshire County Council continues to make progress and has been able to evidence a range of positive outcomes which have been delivered through our strategic transformation of services. It is our intention to put people in control of the services they receive and to support more people to live independent lives. We seek to reduce dependency on services by strengthening support in communities and through the use of new technology.

Our latest report from CSSIW outlines a very positive picture of Social Services in the 'County'. Our inspectors state *"The council is forward looking and is innovative. This has been recognised in the number of awards it has been given."*

CSSIW see our services as having a clear vision for service improvement, forward looking and innovative and most importantly our staff on the front line are delivering high quality services for both children and adults. The report finds that in Children Services we perform "against a significant range of natural indicators among the best in Wales" with strong safeguarding and preventative services. In Adult Services strong services of Recovery in Mental Health Services, Reablement to help people regain independence and our continued widening of service improvement such as Extra Care Housing at Llys Jasmine are also praised. Overall we are seen as making good progress across the board.

Of course, there are areas for further improvement, including improving our joint planning approach with BCUHB.

Flintshire County Council have two key Improvement priorities that will significantly contribute to this Strategic Theme: -

- Independent Living
- Integrated Community Social and Health Services

### **Independent Living**

Key activities for 2013/14 include: -

- Build on the success of the reablement / recovery approach; agree the regional plan for telecare / telehealth; improve the timeliness of adaptations – *Achievement is measured through agreeing the regional plan for telecare / telehealth, meeting the all Wales average for adaptations and meeting the local improvement target for reablement.*
- Develop Commissioning Plans for specific service areas to ensure service provision meets need - *Achievement is measured through the development of commissioning plans for dementia, learning disability and mental health services.*
- Prevent homelessness for people who are alcohol and drug dependent, victims of domestic violence, ex-offenders and young people including care leavers - *Achievement is measured through homeless prevention for at least 6 months and individual including care leavers.*

Key Risks/Challenges being faced: -

- Ensuring we have enough capital for disabled facilities grants
- Keeping up with specialist demand such as the specific residential needs of those with dementia
- How we encourage service users and carers to embrace greater independence

### **Integrated Community Social and Health Services**

Key activities for 2013/14 include: -

- Integrate community based health and social care teams within localities - *Achievement is measured through the development of a co-located team during 2013/14 and the establishment of joint working processes and procedures.*
- Support the introduction of the Enhanced care Service (ECS) in the North West Locality initially and then in the North East and South Localities - *Achievement is measured through co-location of the Crisis Intervention Team (Health) and the Reablement Team (Council) and the experiences of patients.*
- Ensure that effective services to support carers are in place as part of the integrated social and health services - *Achievement is measured through plans to support carers being agreed and implemented.*

Key Risks/Challenges being faced: -

- Ensuring effective joint working with BCUHB to achieve common goals, in order to ensure that people can safely remain at home and be medically and socially supported.
- That the new model (ECS) does not result in unexpected increased costs to the Council.
- Public support for the changes to the services (ECS).

**Key**

Measure from the Improvement Plan

Additional measure

WG Tracking Indicator

<b>Strategic theme:</b> Welsh Homes / Supporting People	<b>Flintshire County Council</b>
<b>Broad Outcome:</b> Welsh Homes – Improving Quality	<b>Outcome 4</b>
<b>Why are we focusing on this outcome?</b> <ul style="list-style-type: none"> <li>• Provide a range of affordable and flexible rented housing to meet the need for additional homes</li> <li>• Reduce the number of empty properties in Flintshire and bring them back into use</li> <li>• Give applicants wider access to social housing through working together as landlords</li> <li>• Meet the target of Welsh Government for all social housing being brought up to the Wales Housing Quality Standard</li> <li>• Meet commitments given to tenants to improve their homes</li> <li>• Maximise resources available to improve homes owned by the Council</li> </ul>	<b>What will success look like?</b> Improving the choice and quality of local housing and improving the quality of life for our tenants.

	<b>Reporting year out-turn 2012-13</b>	<b>2013-14 Targets</b>	<b>2014-15 Targets</b>	<b>2015-16 Targets</b>
<b>How much did we do?</b> Input/ throughput indicators taken from any source including the tracking indicators in the <i>Programme for Government</i>				
Agreement of a revised WHQS business plan with Welsh Government	Not Applicable	January 2014	Not Applicable	Not Applicable

Develop and implement a Private Rented Sector improvement strategy and associated action plan	Not Applicable	Formal approval by the end 2013	Not Applicable	Not Applicable
Asset management strategy including options for energy funding, WHQS, regulation and compliance etc. to maintain and improve the housing stock	Not Applicable	January 2014	Not Applicable	Not Applicable
Appointment of a Tenant Liaison Officer	Not Applicable	July 2013	Not Applicable	Not Applicable
Number of new affordable homes funded through Social Housing Grant that meet the Code for Sustainable Homes Level 3+ (or better)	51	69	85	75
Number of homes benefiting from improved domestic energy performance measures (also a measure in the Improvement Plan)	588	200	650	400
Number of additional affordable housing units delivered	51	25	85	75
<b>How well did we do it?</b> Qualitative assessment of effectiveness/ evidence from surveys/ output data etc				
Percentage of new affordable homes funded through Social Housing Grant that meet the Code for Sustainable Homes Level 3+ (or better)	100%	100%	100%	100%
Number of empty homes brought back into use via action by local Authorities (also a measure in the Improvement Plan)	32	30	30	30
Deliver the capital programme for improvement work streams in accordance with the programme.	Not Applicable	£12m	£13m	£13m
Develop a regional housing register and common allocations policy with partners	Not Applicable	Agreed and in place February 2014	Not Applicable	Not Applicable
<b>Is anyone better off?</b> Quantative evidence of the outcome achieved using tracking indicators from the <i>Programme for Government</i> and your single integrated plans				
Percentage of tenants satisfied with the overall quality of their council house (* actual STAR survey result – biannual survey)	N/A	*83%	N/A	86%
Overall annual fuel bill reduction for residents	£181,080	£75,000	£75,000	£75,000
Capital Works Targets: -				
• Heating upgrades	1100	600	600	600



• Kitchen replacements	1100	922	922	922
• Smoke detectors	2400	884	500	500
• Bathroom replacements	62	0	0	222

## Story behind the data

### Improving the choice and quality of local housing

Flintshire is exploring a variety of financial models available to the Council to facilitate housing development in Flintshire without the requirement for public grant subsidy. The Council needs to ensure that the right types of housing offered in the right locations are delivered to meet the needs of new and existing households, and therefore a range of models need to be both evaluated and made available to satisfy individual schemes and locations. Of particular interest and focus at present is in finding the best model for Flint Town Regeneration Plan. It is hoped that one or more options for this can be proposed to Council for consideration in November 2013.

Key activities for 2013/14 include:

- Agree a new model of private finance to deliver an increased number of affordable homes. *Achievement to be measured through gaining formal approval for a new model and approval for the Flint Town Plan*
- Develop a strategy to grow and sustain the private rented sector approved by the end of 2013. *Achievement will be measured through formal approval for a strategy to grow and sustain the private rented sector approved by the end of 2013 and bringing of 30 empty homes back into use for residential living. This target has been kept the same for subsequent years as funding is being reduced, therefore efficiencies will be made by doing the same with less.*
- Develop a regional housing register and commons allocations policy with partners. *Achievement to be measured through a regional housing register and commons allocations policy agreed and in place by Autumn 2013*

### Key risks to manage

- Maximising our joint resources with our partners
- Ensure the availability of private finance
- Encouraging developers to build a range of affordable housing in the current economic climate
- Ensuring that we prevent delays in planning approvals

### Improving quality of life for our tenants through improved housing

Flintshire County Council has agreed a revised business plan with Welsh Government to achieve the Welsh Housing Quality Standard by 2020. A number of surveys are to be procured to validate figures provided in the business plan and to inform a revised 7 year work programme for achievement of WHQS. These include: -

- Revised Stock Condition Survey – Currently out to tender
- Asbestos Consultancy and Surveying – Currently out to tender
- Communal Heating – Due to go out to tender in Nov

The revised business plan will commit to circa £103m over the next 7 years to achieve WHQS. As per the current work streams the initial focus will be on the internal components of the properties with the external and environmental programmes to begin following the completion of the internal work schemes.

The agreed business plan highlights a number of alternative funding streams and efficiency and income generation targets to contribute towards achieving outcomes contained within the business plan i.e. ECO Funding, service charges.

A revised Asset Management Strategy is being developed alongside the completion of an updated Stock Condition Survey. The outcomes of the Stock Condition Survey together with the information gathered for the Asset Management Strategy will then inform a revised 7 year Capital Investment Programme to achieve WHQS by 2020.

Key activities for 2013/14 include:

- Agree a revised business plan with Welsh Government to meet the Wales Housing Quality Standard (WHQS). *Achievement to be measured through investing in improving the housing stock, a tenant satisfaction of work completed and performance measured against promised made to tenants*
- Deliver the capital programme ensuring value for money. *Achievement will be measured through performance management of our works programme.*
- Develop a Housing Asset Management Strategy by January 2014. *Achievement to be measured through an effective strategy to maintain and improve the housing stock*

### Key risks to manage

- Ensuring Contractors perform effectively

- Ensuring that the Council finds the resources required to meet the Wales Housing Quality Standard by 2020
- Ensure that the Council maximises funding streams e.g. ECO Funds/ External funding

A new risk has also been identified in terms of welfare reform and the need to identify measures within the Asset Management Strategy to mitigate the potential impact.

**Key**

Measure from the Improvement Plan

Additional measure

WG Tracking Indicator

<b>Strategic theme:</b> Tackling Poverty	<b>Flintshire County Council</b>
<b>Broad Outcome:</b> Improving the skills of young people and families	<b>Outcome 5</b>
<p><b>Why are we focusing on this outcome?</b></p> <ul style="list-style-type: none"> <li>• Extend and improve the education, employment and training opportunities available for young people.</li> <li>• Improve the prospects of local people.</li> <li>• Meet the needs of local employers.</li> <li>• Help young people take the step from education to employment.</li> <li>• Place and retain young people in work.</li> </ul>	<p><b>What will success look like?</b></p> <p>Meeting the skills and employment needs of local employers</p>

	<b>Reporting year out-turn 2012-13</b>	<b>2013-14 Targets</b>	<b>2014-15 Targets</b>	<b>2015-16 Targets</b>
<b>How much did we do?</b> Input/ throughput indicators taken from any source including the tracking indicators in the <i>Programme for Government</i>				
<ul style="list-style-type: none"> <li>• Increasing the number of people who successfully establish and grow businesses (management information – targets not set for future years)</li> </ul>	In 2012 Flintshire supported business to create 573 new jobs and safeguard 1,300	Not Applicable	Not Applicable	Not Applicable

<ul style="list-style-type: none"> <li>The number of apprenticeships in the public and voluntary sector (data provided by Coleg Cambria, FCC, Careers Wales, Jobcentre Plus) (management information – targets not set for future years)</li> </ul>	Apprenticeships 825 Traineeships 124 Work Experience Placements 219	Not Applicable	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Support the Enterprise Club and develop further clubs to assist with business starts (management information – target not set for future years)</li> </ul>	2 business starts	Not Applicable	Not Applicable	Not Applicable
<b>How well did we do it?</b> Qualitative assessment of effectiveness/ evidence from surveys/ output data etc				
<ul style="list-style-type: none"> <li>Launch the Employers Promise in the public sector to promote and enhance our roles as employers</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Set a marketing strategy to communicate the range of apprenticeship and training programmes available</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Increase the number and range of Communities First Job Club programmes (Establishment of job clubs initially before looking at programmes / events in future years)</li> </ul>	Not Applicable	3 <sup>rd</sup> Club by October 2013	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Implement skills development programmes in partnership with local employers (phase 1)</li> </ul>	Not Applicable	March 2014	Not Applicable	Not Applicable
<ul style="list-style-type: none"> <li>Securing high levels of 16 year olds in education, employment and training (EET)</li> </ul>	97.7%	Baseline or better	Baseline or better	Baseline or better
<ul style="list-style-type: none"> <li>Increase the number of apprenticeship disciplines to help reduce the skills gap (FCC)</li> </ul>	8	12	Baseline or better	Baseline or better
<b>Is anyone better off?</b> Quantative evidence of the outcome achieved using tracking indicators from the <i>Programme for Government</i> and your single integrated plans				
<ul style="list-style-type: none"> <li>Key stage 4 free Schools Meals achieving level 2 including English/Welsh &amp; Maths</li> </ul>	26%	Actual data not yet available	49.5% - 52.5%	52.6% - 54%
<ul style="list-style-type: none"> <li>% of 16 year olds who are not in employment or education training (NEET)</li> </ul>	2.3%	2.2%	2.0%	2.0%

<ul style="list-style-type: none"> <li>• % of 16-24 year olds who are not in employment, education or training (NEET)</li> </ul>	7.8% average	Baseline or better	Baseline or better	Baseline or better
<ul style="list-style-type: none"> <li>• Improve performance of cohort of learners entitled to Free School Meals (FSM) in achieving the Level 1 Indicator (Five GCSE passes A* to G or vocational equivalent)</li> </ul>	89.5%	92% - 94%	94% - 95%	TBC
<ul style="list-style-type: none"> <li>• Number of Flintshire County Council employees undertaking the supervisory and management training programmes developed with Coleg Cambria</li> </ul>	154 employees	115 - 125 employees	Unable to determine at present	Unable to determine at present
<ul style="list-style-type: none"> <li>• Percentage of Flintshire County Council employees completing the supervisory and management training programmes developed with Coleg Cambria</li> </ul>	60% completed 34% still studying (2 years to complete) Total = 94%	85% - 95%	Unable to determine at present	Unable to determine at present
<ul style="list-style-type: none"> <li>• Numbers of Flintshire County Council employees attending specialist and or vocational courses</li> </ul>	185 NVQ's  572 Specialist Training	NVQ's 60 - 70 Specialist Training 180 - 200	Unable to determine at present	Unable to determine at present
<ul style="list-style-type: none"> <li>• Number of residents from Communities First areas completing accredited community based courses</li> </ul>	209 people	328 (164 per cluster)	Unable to determine at present	Unable to determine at present

### Story behind the data

There is a clear correlation between improving the skills of young people and families and tackling poverty.

Flintshire County Council have three key improvements areas that will significantly contribute to this theme:-

- Entrepreneurships and Work Experience
- Skills Gap
- Young Entrepreneur Programme

Key activities for 2013/14 under the Improvement Plan Priority for Apprenticeships and Training include:-

- Reducing the percentage of 16 to 24 year olds claiming job seekers allowance
- Securing high levels of 16 year olds in education, employment and training
- Improving the local skills base to improve employability and earning prospects
- Increasing the number of people who successfully establish and grow businesses
- Increasing the number of apprenticeships in the public and voluntary sector
- Increasing the number of new work experience and apprenticeship opportunities
- Implement the School Improvement Strategy
- Implement Post 16 Transformation Programme

Key Risks/Challenges being faced:-

Ensuring that employer places match current and future aspirations and needs.

Ensuring capacity to support paid work placements and other programmes.

Ensuring that education providers participate fully.

Strengthening the links between schools, colleges and employers

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **DIRECTOR OF LIFELONG LEARNING**

**SUBJECT:** **NATIONAL MODEL FOR REGIONAL WORKING ON SCHOOL IMPROVEMENT**

### **1.00 PURPOSE OF REPORT**

1.01 The purpose of this report is to update members on developments with school improvement services and to recommend the new national model for regional working on school improvement for adoption.

### **2.00 BACKGROUND**

2.01 The Hill Review set out a number of options for improving the delivery and structure of education services in Wales. One of the key options was that there needed to be greater consistency in the delivery of school improvement services via the regional education consortia. This view was endorsed by local government through the Welsh Local Government Association (WLGA) response, as the representative body, to the Hill Review in September 2013.

2.02 A subsequent key commitment on the part of local government has been to co-construct a National Model for Regional Working on School Improvement (hereafter referred to as the Model) with the Welsh Government. The aim of the Model is to bring consistency and stability to the local authority regional school improvement services which is in line with the WLGA response to the Hill Review.

2.03 The work to develop the Model took place during November 2013 with representatives of local authority Chief Executives, Directors of Education, Directors of Finance and Directors of Human Resources, closely involved in the process. In order to achieve this deadline a number of working groups were established, involving local government officers, education experts and Welsh Government civil servants. These groups have worked on different aspects of the model including clarity over the definition of school improvement, governance and commissioning, budgets and business planning for regional services.

2.04 The Model was agreed by the Minister and the WLGA Coordinating Committee in late November 2013. There has been a very tight timescale to undertake this work but it has been genuine co-construction. Inevitably there have been concessions on all sides.

### **3.00 CONSIDERATIONS**

3.01 The Model outlines a consistent approach to school improvement activities, such as how to undertake school-to-school support, which is a key part of moving towards self-improving schools. The model aims to encourage schools to take more responsibility for their own improvement. The Model also looks to clarify issues such as what activities could usefully be undertaken at a local authority level and what activities are best addressed regionally.

3.02 A key section of the document covers the governance arrangements in relation to regional collaborative school improvement services. The current statutory position is retained and responsibility for school improvement rests within the individual local authorities. The Model suggests that governance is best placed in a Joint Committee and in line with the legal requirements of the Local Government Act 1972 members of the Joint Committee would be appointed by the constituent local authorities. This Committee would be supported by an Executive Board which would oversee operational planning.

3.03 As part of the new arrangements, it was agreed that a common business plan template was required to enable consortia to clearly identify their key priorities for the year and the expected outcomes. The Minister for Education and Skills will use the plans as the basis of an outcome agreement with consortia, and will formally accept (or not) the plans on an annual basis. The process of submitting and signing off a business plan should be completed by the end of March of each year.

3.04 Through regular Review and Challenge events (formerly stock takes), Welsh Government will monitor progress against and hold consortia and local authorities to account for their performance against the priorities and outcomes noted in the business plans. The plans must be:

- focused on strategic outcomes;
- dovetail effectively with the outcomes identified in statutory local authority plans;
- deliver national and local priorities to impact on outcomes for learners;
- used to inform democratic accountability arrangements; and
- informed by effective data analysis and need.

- 3.05 It is expected that consortia will have, within the guidance set out in the Model, arrangements for effective strategic planning, governance and decision making, clear performance management and accountability arrangements internally and to constituent local authorities, self-evaluation, quality assurance, local authority level implementation action plans, managing risks and robust financial planning.

#### **4.00 RECOMMENDATIONS**

- 4.01 The National Model for Regional Working on School Improvement be supported;
- 4.02 That a business plan be developed with the intention that the additional services listed in the Model be incorporated into the GwE regional model, in phases, subject to a satisfactory business case for each and a supporting transition plan to ensure service continuity and performance; and
- 4.03 That the Joint Committee be directed to ensure that its supporting Executive Board has a sufficiently broad membership to represent the interests of the sub-regions/counties.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 In October 2013 the Minister for Education and Skills issued a written statement outlining his acceptance of the proposal from local government to protect school improvement funding within the local government budget settlement and to jointly construct a National Model for Regional Working.
- 5.02 The agreement replaces the proposal, in the Hill Review, to fund regional school improvement services through a transfer out of the RSG. It agrees Local Authority contributions to school improvement functions will be protected on the basis of the methodology and funding identified in papers submitted to the Distribution Sub Group and Finance Sub Group.
- 5.03 The amount is based on the minimum amount originally proposed top slice (£19.2m) reduced by the average percentage reduction in core revenue funding for Wales, as announced in the Flint Local Government Settlement for 2014-15. This equates to -3.4%.
- 5.04 The individual authority allocations are based on the 'Mainstream Schools' sector Standards Spending Assessment distribution as contained in the 2014-15 Final Settlement. The Mainstream Schools sector comprises the main service areas relating to primary, secondary and special education provision.

5.05 Additional funding to meet the sums identified in the National Model will only be transferred to GwE as and when the functions transfer. This will be in accordance with the milestones identified in the Business Plan and subject to the full compliance with the recommendation at 4 above.

**6.00 ANTI POVERTY IMPACT**

6.01 The Welsh Government, Local Government, School Improvement Consortia and Schools are committed to anti-poverty working as key national priority for school improvement.

**7.00 ENVIRONMENTAL IMPACT**

7.01 There are no environmental implications arising directly from this report.

**8.00 EQUALITIES IMPACT**

8.01 There are no equalities impact implications arising directly from this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 There are no personnel implications at this point. Additional services listed in the Model may be incorporated into regional delivery models, in phases, subject to a satisfactory business case for each and a supporting transition plan to ensure service continuity and performance. This will involve appropriate consultation with staff and their representatives.

**10.00 CONSULTATION REQUIRED**

10.01 Ongoing consultation with school leaders, governors, school improvement officers, neighbouring authorities and the Welsh Government will be required in developing the regional 2014/15 business plan.

**11.00 CONSULTATION UNDERTAKEN**

11.01 The Model has been developed through engagement with local government officers, education experts, civil servants, WLGA and the Welsh Government.

**12.00 APPENDICES**

12.01 Appendix A: National Model for Regional Working on School Improvement.

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

## **BACKGROUND DOCUMENTS**

None.

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# **1. The mission, values and principles of effective school improvement**

## **The vision and the purpose**

Wales needs for its future success in the world young people who are clever, skilled, happy and healthy, and an educational system that helps to produce them. Our proposals in this agreement are designed to generate this through supporting reform to the way that local authorities, regional consortia and the Welsh Government work together to support school leaders, governors and teachers and, through this process, helping to create excellent learning, in excellent classrooms in excellent schools.

The Hill review will help to shape Wales' education reform programme and the national model for school improvement is an integral part of that. The development of the national model is a shared endeavour between schools, local authorities, regional consortia and the Welsh Government. It recognises the important role each tier has to play in improving outcomes for children and young people. The national model can create the structures and define the framework within which this partnership will function but it will require a shared commitment and moral purpose for the system as a whole to deliver the improvements in education and life chances that all children in Wales deserve.

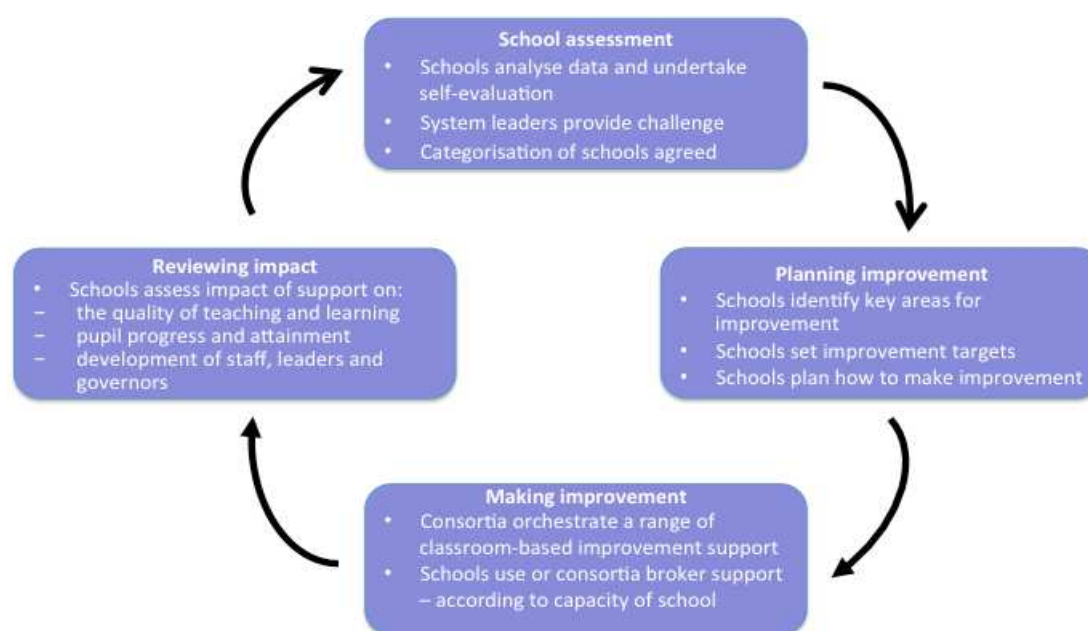
Local authorities retain the statutory responsibility for schools and school improvement. The national model is based on a vision of regional school improvement consortia working on behalf of local authorities to lead, orchestrate and co-ordinate the improvement in the performance of schools and education of young people. The prime mission and purpose of regional consortia is to help those who educate our children and young people. So, in future, their non-negotiable job will be to support schools and local authorities in their efforts to:

- improve learner outcomes for all young people;
- ensure the delivery of high quality teaching and learning; and
- support and empower school leaders to better lead their schools.

## **Model and key principles of school improvement**

Schools are at the heart of this new national model. It is the job of governors, school leaders, teachers and other staff to set high expectations of pupils, constantly seek to improve the quality of teaching and learning, raise standards, share good practice and learn from one another through genuine partnerships and school-to-school support arrangements. Figure 1 describes an annual cycle of school improvement, which we believe should be adopted by all schools. It is a model that many schools will recognise and already follow.

**Figure 1: Annual cycle of school improvement**



## **Step 1: School assessment**

Schools need to know themselves and to evaluate their strengths and weaknesses. Assessment is a constant process for both teachers and school leaders based upon self-evaluation and school categorisation.

### **School self-evaluation**

Once a year the annual self-evaluation, involving all departments and aspects of a school's life, should provide a systematic trigger for a school auditing how it is performing for all its learners. We need to ensure that schools have the capacity to do this and that clear systems of core, simple and powerful data are available to support this process including benchmarking data so that schools can compare themselves against both the best schools and those within their family of schools. The more that schools can 'own' this process, with help as necessary, the better it will work, and the more 'inspection ready' every school can be. Challenge advisers within consortia will, as their name implies, provide challenge and assure the integrity of the process – particularly for those schools who are at risk of causing concern or who cause concern

### **National school categorisation**

Each consortium has developed its own system for categorising schools. However, as part of the work on the national model, each consortium has agreed to work towards and implement a national system for categorising the schools which will be in place from 1<sup>st</sup> April 2014. This national approach will support the school in its self-evaluation assessment.

## **Step 2: Planning improvement**

Schools should use their self-evaluation and the strengths and weaknesses it reveals, to work out what to change in what they do. These ideas will often naturally come from schools and teachers themselves, but the process can be facilitated by making available 'good practice' from other schools. Schools, which are at risk of causing concern or who cause concern, will receive the support they need to do this from challenge advisers.

Schools should set targets by which they can measure their improvement. The targets should cover both improvement in process – for example, the quality of teaching and learning, marking of books or feedback – and outcomes in terms of improvements in attainment and progress. The job of challenge advisers will be to challenge headteachers and governors to set aspirational targets that ensure high levels of motivation and significantly improved pupil attainment.

## **Step 3: Making improvement**

Enabling and supporting schools to access, share and use a range of proven and new classroom-based approaches should be at the heart of securing the improvements that schools need to make. This will include development programmes that align training for teachers with them working in groups to observe and coach each other on implementing improved practice, and the deployment of Lead Practitioners. Every school also has within itself good practice that can be used as the basis for 'within school' transfer and school-to-school improvement activity. More schools will be in federations and still more in clusters. Executive headship will grow to maximise the value and potential of our best school leaders. Local authorities may also see benefits of such changes in organisational and governance terms as part of school improvement.

Consortia will facilitate and orchestrate this collaboration. There will also be programmes at consortia level that will draw on the expertise of the best practitioners and schools in the region. There will be help from the private sector the voluntary sector and indeed local communities that can be matched with the needs of schools and their teachers. The higher and further education sectors will also possess many individuals and courses that can help teacher and school development. Whatever the source of the help, it is essential that is tailored to the social, linguistic, cultural and social context of every school.

Schools that have the capacity to do so should be encouraged and empowered to lead their own improvement and deploy their own resources accordingly. For those schools that are at risk of causing concern or who cause concern, it would be the job of the consortia to help match and broker the support needed to the support available.

School leadership at all levels should be nurtured and developed through training programmes, coaching, assigning mentors and providing opportunities for emerging leaders to be seconded to other schools.

## **Step 4: Reviewing impact**

Schools, teachers and consortia should consider the effects of their actions on the achievements of all their children, and then decide what changes to make in their plans and their future actions. Consortia will broadly follow a similar philosophy in terms of the planning and review cycle as advocated for schools within Figure 1 above. The annual cycle of school, departmental, individual, local authority and consortium level plans that align all parts of the system together.

### **The role of regional consortia in implementing this model**

The delivery of consortia services should be based on co-construction with schools with a move to common/shared data systems and underpinned by excellence of expertise in analysing and challenging schools' improvement needs. The delivery of consortia services should not be based on employing large numbers of full time staff – rather a core staff should draw on the skills of the best headteachers in their regions along with other school improvement experts and should use budgets flexibly to commission the support schools require.

Relationships and lines of accountability between local authorities and regional consortia should be clear so that everyone in the education system understands who is responsible for what.

The implementation of this model will change over time. As schools and teachers develop over the next two to three years, and as they gain knowledge and confidence, they will expect more independence, autonomy and space to make their own decisions. The measure of success for regional consortia will be that they cease to exist in their present form over time because their job is done.

## **2. The scope of regional consortia**

### **The scope of consortia services**

It is important that there is clarity about the scope of the functions and services that regional consortia will provide and what schools and local authorities can expect of them. Regional consortia services will include:

- school improvement – which is defined as intervention, challenge and support strategies delivered by regional consortia that improve the teaching and learning in classrooms and lead to improved pupil attainment and progress at all levels and all contexts, including closing gaps in attainment, and addressing specific needs (such as the needs of Special Educational Needs (SEN) or More Able and Talented (MAT) Learners);
- data collation, analysis and application – which is defined as collating from local authorities and schools the data on school and pupil performance and progress across each region (based on the core data sets established by the Welsh Government and Fischer Family Trust projections), using that data to benchmark and challenge school performance and, with schools, set challenging targets for improvements;
- supporting the development of school leadership at all levels – which includes developing opportunities for emerging and senior leaders to develop their experience and expertise by having assignment and secondments in other schools, in addition to commissioning, and co-ordinating the provision of training and development programmes;
- supporting and promoting the development of school improvement linked to learner well being, including issues such as behaviour and attendance;
- ensuring that the delivery of the national Literacy and Numeracy frameworks is effective across all schools and co-ordinate and quality assure the provision of training and development to achieve this;
- providing challenge to the performance and delivery of Foundation Phase settings and assess the need for and then commission, co-ordinate and quality assure provision of training and development support;
- aligning national and local 14-19 strategies across the wider consortium area to help raise standards in the core subjects of English/Welsh and mathematics, ensure high quality courses offer relevant training for pupils and contribute effectively to regeneration strategies;
- working with local authorities to ensure that their plans for developing and implementing strategies for 21<sup>st</sup> Century schools go hand-in-hand with plans for school improvement;

- enabling the aims of the Welsh Government's Welsh-medium Education Strategy (WMES) to be delivered by ensuring the alignment of the Welsh in Education Strategic Plans (WESP) and the Welsh in Education Grant (WEG) across each of the local authorities within the regional consortia, so that there is consistency in the development of excellence in pedagogy not only across both the Welsh-medium and bilingual sectors, but also in the delivery of Welsh as a second language;
- commissioning, coordinate and quality assure delivery of high quality governor training and advice services including the requirements for mandatory training for governors; and
- providing specialist human resources advice to support headteachers and governing bodies in dealing with performance management and capability issues.

All children are important. Schools and colleges have a duty to deliver appropriate curriculum and personal support for pupils with additional learning and special educational needs. As part of their school improvement function consortia will, therefore, help schools to deliver high quality education to these groups of pupils, drawing on the expertise of the best special schools, and good practice and systems adopted by the best mainstream

. Consortia procedures protocols and business plans should demonstrate that they are giving full attention to children who have SEN and data systems should be designed to demonstrate the progress they make. They may also need to draw on expert support from local authorities where that is appropriate.

The delivery of specialist services, the statementing of pupils and the legal procedures that safeguard the welfare and rights of children with special needs remain the responsibility of the LA and Consortia should ensure that their services and LA services for pupils with SEN are closely aligned.

Local authorities will also continue to be responsible for delivering – either by employing their own staff or by working in partnership with another local authority – the organisation of schools and school places, special educational and additional learning needs, school transport, school meals, safeguarding services, education welfare, behaviour and attendance and employees' pay and conditions of service. In some cases local authorities in a region may choose to commission these functions from their consortium and such arrangements could strengthen the consortia's prime responsibility to deliver school improvement. But it is implicit in the national model that school improvement must be at the forefront of regional consortia's efforts and activity.

The sections that follow explain in more detail how regional consortia and local authorities will discharge their respective functions and work together to develop an integrated system that supports schools and avoids duplication.

### 3. Delivery of respective regional consortia and local authority functions

#### The responsibilities of regional consortia

In relation to school improvement regional consortia will **provide challenge** through:

- monitoring the work and performance of schools, using all-Wales standardised data sets, Fischer Family Trust projections and in-school and in-year data on pupil progress and the quality of classroom teaching and learning, to categorise a school's performance and development needs in accordance with the nationally agreed categorisation model;
- examining with school leaders and chairs of governors performance and provision at **whole-school level and for different subjects, year groups and sub-categories of pupils**, in order to compare the progress of individual and or groups of pupils with progress made in other comparable schools and to identify areas of underperformance and achievement gaps;
- confirming with headteachers and chairs of governors the priority areas for improvement and the strategies to be deployed to secure improvement;
- agreeing stretching targets that will raise expectations, set the standard for improving the quality of teaching and learning and provide the success criteria by which pupil attainment and progress will be judged. Where agreement cannot be reached [in respect of schools that are in an Estyn category or monitoring] the consortium will advise the local authority so that in accordance with current legislation the local authority can determine the appropriate targets;
- assessing for schools that are in special measures, require significant improvement, are subject to Estyn or local authority monitoring or otherwise identified through the categorisation process as causing serious concern, whether governors and school leadership teams have the capacity and will to lead school improvement – and making appropriate recommendations as necessary; and
- advising of those situations where statutory intervention is required and the form(s) that intervention might take – whether federation with another school, the deployment of an executive headteacher, the establishment of an interim executive board or another appropriate measure.

These functions will be applied proportionally – that is to say those schools most in need of support will be monitored most closely. Conversely where schools are performing strongly monitoring will be light-touch in nature. These functions, rather than the delivery of school improvement programmes and initiatives, will be the main focus of challenge advisers' activity.

Challenge advisers may be employed full-time by a consortium or be bought in on a part-time basis. Challenge advisers will have the following attributes:

- experience of leading in a successful school<sup>1</sup>;
- expertise in analysing and using school improvement data;
- an understanding and experience of how to implement school improvement; and
- strong interpersonal skills.

This will represent a significant shift in the roles and skills needed. Challenge advisers should be credible in their challenge role and command respect from schools. Welsh Government will provide national training for those undertaking the role of challenge advisers as a matter of urgency. Consortia will, therefore, need to facilitate this training and also secondments to help make the transition to this new role wherever possible. Consortia will have the responsibility of identifying staff to participate in training, and will need to ensure strong performance management of those undertaking the role of challenge advisers. Consortia executive boards and the managing directors will need to urgently assess the capability of their staff to meet the new requirements and discussion with unions that represent them so that headteachers and school leaders are challenged and supported by high quality advisers.

Regional consortia will share monitoring information with local authorities on a termly basis and more frequently in relation to schools that are in special measures, require significant improvement, are subject to Estyn or local authority monitoring or are otherwise identified through the categorisation process as causing serious concern (see below).

Regional consortia will also **co-ordinate, broker and provide improvement support** for schools. These activities will be co-constructed with headteachers and teachers. The brokerage and improvement support will be differentiated in relation to a school's capacity to improve and commission/broker its own improvement support. Where a school is assessed as performing well or having the capacity to secure its own improvement it will be free to use its budgets to draw down and use the services as appropriate to its circumstances and improvement needs. Where, however, a school has low attainment and poor pupil progress – and/or lacks the capacity to promote improvement in general or in a specific area – the consortium will arrange the necessary improvement support on behalf of the school in consultation with the headteacher and governing body and, where charged-for services are deployed, charge the school accordingly. The objective will be to build up the capacity of all schools to take responsibility for organising their own improvement.

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<sup>1</sup> This could include being a member of a senior leadership team.



Consortium's brokerage and improvement activities will include:

- facilitating the use and interpretation of data as part of this process to support forensic school self-evaluation and identify gaps in attainment;
- publishing anonymised benchmarking data on the performance and progress of comparable groups of pupils in different subjects and phases to encourage and enable schools to learn from each other;
- supporting school leaders to broker appropriate support from other schools, consortia-commissioned programmes and other sources, where a school has the capacity lead its own improvement;
- overseeing the implementation of a support programme, including the deployment of headteachers of Lead Practitioner schools and other headteachers capable of acting as executive heads, in those schools that are in special measures, require significant improvement, are subject to Estyn or local authority monitoring or otherwise identified through the categorisation process as causing serious concern;
- commissioning and quality assuring a range of predominantly classroom-based training and development programmes to support improvements in teaching and learning and subject knowledge;
- working with headteachers and other leaders through joint lesson observations to develop a consistent understanding on what constitutes excellent teaching and learning;
- identifying excellent departments and lead practitioners using nationally agreed criteria who can be deployed to support other schools for part of their working week;
- providing mentoring support for headteachers and school leadership teams that need support in leading improvement<sup>2</sup>;
- encouraging, incentivising and steering schools to work on school improvement together through local clusters of schools;
- providing access to evidence of 'what works' in terms of closing gaps in attainment and support schools to implement and assess the impact of targeted intervention strategies;
- supporting the formation and development of federations and interim executive boards where this is agreed as a way to effect school improvement;

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<sup>2</sup> This support should come from a serving headteacher (and the wider leadership team) of a strongly performing school – for example, a Lead Practitioner school

- facilitating the development and work of Professional Learning Communities, lesson study and other means for teachers to work together within and across schools to review and improve their pedagogical practice;
- working with university education departments to provide access to knowledge about teaching and learning and to support research projects based in schools; and
- co-ordinating support and training for teaching assistants and newly qualified teachers.

In relation to supporting the **development of school leadership** regional consortia will, in partnership with leading headteachers:

- commission from schools, universities and other specialist providers development and training programmes for middle leaders to better equip them to analyse and use data, assess the quality of classroom learning and coach other colleagues – reflecting the work of the National Leadership Development Board as it develops;
- support succession planning by working with local authorities to aggregate data on projected turnover and retirements of senior school leaders;
- commission from schools, universities and other specialist providers development and training programmes for emerging senior leaders – reflecting the requirements and work of the National Leadership Development Board as it develops;
- commission programmes that will empower and enable effective heads to support other schools through leading a Lead Practitioner School, acting as an executive headteacher, leading a federation or working for part of the week as a system leader;
- encourage and co-ordinate opportunities for emerging leaders to have access to leadership secondments in other schools; and
- ensure that every new headteacher in their first year of headship shall have access to an effective headteacher mentor.

Through the challenge process regional consortia will assess the general and specific needs of schools in each local authority area with regard to the specific **literacy and numeracy** training and development they require. In consultation with headteachers and the Welsh Government's contractor for literacy and numeracy training, consortia will commission and facilitate the delivery of a strategy that will deliver the range of support required at classroom level.

**Early Years Foundation Phase** support will involve providing challenge to leaders of Foundation Phase settings and liaising with headteachers and other providers to audit training needs and commission and quality assure an appropriate range of programmes.

The consortia will co-ordinate and quality assure the delivery of the aims of the **Welsh-medium Education Strategy** by ensuring the alignment of the Welsh in Education Strategic Plans (WESP) and the Welsh in Education Grant (WEG) across each of the local authorities within the regional consortia, so that there is consistency in the development of excellence in pedagogy, and the meeting of agreed targets, not only across both the Welsh-medium and bilingual sectors, but also in the delivery of Welsh as a second language.

**Co-ordination of the regional dimension of the ICT Strategy** will include school ICT self-evaluation, leadership and planning of ICT for learning; safeguarding, emerging technologies, virtual learning environments, learning technology and the national literacy and numeracy framework, running networks for heads of departments and ICT co-ordinators, support for pedagogy and curriculum development (with reference to the Learning and Digital World Strategy).

Strategic overview of the regional **14-19 offer**, including allocation of resources to programmes in line with Welsh Government priorities, will include:

- support for planning the use of grants;
- ensuring school and provider provision is in line to deliver the expected impact inherent in these grants;
- working with local authorities to provide a strategic overview to challenge and support all providers, including FE Colleges and private training providers, to ensure equality of access to the development opportunities;
- administering the relevant grants and co-ordinating and supporting bids for emerging grant opportunities.

Regional consortia will commission and quality assure delivery of **governor support services** and training for governors including the mandatory training programmes required for new governors, training for chairs of governors and, in respect of understanding and applying data effectively for all governors. Consortia will also encourage and facilitate governor networks, enable governors to observe each other's meetings and deploy able chairs of governors to mentor other governing bodies that are struggling to undertake their role effectively. Consortia will jointly develop, in consultation with local authorities, governors and headteachers a performance data template for headteachers to use to report to governors on a termly or half termly basis a school's in-year performance on:

- pupil performance and standards;

- pupil attendance;
- pupil exclusions;
- staff sickness absence;
- quality of teaching (as assessed through classroom observations); and
- progress and attainment data relative to targets.

Consortia will also identify a pool of able candidates that are willing to serve on governing bodies where there is weak governance.

In exercising these roles account will need to be taken of funding for governor support being delegated to schools in some authorities.

**Specialist human resource advice** for schools would typically include training for headteachers and chairs of governors on performance management and advice on managing those occasions when a teacher's performance is such that the capability procedures have to be invoked or a teacher's absence or sickness record is such that it requires serious action to be considered. Welsh Government recognises that consortia may need to move to this model in stages during their first year of operation where currently the specialist resources to deliver this requirement do not exist.

Regional consortia and local authorities will not duplicate the work of each other.

Regional consortia will consider urgently recommendations on statutory school interventions from local authorities however the statutory powers to implement intervention remain with the authorities.

## **The responsibilities of local authorities**

Local authorities will retain statutory accountability for school performance together with the responsibility for the exercise of statutory powers of intervention and organisation of schools.

Local authorities will designate a lead officer ('an intelligent client') to act as the main point of contact with the regional consortium, in accordance with the arrangement described below.

Local authorities and regional consortia will have open discussions together about their plans which should be clear about the respective roles, functions and intended actions of each. These processes will remove any risk of regional consortia or authorities duplicating effort. In particular local authorities should share with regional consortia information on their proposals and decisions in relation to:

- the overall vision and social and economic development priorities for their area, having particular regard to issues that are likely to affect schools;
- school organisation, including plans for federations, amalgamations, closures and delivery of their 21<sup>st</sup> century school strategies;
- supporting the delivery of those having special educational and additional learning needs;
- the organisation of behaviour support and education welfare services;
- their youth engagement strategy;
- safeguarding arrangements for children and young people; and
- arrangements to promote effective procurement and the development of business support services within schools.

Local authorities will provide regional consortia with access to relevant data systems, including anonymised data sets on pupil performance where this is held at local authority level, and other information to facilitate their work.

Local authorities will not duplicate the work or activity of regional consortia.

The development of secure local authority and consortia relationships will mean that both parties will consider urgently and jointly recommendations on statutory school interventions from any source and, unless there are exceptional circumstances, agree to implement them. Local authorities and consortia will follow the jointly agreed 'escalation' protocol that is currently being developed.

## 4. Governance and accountability

### Joint committees

The work of regional consortia will be overseen by a joint committee<sup>3</sup> of the constituent local authorities or an arm's length company, depending upon the form which best suits a region's requirements in order to carry out the functions and to deliver the outcomes set out within this report. Local authorities should note that the Joint Committee may make decisions which affect the delivery of and resources available for improving school performance. Therefore, local authorities should make sure that the governance arrangements put in place do not contradict local authority decision making and democratic accountability. The form is less important than the capacity and drive to deliver improved outcomes and the ability to have the consortia functioning in the way agreed by 1<sup>st</sup> April 2014. The joint committee will have responsibility for approving the consortia budget (including remuneration), business planning and performance management of the regional consortia.

Consortia and local authorities should make sure that the members of the Joint Committee have

- the right skills, experience and seniority to make decisions;
- have a clear understanding of their collaborative regional responsibility; and
- are clear about their roles and responsibilities and how these dovetail with the democratic accountabilities

The membership of a joint committee or a board may comprise the leader of each constituent local authority or education portfolio holder. They will be supported by the lead chief executive. The membership of the company board, where the arm's length company option is adopted, should reflect these arrangements. For company board, see Joint committee. Regional consortia with company boards should make sure that the arrangements do not undermine local authority decision making and democratic accountability.

The joint committee will normally meet no more than once a school term to oversee the work of the consortium. Each year, one meeting will focus on considering and agreeing the draft business plan and the accompanying budget. The business plan will also include a report from the regional consortium's managing director on the outcomes (based on the factors as outlined at page 14). Meetings will focus on monitoring progress against the plan. The managing director and the lead chief executive shall, after

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<sup>3</sup> Sections 101 and 102 of the LGA 1972 (and in the case of Executive Functions sections 19 and 20 of the LGA 2000 and relevant Regulations made under these sections) enable the work of authorities to be discharged through a variety of internal arrangements, and, in this context, external arrangements involving, and working with, other authorities. In particular these powers include the ability of two or more authorities to discharge any of their functions jointly, and where this occurs, to do so via a joint committee, and/ or by their officers.

consultation with the chair of the committee, agree the agenda and papers to be prepared for each joint committee meeting.

The Joint Committee should establish arrangements for appointments of senior staff and to deal with HR issues such as grievances.

Normally meetings of the joint committee will be open to the public.

## The executive board

Joint committees will delegate the operational decision making of the consortium to an executive board whose role will be to oversee, support and challenge the work of the regional consortium<sup>4</sup>. Welsh Government suggests that the membership of the executive board, appointed by the joint committees should comprise:

- one representative of the joint committee who will also act as the champion of the consortium in the region;
- a nominee of Welsh Government (observer status);
- the lead director of education;
- managing director; and
- no more than [five] individuals who will be appointed, with the approval of the joint committee, for their expertise in education, leadership and corporate governance drawn from an approved pool of individuals assembled by the WLGA and Welsh Government. Those nominated shall include at least one serving headteacher drawn from a school within the consortium area.

Reporting regularly to the Joint Committee, the executive board will have delegated responsibility for setting the direction regarding the implementation of:

- strategy – executive board members will constructively challenge and contribute to the development of strategy to enable the organisation achieving its goals;
- business planning – executive board members will consider and recommend an annual business plan to the joint committee;
- budget – executive board members will ensure that the business plan agreed is in line with the budget;
- performance – executive board members will monitor and review the performance of management in meeting assigned goals and objectives and monitor the reporting of performance;
- self-evaluation and risk – executive board members will need to have arrangements in place to make sure that regional consortia financial

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<sup>4</sup> The legal provisions referred in footnote 4 above also provide for joint committees to delegate their functions in whole or in part to sub committees. The executive board would be constituted as a sub committee of the joint committee where authorities chose to operate through this option. Where they chose to operate through an arm's length company the executive board would be constituted as a subcommittee of the main board.



controls and systems are robust where necessary this will be reported to individual local authorities;

- people – executive board members will recommend to the joint committee appropriate levels of remuneration for the managing director and top team and have the prime role in appointing/removing the managing director.

The role of the chair of the executive board will be to:

- set the agenda for the executive board in conjunction with the managing director and ensure that the board operates effectively;
- ensure the provision of accurate, timely and clear information for other executive board members;
- ensure that the executive board operates effectively in all aspects of its role;
- ensure the provision of accurate, timely and clear information for other executive board members;
- support effective communication with constituent local authorities and Welsh Government; and
- facilitate effective contributions from all executive board members and ensure appropriate relationships between executive board members and between executive board members and officers.

Normally, the managing director and chair of the executive board shall attend meetings of the joint committee.

An illustration of the governance model can be found in Annex A.

## **The overall consortium business plan**

Each regional consortium will produce an annual business plan, using a standard template that will set out:

- a summary of the consortium's strategic objectives, priority outcomes and targets;
- a report summarising the performance of the schools in the consortium over the previous 12 months and an analysis of the main areas of strength and weakness within the consortium;
- the priorities for improvement – both in terms of particular schools and cross-cutting issues;
- the work programmes to be undertaken over the following 12 months; and

- the measurable improvement in school performance to be achieved over the 12 months.

The draft business plan will be submitted to the joint committee for approval. The managing director will report to the joint committee the outcome of discussions on the draft plan with individual local authorities and schools, which will take place as set out below. The business plan as agreed by the joint committee will be submitted to the Welsh Government for sign-off by the Minister for Education and Skills by February of each year.

The process of the submission and sign-off of the business plan should be completed by the end of March of each year.

### **A business plan for each local authority**

Alongside the overarching business plan regional consortia may choose to produce an annexe for each respective local authority. The draft annexes will explain what the overarching business plan means in terms of schools, school improvement priorities, school improvement services and school improvement targets for each constituent authority.

Each local authority will provide for their consortium a statement of any changes they propose to make over the coming 12 months in school organisation and their planned arrangements for delivering services for special educational and additional learning needs, behaviour support and education welfare and wider children services that could relate to schools.

The annex and the statement will be discussed individually with each authority through a meeting with the lead officer, and the elected member with responsibility for children and education services, and the Leader Local Authorities will make sure that the governance arrangements for consortia enable them to maintain oversight of and accountability for their statutory duties.

The business plan annex will need to dovetail with and not duplicate other local authority corporate plans and the Single Plan.

Any local authority concerns or requests in relation to the content of the draft business plan that cannot be agreed between the managing director and a constituent authority will be reported to the joint committee as part of their consideration of the draft plan.

The business plan annex for each local authority may, once it is agreed, form a Service Level Agreement, between the consortium and the local authority.

## **Scrutiny and liaison between local authorities and regional consortia**

Regional consortia will nominate a senior officer to liaise with the each authority's lead officer. It shall be for the respective officers to agree on the scope and frequency of their meetings, with contact being more intensive the greater the number of schools in the authority that come into one of the categories of concern. A note of meetings, recording issues discussed and decisions agreed, will be made.

Each Local Authority and their respective regional consortium will make arrangements for robust democratic scrutiny of the consortium business plan and activities as it relates to individual local authority area. Each authority's scrutiny committee for education services will also need sufficient information to consider the performance of their schools.

Local authorities undertake to be reasonable in their expectation of consortia staff and resources and ensure that senior leaders are not required to spend a disproportionate amount of their time on reporting and scrutiny work.

## **Accountability and relations with Welsh Government**

The Welsh Government, through the Minister for Education and Skills, will sign-off annual consortia business plans.

The managing director of each consortium will meet jointly with lead officials of the Welsh Government on a half-termly basis in the spirit of co-construction, to:

- discuss progress against consortia business plans;
- exchange information on consortia working;
- identify factors that are enabling or holding back progress on school improvement; and
- liaise on the implementation of government programmes and initiatives such as the literacy and numeracy programme or the work of the School Leadership board.

## **Challenge and Review Events**

The current round of stocktakes will be replaced by challenge and review sessions. The initial intelligence gathering process will include drawing together the performance data, Welsh Government and Estyn intelligence on each region. These findings will then inform a discussion with all four Managing Directors building on the region's self-knowledge and the expertise available regionally. This will then lead to a challenge and review event with

each consortium, the scope and regularity of which will vary according to need and risk but as a minimum will be twice a year.

Furthermore, once a year the Minister for Education and Skills will chair a challenge and review session for each consortium to review progress on school improvement in each region. The annual report of the consortium's Managing Director will form part of this process. The consortium will be represented by the chair of the executive board, the managing director and the joint committee.

Priorities and action agreed as a result of these challenge and review sessions will be actioned by consortia and local authorities as appropriate and be reflected in the business plan for the next 12 months.

The Minister for Education and Skills reserves the right to make alternative arrangements for school improvement and consortium functions, in consultation with the Joint Committee, where a consortium clearly lacks the capacity or will to deliver its functions.

## **Relations with schools**

Each consortium will establish two panels to consult respectively with school leaders and school governors. The purpose of the panels will be to discuss plans and proposals for developing school improvement and to receive feedback on the quality of service received in respect of both consortia's' challenge and support functions.

The panel shall include representatives of primary, secondary and special schools.

These user panels will meet at least termly and the meeting in the autumn term will consider the draft business plan for the coming year. Significant concerns from school leaders and governors regarding the content of the draft business plan will be reported to the joint committee as part of their consideration of the draft plan.

Consortia should also make arrangements for collecting systematic feedback from participants on their programmes and this information should be collated and presented to the user panels.

## **Estyn inspection**

Estyn has agreed with the Minister for Education and Skills that it will undertake a remit on the progress being made by consortia. This remit will begin in late summer 2014 and be published in spring 2015.

The inspection of consortia will begin in late autumn 2015 through to autumn 2016. Estyn will focus primarily on the impact of consortia upon the standards that learners achieve, the quality of service provided to schools and on the quality of leadership and management of consortia.

Estyn has an Advisory Forum on the inspection of regional consortia with which it consults representatives from SOLACE, ADEW, four consortia, DfES and Wales Audit Office (WAO) about the development of its inspection framework.

Estyn is working jointly with WAO about their role in the inspection of consortia as part of Estyn's inspection team.

By the end of November 2013, Estyn will have carried out an inspection of local authority education services for children and young people in all 22 local authorities. Between 2013 through to 2016, Estyn will continue follow up activity through the monitoring of authorities in the category of Estyn monitoring, in need of significant improvement or special measures. However Estyn reserves the right to re-inspect any authority that causes significant concern. Estyn will take particular account of how effectively a local authority uses its regional consortia to address school performance issues in the authority's schools.

Estyn's framework for the inspection of local authority education services from 2016 through to 2022 will need to take account of the outcomes of the Williams Commission on Public Service Governance and Delivery, as well as the future development of regional consortia and the statutory functions of local authorities not being delivered through consortia or other collaborative arrangements.

## **5. The organisation and operation of consortia**

### **The central organisation of the consortium**

Consortia may decide, because of the geographical size of the region or the need to reflect cultural and language differences, to organise delivery of their services through hubs. That will be a matter for executive boards to determine. However, all consortia should ensure that they retain sufficient expertise at the centre in order to manage the following functions on a cross-consortium basis:

- data collation, analysis and application – which is defined as collating from local authorities and schools the data on school and pupil performance and progress across each region (based on the core data sets established by the Welsh Government and Fischer Family Trust projections);
- planning and coordination of the improvement service, quality assurance of the challenge function and performance management of its effectiveness in delivering improved outcomes;
- strategic leadership of key strands of work such as leadership development, literacy and numeracy and Welsh medium;
- business planning including management of financial resources, risk assessment, human resource management of consortia staff and commissioning of services;
- commissioning, coordinating and quality assuring delivery of high quality governor training and advice services including the national requirements for mandatory governor training; and
- specialist human resources advice to support headteachers and governing bodies in dealing with performance management and capability issues.

### **The role of the managing director**

The key roles of the managing director will include:

1. Strategic relationship management and collaborative leadership – the managing director will need to navigate the development of increased autonomy for schools alongside reporting to and working with constituent local authorities (which retain statutory responsibilities for education and school improvement), liaising with the Welsh Government and reporting to an executive board. The complexity of the arrangements will mean that the managing director will need to be able to build strong personal relationships while staying focused on delivering the highest standards and performance for the region.

2. Ability to analyse data rapidly, read situations, understand and interpret different local and political contexts and communicate well. In addition, the managing director must guide and lead innovation, seek and take advantage of opportunities and take calculated risks in order to strive for continuous improvement.
3. Leadership of school improvement services – the managing director will provide the strategic leadership and delivery of a sharp and well-defined model of diagnosis and support for schools. This includes, but is not limited to, leading a high performing team to work alongside school leaders, teachers and others engaged in education service delivery in the rigorous challenge and support for improvement activity based on strong analysis of data and evidence. The impact of this work can be seen by the sharp and sustained improvement in outcomes and in the range of appropriate services included within the consortia.
4. Development of system wide school-to-school capacity building measures – we believe that in the long-term the capacity for system-wide improvement rests within and across schools. The managing director must be capable of galvanizing and leading outstanding heads, middle leaders and teachers and, more broadly, to design a system of school led capacity building and improvement.
5. Development of and engagement with an improvement service which is flexible and meets the needs of its stakeholders – in line with the changing demands and needs of schools and local authorities, the managing director will lead the development of a flexible approach to procuring school improvement services. The role will require a commercial sensitivity and an ability to construct a mixed economy of high quality expertise on which schools will be able to draw.
6. Leadership and management of a lean and dynamic central organisation – the managing director will provide visible and inspiring strategic leadership and management of the consortium. This will require recognition of the history and achievements of the organisation to date, whilst reviewing the staffing and delivery model to ensure it is as efficient and effective as possible and compliant with Welsh Government and Estyn expectations. Critical to this is sound and effective people management skills providing high quality professional development for staff as well as effective brand management, communication management of resources and building relationships with stakeholders. In addition, the managing director must guide and lead innovation, seek and take advantage of opportunities and take calculated risks in order to strive for continuous improvement.
7. The Managing Director shall produce an annual report of performance in the following year's business plan.

The skills and experience needed to be a managing director will, therefore, be of a senior strategic leader, with a strong track record of making an impact in leading a school improvement organisation that has significantly improved

educational outcomes. He or she will be ambitious for schools to improve, capable of providing and managing challenge and willing and able to lead and steer a coalition of school leaders, staff and local authorities through school improvement.

The salary and conditions will be set by the joint committee and the line management and accountability will be to the chair of the executive board.

## **Funding and finance**

Regional consortia will obtain their funding from three sources:

1. Local authorities have given a commitment<sup>5</sup> to protect funding for school improvement and transfer it directly to the consortia. Local authorities have signed up to this agreement formally with Welsh Government and this agreement has the same status as other agreements such as the Simpson Compact and the delegation rates targets of 80 per cent and 85 per cent.

From 1st April 2014 the transferred funding will be lodged with the lead financial authority on behalf of the consortium and made available in full to the consortium. Further financial resources should be added if further functions are transferred into the consortium.

Annually, the lead financial officers from each consortium will identify the regional consortia's funding in line with the agreement between the WLGA and the Welsh Government. The level of funding that is proposed to be transferred from each local authority to consortia will also be subject to consultation with Welsh Government.

2. Dedicated funding for schools and school improvement routed through consortia by the Welsh Government. The major Welsh Government grants and associated Local Authority match-funding will be passported via the lead authority to the consortium, apart from those elements that are delegated directly to schools. Centrally retained elements of the major grants issued on a regional basis will be passported in full and retained by the consortium.

All funding intended to be delegated to schools must be delegated to schools. Where schools require additional guidance and support in spending the funding efficiently, consortia will provide that guidance and support.

3. Funding generated by consortia as a result of charging for some of the programmes and interventions that they commission. The consortia will be expected to demonstrate openness and clarity in the use of all elements of funding, using the business plans as a vehicle for agreeing the full budget

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<sup>5</sup> This commitment refers to the national agreement reached between the WLGA, the 22 leaders of local authorities and the Minister for Education and Skills.



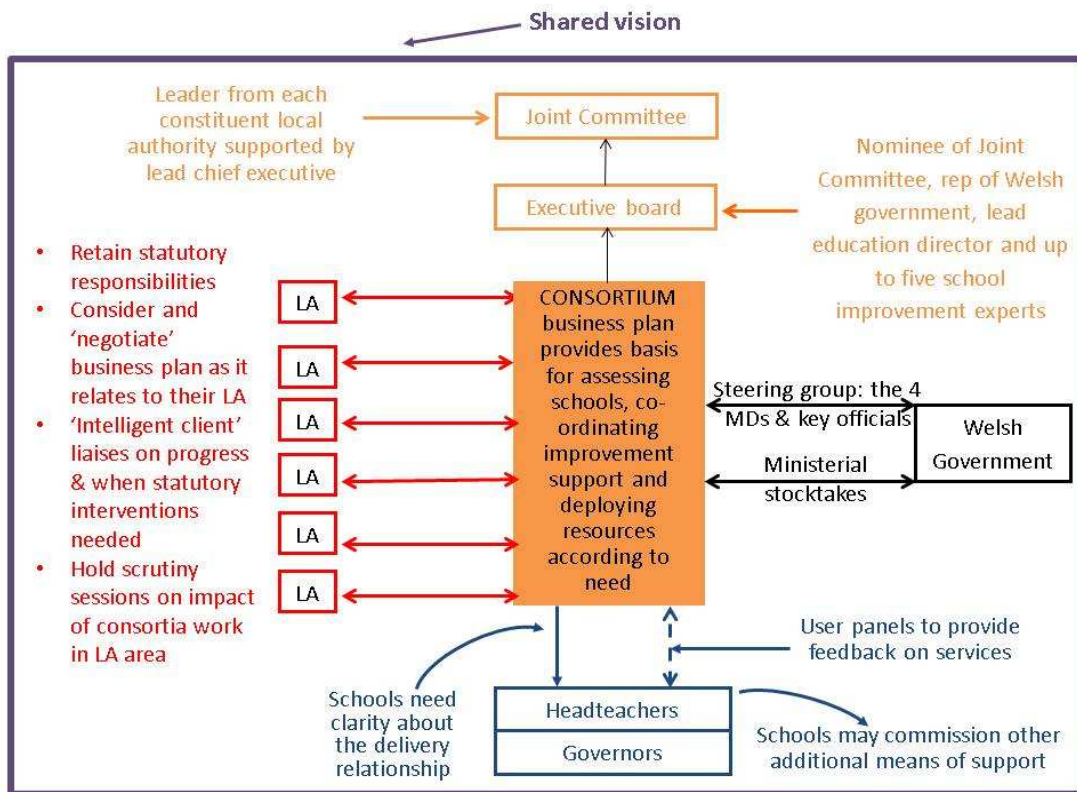
breakdown and the Managing Director's annual report to clearly and transparently report on how funding was spent<sup>6</sup>.

## **Timescales**

The aim in order to begin to deliver improved outcomes is to transition through the next few months to the Consortia arrangements set out in this report by 1st April 2014.

However we recognise that some of the school improvement services contained in this model will not be able to be delivered by 1 April 2014. Therefore, as part of the business plan and to provide an element of flexibility, consortia will need to clearly show what will be delivered by April 2014 and what by April 2015, along with a clear rationale as to why.

# Annex A: Consortia governance model



## **Annex B: National model for regional working**

On 28 November, the WLGA Coordinating Committee approved the National Model for Regional Working.

Prior to this, on the 7 October, the Minister for Education and Skills issued a written statement outlining his acceptance of the proposal from local government to protect school improvement funding within the local government budget settlement and to jointly construct a National Model for Regional Working.

The agreement replaces the proposal, in the Hill Review, to fund regional school improvement services through a transfer out of the RSG. It agrees Local Authority contributions to regional school improvement consortia will be protected on the basis of the methodology and funding identified in the papers submitted to the Distribution Sub Group and Finance Sub Group.

### **Basis of the local authority minimum contributions**

The amount is based on the minimum amount originally proposed (£19.2m) reduced by the average percentage reduction in core revenue funding for Wales, as announced in the Final Local Government Settlement for 2014-15. This equates to -3.4%.

The individual authority allocations are based on the 'Mainstream Schools' sector Standards Spending Assessment distribution as contained in the 2014-15 Final Settlement. The Mainstream Schools sector comprises the main service areas relating to primary, secondary and special education provision. The final Local Authority minimum contributions for 2014-15 are identified in Table 2.

These figures represent the core Local Authority contributions, which are net of income and grant revenue. In addition to this core funding, the total funding for regional consortia includes income generated through trading agreements, school level and other SLAs, specific grant funding allocated on a regional basis and any respective local authority match-funding elements for these grants. Additional funding may also be provided by individual Local Authorities for specific additional activity. This represents a 'gross budget' for consortia and this revenue will still be made available to consortia. (where regional consortia take on further functions, the funding will change accordingly.)

### **Tables**

Table 1 shows the current 2013-14 contributions and the contributions originally proposed for 2014-15 within the DSG and FSG papers.

Table 2 shows the required Local Authority minimum contributions for 2014 15, reduced in line with the changes to the Final Local Government Settlement (-3.4%).

**Table 1: Local Authority consortia expenditure and proposed distribution of transfer out based on Mainstream Schools Sector**

Consortia	Local Authority	Consortia 2013-14 budgets net of income and grant revenue		Transfer Out based on mainstream schools sector		Difference from 2013-14 Budgets		Transfer Out based on Mainstream Schools distribution scaled in line with South East Consortia (a)		Difference from 2013-14 Budgets
		Amount (£)	% Share	Amount (£)	% Share	Amount (£)	% Share	Amount (£)	% Share	Amount (£)
North Wales	Anglesey	£360,800	2.2%	£367,906	2.3%	£7,106	0.0%	£435,073.70	2.3%	£74,274
	Gwynedd	£634,304	3.9%	£648,257	4.0%	£13,953	0.1%	£766,607.69	4.0%	£132,304
	Conwy	£552,640	3.4%	£573,346	3.5%	£20,706	0.1%	£678,020.37	3.5%	£125,380
	Denbighshire	£539,264	3.3%	£545,654	3.4%	£6,390	0.0%	£645,272.71	3.4%	£106,009
	Flintshire	£788,128	4.9%	£818,362	5.0%	£30,234	0.2%	£967,768.35	5.0%	£179,640
	Wrexham	£644,864	4.0%	£681,942	4.2%	£37,078	0.2%	£806,442.48	4.2%	£161,578
	<b>Sub total</b>	<b>£3,520,000</b>	<b>21.7%</b>	<b>£3,635,467</b>	<b>22.4%</b>	<b>£115,467</b>	<b>0.7%</b>	<b>£4,299,185.30</b>	<b>22.4%</b>	<b>£779,185</b>
ERW	Powys	£813,250	5.0%	£693,524	4.3%	<b>-£119,726</b>	-0.7%	£820,138.98	4.3%	£6,889
	Ceredigion	£470,750	2.9%	£365,586	2.3%	<b>-£105,164</b>	-0.6%	£432,330.14	2.3%	<b>-£38,420</b>
	Pembrokeshire	£610,250	3.8%	£669,959	4.1%	£59,709	0.4%	£792,271.77	4.1%	£182,022
	Carmarthenshire	£992,000	6.1%	£1,000,607	6.2%	£8,607	0.1%	£1,183,285.37	6.2%	£191,285
	Swansea	£993,250	6.1%	£1,197,996	7.4%	£204,746	1.3%	£1,416,711.19	7.4%	£423,461
	Neath Port Talbot	£707,500	4.4%	£754,452	4.6%	£46,952	0.3%	£892,190.45	4.6%	£184,690
	<b>Sub total</b>	<b>£4,587,000</b>	<b>28.3%</b>	<b>£4,682,124</b>	<b>28.8%</b>	<b>£95,124</b>	<b>0.6%</b>	<b>£5,536,927.91</b>	<b>28.8%</b>	<b>£949,928</b>
Central South	Bridgend	£693,359	4.3%	£755,003	4.7%	£61,644	0.4%	£892,842.05	4.7%	£199,483
	Vale of Glamorgan	£651,860	4.0%	£700,208	4.3%	£48,348	0.3%	£828,043.26	4.3%	£176,183
	Rhondda Cynon Taf	£1,250,876	7.7%	£1,341,118	8.3%	£90,242	0.6%	£1,585,962.63	8.3%	£335,087
	Merthyr Tydfil	£295,094	1.8%	£318,843	2.0%	£23,749	0.1%	£377,053.39	2.0%	£81,959
	Cardiff	£1,525,297	9.4%	£1,648,302	10.2%	£123,005	0.8%	£1,949,228.46	10.2%	£423,931
	<b>Sub total</b>	<b>£4,416,486</b>	<b>27.2%</b>	<b>£4,763,474</b>	<b>29.3%</b>	<b>£346,988</b>	<b>2.1%</b>	<b>£5,633,129.78</b>	<b>29.3%</b>	<b>£1,216,644</b>
South East	Caerphilly	£1,133,580	7.0%	£1,026,964	6.3%	<b>-£106,616</b>	-0.7%	£1,214,454.30	6.3%	£80,874
	Blaenau Gwent	£423,953	2.6%	£370,663	2.3%	<b>-£53,290</b>	-0.3%	£438,334.04	2.3%	£14,381
	Torfaen	£760,016	4.7%	£531,326	3.3%	<b>-£228,690</b>	-1.4%	£628,328.89	3.3%	<b>-£131,687</b>
	Monmouthshire	£468,403	2.9%	£425,265	2.6%	<b>-£43,138</b>	-0.3%	£502,904.59	2.6%	£34,502
	Newport	£926,421	5.7%	£800,576	4.9%	<b>-£125,845</b>	-0.8%	£946,735.20	4.9%	£20,314
	<b>Sub total</b>	<b>£3,712,373</b>	<b>22.9%</b>	<b>£3,154,794</b>	<b>19.4%</b>	<b>-£557,579</b>	<b>-3.4%</b>	<b>£3,730,757.01</b>	<b>19.4%</b>	<b>£18,384</b>
<b>Wales</b>	<b>£16,235,859</b>	<b>100.0%</b>	<b>£16,235,859</b>	<b>100.0%</b>	<b>£0</b>	<b>0.0%</b>	<b>£19,200,000.00</b>	<b>100.0%</b>	<b>£2,964,141</b>	

**Notes**

Scaling factor of 1.182 used to scale in line with South East Consortia 2013-14 budget levels.

**Table 2: Required Local Authority minimum contributions for 2014-15, based on the 2014-15 Mainstream Schools SSA**

Region	Local Authority	SSA Formula 2014-15 Mainstream Schools Sector distribution	Percentage distribution
North Wales	Isle of Anglesey	422,621	2.3%
	Gwynedd	740,733	4.0%
	Conwy	652,994	3.5%
	Denbighshire	623,793	3.4%
	Flintshire	933,484	5.0%
	Wrexham	782,631	4.2%
	<b>Sub total</b>	<b>4,156,256</b>	<b>22.4%</b>
ERW	Powys	786,048	4.2%
	Ceredigion	414,511	2.2%
	Pembrokeshire	759,950	4.1%
	Carmarthenshire	1,141,069	6.2%
	Swansea	1,370,773	7.4%
	Neath Port Talbot	850,288	4.6%
	<b>Sub total</b>	<b>5,322,639</b>	<b>28.7%</b>
Central South	Bridgend	862,092	4.6%
	The Vale of Glamorgan	799,973	4.3%
	Rhondda Cynon Taf	1,531,657	8.3%
	Merthyr Tydfil	359,863	1.9%
	Cardiff	1,917,619	10.3%
	<b>Sub total</b>	<b>5,471,204</b>	<b>29.5%</b>
South East	Caerphilly	1,169,666	6.3%
	Blaenau Gwent	417,511	2.3%
	Torfaen	600,536	3.2%
	Monmouthshire	481,642	2.6%
	Newport	934,254	5.0%
	<b>Sub total</b>	<b>3,603,609</b>	<b>19.4%</b>
<b>Wales</b>		<b>18,553,708</b>	<b>100.0%</b>

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**

**DATE:**                 **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:**         **DIRECTOR OF LIFELONG LEARNING**

**SUBJECT:**            **SCHOOL FUNDING FORMULA REVIEW**

### **1.00**   **PURPOSE OF REPORT**

1.01    To update Cabinet Members on the outcome of the consultation regarding the Flintshire Schools' Funding Formula review and to approve the new formula from April 2014.

### **2.00**   **BACKGROUND**

2.01    The current school funding formula which is used to delegate funding to Flintshire schools was inherited from the former Clwyd County Council with its roots dating back to the introduction of Local Management of Schools in 1988. Much of the information used is based on the position of Flintshire schools at that time. Although the formula has been incrementally updated there are many factors and elements within the current formula that lack a clear educational or operational rationale.

2.02    Many changes have taken place within schools since the formula was developed. The Welsh Government has introduced new initiatives and whilst more distribution methods have been added to historical arrangements, there has been no fundamental review by the Authority of the overall methodology for funding schools until recently. It has long been acknowledged by schools, officers and members that a review of the formula was long overdue.

2.03    A long and detailed process has been undertaken in Flintshire to review both the Primary and Secondary formulae. A key role has been played by project groups. These groups were established to drive the development of a new set of principles which would underpin the allocation of resources to schools. The groups comprised officer, headteacher and governor representation. In addition to this there has been ongoing consultation and discussion with stakeholders through the Schools Budget Forum and Heads Federation Groups.

### **3.00 CONSIDERATIONS**

- 3.01 Consultation documents were issued for primary and secondary schools which set out the proposed key principles and cost drivers which had been considered and developed by the project groups. Schools and other stakeholders were encouraged to complete a questionnaire which formed part of the consultation document.

We received 35 responses to the primary consultation from 27 schools. A summary of the responses is shown at Appendix 1.

We received 11 responses to the secondary consultation from 10 schools. A summary of the responses is shown at Appendix 2.

The majority of responses to both the Primary and Secondary consultations were supportive of the proposals.

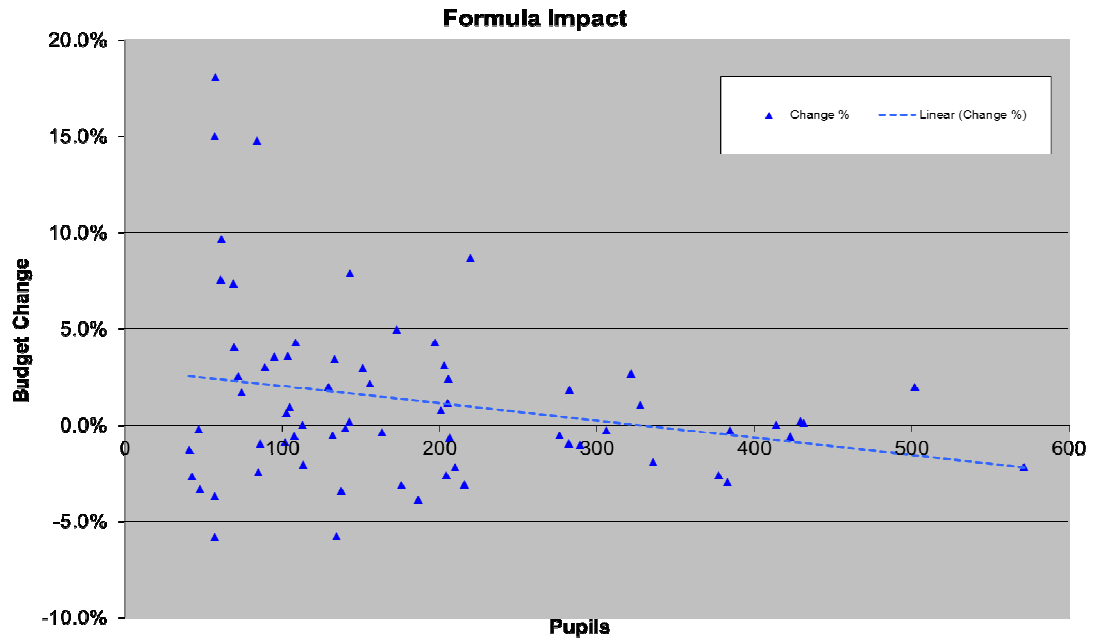
- 3.02 In addition to the formal consultation a significant amount of informal consultation has taken place through attendance at consortium meetings, 1:1 meetings with Headteachers, and attendance at governor and union meetings. Both informal and formal consultation have been invaluable in developing the final design of the funding models.

- 3.03 Some key funding policy issues were discussed through the primary consultation. Firstly, respondents were generally in favour of restricting headteacher teaching commitment to 0.5 even in the smallest school and reducing headteacher teaching commitment to 0 in bigger schools from 240 pupils to 210. Secondly, some respondents raised concern that Planning, Preparation and Assessment time would be costed at HLTA rates in the funding model. Some schools have provided cover through Higher Level Teaching Assistants and specialist coaching arrangements whilst others have provided cover through teachers since the National Workload Agreement in 2003. In each case, there is no clear view on where funding could be withdrawn to reallocate to these areas.

- 3.04 Whilst we acknowledge the responses raised in 3.03 above to the consultation points, at this time there are insufficient funds available to provide additional funding to schools on this basis. However, the formula review has provided an opportunity to highlight and debate these issues and we would propose that they should be taken forward as a policy debate in the future as funding becomes available for additional investment.

- 3.05 Primary sector formula impacts were issued to Headteachers on Monday 27 January 2014. Officers attended the Primary Heads Federation on the 28 January 2014 to discuss the impacts of the formula review. Appendix 3 shows the detailed impact on individual schools. The graph below provides a summary of impacts.





3.06 Secondary schools formula impacts were issued to schools before Christmas and a number of meetings have been held with the Secondary Heads Federation to consider the outcome. Table 1 below shows the total impact on Secondary schools of the new formula based on 2013/14 funding values and the effect in year 1 after the 75% transitional dampening for each school. The maximum negative impact in year 1 is 0.6%.

Table 1: Secondary Impacts Due To New Formula

School	Change £	Change %	Year 1 Impact	Year 1 % Impact
Elfed High, Buckley	1,861	0.1%	465	0.0%
Connah's Quay High	-4,268	-0.1%	-1,067	0.0%
John Summers High	542	0.0%	136	0.0%
Flint High	26,296	1.0%	6,574	0.3%
St Richard Gwyn	28,791	0.9%	7,198	0.2%
Hawarden High	-20,941	-0.6%	-5,235	-0.1%
Holywell High	-16,923	-0.8%	-4,231	-0.2%
Castell Alun	14,693	0.4%	3,673	0.1%
Mold Alun	-115,677	-2.5%	-28,919	-0.6%
Maes Garmon	14,260	0.7%	3,565	0.2%
Argoed	49,281	2.0%	12,320	0.5%
St David's High	22,087	1.1%	5,522	0.3%

Based on 13/14 values

#### 4.00 RECOMMENDATIONS

- 4.01 Cabinet approve the implementation of the revised funding formulas for primary and secondary schools, inclusive of proposed transitional dampening arrangements.

**5.00 FINANCIAL IMPLICATIONS**

- 5.01 The revision to the formula is modelled within existing resources and so has no impact on the Council budget. Individually schools may see an increase or decrease in their budgets in comparison to the current formula. Transition arrangements will be implemented over a three year period to allow schools with reduced levels of funding to make the necessary adjustments.

**6.00 ANTI POVERTY IMPACT**

- 6.01 The formula allocates funding to mitigate the impact of deprivation. Pupil Deprivation Grant (PDG) also allocates funding to support individual learners from local income families.

**7.00 ENVIRONMENTAL IMPACT**

- 7.01 None.

**8.00 EQUALITIES IMPACT**

- 8.02 The aim of the formula is to ensure that all schools received a 'fair' share of the funding available.

**9.00 PERSONNEL IMPLICATIONS**

- 9.01 Schools will have to consider the impact of any changes in funding. The redistribution of resources is mitigated in individual schools through transitional arrangements. Schools do need to plan their provision within allocated resources through the formula, specific grants and other sources.

**10.00 CONSULTATION REQUIRED**

- 10.01 Schools Budget Forum 11/2/14  
Lifelong Learning Overview & Scrutiny 30/1/14  
Cabinet 18/02/14

**11.00 CONSULTATION UNDERTAKEN**

- 11.01 Secondary Consultation Document issued 2/10/13  
Primary Consultation Document issued 21/10/13  
School Budget Forum 23/01/14  
Lifelong Learning Scrutiny Overview & Scrutiny 30/01/14  
Flintshire Governors Association  
Elected Member Workshop

Primary and Secondary Heads Federations

**12.00 APPENDICES**

- 12.01 Appendix 1 – Responses to Primary Consultation  
Appendix 2 - Responses to Secondary Consultation  
Appendix 3 – Primary Impacts by School

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

None.

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## Flintshire County Council Schools Funding Formula Review Primary Consultation Response Analysis

This document sets out the responses to the consultation document that was issued by Flintshire County Council on the proposals for the primary schools funding formula. A summary of the key comments is also included.

There were 35 questionnaires returned.

<b>Consultation Point 1</b>			
Transitional arrangements should be applied to reduce the impact of any changes in funding to schools in accordance with the table set out in 1.13 of the report.			
Agree	25 (71%)	Disagree	10
<b>Comments</b>			
<p>This facility would give schools the time to restructure if needed.</p> <p>If stability is maintained in our school, all well and good. We need further explanation regarding this. It depends if you are a 'winner' or a 'loser', without figures it is difficult to give an honest comment. Transitional arrangements must be set out clearly if all parties are to understand the implications</p> <p>A table showing the potential monetary value of the percentage affect, would have helped to guide response</p> <p>It is important to be fair but schools should be told as soon as possible of the impact of the changes.</p> <p>Question as to ability to handle Single Status and Formula change at same time.</p> <p>Transition should be 2 year max to encourage schools to make difficult decisions.</p>			
<b>Consultation Point 2</b>			
The two date pupil count will be retained for Primary schools.			
Agree	33 (94%)	Disagree	2
<b>Comments</b>			
<p>A two count system is essential.</p> <p>Two date count would mean that the monetary support needed for an increase in pupil numbers would be timely.</p> <p>Could date be altered, to allow for late admissions during October - seems to be a common trend over past years.</p> <p>Single Count allows for quicker budgeting, and trends may allow for identification of growth.</p>			

**Consultation Point 3**

It is proposed that all primary pupils are recognised in the funding formula at their full-time equivalent value.

Agree	33 (97%)	Disagree	1
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**Comment**

If the school is able to maintain current staffing levels, then I would agree. We are working at the bare minimum at the moment. But would welcome this proposal, but also would welcome clarification regarding reception weightings.

Several comments querying the gap between Year 6 and Year 7 (KS2 vs KS3) funding. (188, 203)

This should also include the part time pupils because they need all the facilities including staff in order to operate effectively.

Would urge that the new formula takes account of the need for higher ratios of staff and increased number of 'consumables' used in the FP.

Providing this means that Reception is counted as 1

**Consultation Point 4**

The Primary School formula should include an element for leadership and management. This will comprise a lump sum for the baseline costs which are not linked to the size of a school. In addition there will be an amount per full time equivalent pupil recognising that the cost of leadership and management increases with the size of the school.

Agree	33 (97%)	Disagree	1
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**Comment**

If it allows us to have the current members of staff stabilised on current leadership spine and funding matches this to allow us to operate on current levels - difficult to be fully in agreement without having the figures

**Consultation Point 5**

The formula should recognise that headteachers require management time. In larger schools with non-teaching headteachers there is a requirement for additional non-teaching management time.

The scale of protected management time is subject to variation dependent on the size of school.

Agree	32 (94%)	Disagree	2
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**Comment**

Most definitely

Small school should be encouraged to federate to enable an increase in management time for their own school. Large schools dealing with high pupil levels have increased workload.

## Option 1

The maximum amount of time that a headteacher should be presumed to be teaching should be 0.7 for a school of up to 30 pupils, reducing to zero at 240 pupils.

Agree	4 (13%)	Disagree	262
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**Comment**

Not at all possible: Paid as 0.7 HT but actually they are 1.0HT and 0.7 CT.

A teaching load of 0.7 would make it very difficult to carry out HT functions.

There are four aspects to consider – curriculum management; building management and Health & Safety attached, staff management and home contact. Although curriculum management imposes similar pressures on everybody – large buildings require more attention H&S, maintenance etc and a large team of staff puts pressure on leaders (as managing people is the most challenging aspect).

On minimum HT commitment: An alternative of 0.7 up to 30 pupils, going down to zero at 200 pupils, (but at the same time appreciate that this may reduce the amount of funding available to distribute under other elements).

Don't want to funds coming from elsewhere. I have a .5 teaching commitment with 142 pupils on roll. This is not really going to reduce my commitment, unless I have an influx of 80 pupils. What about schools in the middle? Will any concessions be given? The wording implies a sliding scale and we would like to have the figures confirmed.

## Option 2

The maximum amount of time that a headteacher should be presumed to be teaching should 0.5 for a school of 30 pupils reducing to zero at 210 pupils.

Agree	27 (77%)	Disagree	8
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**Comment**

The HT of a small school has the same admin as that of a large school and often without full time clerical support.

Also supported: Maximum teaching time for a Headteacher should not exceed 0.5 and preferably should be a lower maximum.

**Consultation Point 6**

Split Site and federated schools to receive additional non-teaching allowances for the leadership team.

Agree	27 (77%)	Disagree	8
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**Comment**

Fully agree. But will the quality of leadership within school be effected?

Only if this had an overall cost saving effect on the budget.

Distance between sites should be taken into account.

There are huge challenges to leading a school in two buildings. These can be largely addressed by full time admin and reception support in each building and leadership non-

contact time when head is off site.

Travel time between sites may be factored in but otherwise should not attract additional funding.

The HT should not teach and also any leadership/ management team should receive non-teaching allowance to assist HT.

Essential for the success of amalgamated schools.

#### Consultation Point 7

Teacher funding should be allocated to Primary schools based on the number of classes required to accommodate their pupil numbers.

Agree	22 (69%)	Disagree	10
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#### Comment

Proposal seems cumbersome, not transparent and not facilitating longer term forecasting. Schools will be penalised for having classes with less than 30 pupils if they have appropriate school places. A hybrid solution would be a fairer alternative.

This needs more discussion as it may force schools to have combinations of year groups which would be difficult to manage due to a large physical space.

Unfair - this would result in some schools getting significantly more per pupil than others.

Although we agree with this proposal we would like to see the MCSW updated as well as recalculated on a regular basis

Cannot agree on a formula for calculating teacher staffing costs without the figures. I am only concerned with being able to keep current staffing levels and hopefully have a little flexibility to increase in the future.

Classroom assistant support should be enhanced where there are more than two mixed age classes e.g. 3/4/5/6.

This would be much fairer to schools that have small dimension classrooms and so have had their admissions numbers cut. No class should be for more than 2 age groups, but the old formula causes small schools to put Years 3, 4, 5 and 6 together or all the 4 year groups of Foundation Phase.

There should be a recognised formula for this instead of a case by case basis.

The governors and head disagree with this proposal. A unanimous decision that all money should be distributed on pupil numbers only. Not on class or class sizes.

As long as the data used is accurate and upto date - there are anomalies.

#### Consultation Point 8

Cross phase classes will be assumed in the funding model in accordance with current practice and funding availability.

Agree	21 (64%)	Disagree	12
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#### Comment

As long as the data used is accurate and up to date - there are anomalies.

Equal Opportunities / Equality and Diversity – All schools should avoid cross-phase classes.

Difficult due to the different curriculum in FP and KS2.

All schools should avoid cross-phase classes.

We would prefer the Review to state clearly that while such arrangements are necessary in



some situations they should not be the norm.  
Should only be used as a last resort and only if the same applies to ALL schools both Welsh and English medium.  
This should not be JUST for Welsh medium - NO school should have cross-phase.

#### Consultation Point 9

Welsh Medium schools to be funded to avoid the necessity of cross-phase classes.

Agree	17 (50%)	Disagree	17
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#### Comment

As per Equal Opportunities / Equality and Diversity – All schools should avoid cross-phase classes, not just Welsh Medium schools.  
There should be equality across all schools.  
Equality is required  
Most welcome proposal as it recognises that Welsh medium schools have to operate differently from other schools.  
Welsh medium should be given extra funding in order to ensure that these pupils have to be of an equal standard in both Welsh and English by the time they leave the primary school - i.e. their English on par with English medium schools although Welsh is not on par in English schools.  
Teaching English within a cross-phase class poses problems.

#### Consultation Point 10

Teacher Funding will be at M6, with an adjustment if average teacher costs are higher, but not penalising a school where the average cost is lower.

Agree	29 (85%)	Disagree	5
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#### Comment

This principle should go a long way to avoid the current discrimination on grounds of age/experience. i.e. appointing a NQT rather than an experienced teacher on cost grounds. Similarly, teachers should not be denied access to the UPS on cost grounds.  
For the long term, this proposal does not encourage movement of teaching staff, however in the short term avoids possible redundancies.  
Agreed if schools not penalised for having experienced staff.  
Some comments urged funding for the staff they have, and that Leadership posts counted as UPS 3 in determining average.  
All schools should be given the funding to pay the actual staff in the school.  
Need confirmation that current leadership, UPS & TLR costs will also be honoured.

**Consultation Point 11**

It is proposed that the Foundation Phase grant is incorporated into the formula funding and allocated on the required ratios and grades of staff required to meet the Foundation Phase regulations.

Agree	33(97%)	Disagree	1
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**Comment**

If not agreed to, this could affect the effective implementation of the Foundation Phase. We agree on the basis that the funding that is currently allocated to FP should be the minimum amount added to the current budget to maintain the allocations and provision. As long as we can maintain our current Foundation Phase staffing levels. We do not want to go into a situation where we have to make redundancies. This has always been recognised under the present system. The different grades needed in FP needed to be more transparent.

Would prefer it to remain as a separate grant until such time as the funding is absorbed into Flintshire's annual financial Welsh Government settlement.

Concern that funding would not be maintained at current levels.

**Consultation Point 12**

Funding for PPA cover is based on the number of classes deemed necessary and is based on HLTA rates.

Agree	14(42%)	Disagree	19
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**Comment**

PPA cover has always been a high priority and when possible all classes have been taught by qualified teachers.

As PPA is statutory the funding should be statutory.

Teacher to cover teacher

We feel it should be based on teacher rates in KS2 with the additional funding not being diverted from another element within the budget

Teacher rate at KS2 and HLTA in Foundation Phase.

Not based on the number of classes deemed necessary but on NOR. Better to base on number of teachers than number of classes. However no problem with proposal to being funded on H.L.T.A pay rate basis.

In reality classroom assistants cannot maintain behaviour and standards in many KS2 classes – therefore we have to place a TEACHER in the class. Is it possible to have funding for 2-3 teachers initially for schools with over 100 children in the KS2, and then fund HLTA afterwards.

**Consultation Point 13**

Key Stage 2 Classroom support to be based on a per pupil (KS2) allocation.

Agree	31(94%)	Disagree	2
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**Comment**

We welcome this, especially in our school where we are unable to employ a permanent teaching assistant in KS2 - We would also welcome the ratio of pupil per teaching assistant in KS2.

Broadly welcomed on a per pupil basis.

This should be on a per class basis as every class needs classroom support.

If it is just per pupil then - disagree. If it reflects the wide spread of age groups within a KS2 class then -agree. Yrs 3, 4, 5 & 6 together regardless of number of pupils needs 2 TAs to help provide effective differentiated activities.

**Consultation Point 14**

The formula recognises the need for schools to be able to provide an administrative point of contact at all times.

Agree	34 (97%)	Disagree	1
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**Comment**

Minimum requirement – H&S considerations.

Health & Safety Issues

This should enable ALL schools no matter what size to have a full time secretary / admin support on a full time basis. This is especially true in smaller sized schools (like ours) where the Head is teaching at times when no secretarial support is available. When secretary is part time the HT also has to carry out admin tasks. Is this a good use of their time? Is it academically viable?

This would be a major factor in reducing disruption to teaching / learning. It should not mean the HT in small schools having to provide that point of contact - all schools should have full time admin especially if HT release is less in schools under 50.

Seen as an important principle and also addresses Health & Safety Issues.

Dependent on the size of school. Federated schools could have one call point.

This should enable ALL schools no matter what size to have a full time secretary / admin support on a full time basis. This is especially true in smaller sized schools where the Head is teaching at times when no secretarial support is available. When secretary is part time the HT also has to carry out admin tasks.

Will larger schools have commensurate increases to their admin budget as smaller schools as the workload increases exponentially?!

**Consultation Point 15**

Funding for administration (including meals) and mid-day supervision be merged. The funding to be allocated to Primary schools through a lump sum allocation and a per pupil amount.

Agree	28 (85%)	Disagree	5
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**Comment**

Much of the work involved in organising the provision of mid-day meals and their supervision could be provided by the agency that supplies the meals.

If we are able to maintain current staffing levels - difficult to agree or disagree without figures. Could ratio for mid-day supervision be clarified and not reduced? Sufficient supervision must be provided no matter the size of school to meet H&S regulations and protect the breaktime of staff.

As long as funding is allocated on the basis of full time admin point of contact; plus other administrative costs as well as mid-day supervision. Sufficient supervision must be provided no matter the size of school to meet H&S regulations and protect the break-times of staff. Governors don't agree with an unknown lump sum percentage.

The evidence provided to support this proposal is insufficient and there appears to be no recognition of the importance of ensuring that the staff ratios for supervision at lunch times are adequate.

**Consultation Point 16**

A deprivation indicator is established comprising the following factors:

- FSM
- WIMD data - absolute ranking of schools
- WIMD data – ranking based on pupils on roll

Each factor would have equal weighting.

Agree	25 (76%)	Disagree	8
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**Comment**

This is an improved mechanism for identification of pupils in accordance with Equality and Diversity policies and H&S.

Categories needed financial explanation with figures. Rationale for WIMD needs clarification Why? This creates less transparency.

**Consultation Point 17**

Deprivation funding is allocated to **all** Primary schools using the deprivation indicator. [Consultation point 18 offers an alternative allocation].

Agree	29 (91%)	Disagree	3
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**Comment**

In accordance with point 16 above.

Would funding be allocated per pupil or by post code of the school?

Some comments point out that the proposal is complex for relatively small amounts of funding.

Support for both FSM and WIMD (alone) distribution.

An allocation on the basis of FSM eligibility / entitlement is all that is required as this would then tie in with how the Welsh Government allocates their Pupil Deprivation Grant.

FSM should have 50% weighting, WIMD data (absolute ranking) 25% and WIMD data (pupils on roll) 25%.

Using FSM as the only basis for allocating expenditure is misleading.

Preference for funding to be allocated to all schools in proportion to deprivation indicator (whichever is used).

The PDG would support those schools in areas of deprivation.

Some schools already benefit from PDG, while all schools have a degree of deprivation.

**Consultation Point 18**

Deprivation funding is targeted to Primary schools with the highest level of deprivation as identified by the deprivation indicator. [Consultation point 17 offers an alternative allocation].

Agree	4 (13%)	Disagree	28
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**Comment**

The most deprived schools should get the most funding

It should be targeted at where it will have the most impact.

The funding is aimed at schools operating in areas with high incidences of deprivation 'Leafy suburb' schools have many streams of funding not available in deprived areas - professional sponsorships through local businesses / industry / parental links, contributions from PTA raising significant amounts of money etc.

**Consultation Point 19**

There will be a single formula for the premises allocation.

Agree	28 (93%)	Disagree	2
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**Comment**

We agree to this under the assumption that this is just for day to day maintenance and utilities, not fabric of the building.

Considerable concern expressed that without seeing the impact on budgets it would be difficult to understand the implications.

As long as it takes into account the needs of the building - eg we have to have lights on all year round due to the lack of natural daylight in the building.

The simplicity is persuasive.

As long as lump sum and top up is going to cover expenditure on repairs and maintenance, grounds, caretaking, cleaning and utilities with some to spare. Need to be aware of age of premises and condition.

The age and adaptability of any premises should be considered at all times - new buildings do not need the maintenance that older buildings need, and should be more energy efficient.

Will the energy efficiency rating of the building be factored in, and the location?

Please allow for schools which have to buy costly LPG for their mobile classrooms.

School building will always remain the same size regardless of pupil numbers!

#### Consultation Point 20

The formula for the premises allocation will be a combination of a lump sum amount, a per pupil allocation and an allocation based on area.

Agree	24 (83%)	Disagree	5
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#### Comment

We feel this is an inappropriate question as part of a consultation process.

Definition of 'area' needed

As long as it is able to cover all our costs as it currently stands - again difficult to agree or disagree without figures. Clarification needed on allocation based on area

The caretakers have been given contracts agreed on floor space historically, this will need to be covered especially in light of single status.

#### Consultation Point 21

There will be an enhancement to the utilities allocation for Primary schools providing meals to other schools, and for those not having access to mains heating fuel.

Agree	30 (91%)	Disagree	3
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#### Comment

This needs to be considered on an individual basis as schools have very differing circumstances even under these headings as a school may provide only ten meals to another school, whereas some schools may provide 100, these are very different amounts of costing to take into account.

Case for case consideration needed

With the escalating costs of energy, the proposed arrangement is far more equitable than the current position.

We suggest that the allocation is based on actual costs.

**Consultation Point 22**

There will be a single formula allocation for supplies and services.

Agree	31 (97%)	Disagree	1
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**Comment**

Simplification broadly welcomed.

**Consultation Point 23**

The formula for the allocation of Supplies and Services to Primary schools will comprise a lump sum and a per pupil allocation.

Agree	29 (91%)	Disagree	3
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**Comment**

Difficult to agree or disagree without figures.

Some concern expressed that without seeing the impact on budgets it would be difficult to understand the implications.

As long as lump sum covers at least minimum requirements.

Single allocation better as if pupil numbers reduce then there will still be the same amount of services needed for those pupils that are left. Will this be based on size?

**Consultation Point 24**

KS2 pupils will attract a premium per pupil in recognition of additional curriculum requirements.

Agree	33 (97%)	Disagree	1
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**Comment**

Very welcome

For amalgamations of Junior and Infant departments, there should be a buffering of base funding whilst the new funding formula is introduced. These would be special circumstances and applied in the event of schools which may lose a significant amount of funding from the new funding formula.

An additional allocation of administration and Leadership has already been given so no further additional amount would be required.

KS2 consistently underfunded in comparison to FP.

Although we agree we are mindful of the costs of the FP where staff ratios are high and more 'consumables' required.

**Consultation Point 25**

Welsh Medium schools will receive a premium for supplies and services.

Agree	21 (75%)	Disagree	7
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**Comment**

We recognise the additional costs incurred for providing Welsh medium resources through translation etc., however we feel that additional funding should be provided from WG for this so as not to penalise other schools within the county by a reduction in their budgets as a result.

Again the fact that Welsh medium schools are bilingual and that the pupils learn both Welsh and English to the same degree, additional resources are needed for such schools.

Children who receive free school meals, LAC or EAL children should also be taken into account as expensive extra resources are also required for them.

English medium schools do have to purchase supplies and resources for Welsh as a second language curriculum need. EAL children also need support and resources in their own languages.

What additional costs do they have?

Translation and Welsh books are expensive.

We deliver 2 curriculums and 2 literacy and numeracy frameworks! Also all our documentation is bi-lingual prospectus, policies etc and therefore admin costs are higher.

Need to consider doubled costs for Welsh medium requirements – combine this with the lump sum and allocation per pupil.

Agree in relation to teaching and learning resources only.

Why? Can this be clarified?

**Consultation Point 26**

There will be a formula allocation for Additional Needs to include a lump sum for the ANCO.

Agree	34 (97%)	Disagree	1
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**Comment**

Governors don't agree with an unknown lump sum percentage. This should be given based on need.

Consideration must be given to schools in deprived areas as they have significantly higher incidences of pupils with SEN. This will be particularly important as school support becomes allocated to schools. This is a future time-bomb for SEN Tribunals.

Agree to an extent but it seems as if statemented children will be losing out. However, funding is needed for each ALNCo.

It is very much to be deplored that some schools do not recognise the ALNCo in salary terms. The more children on the ALN register, the more paperwork associated with this and the more contact with external agencies – so more ALNCo TIME is required (Time = Costs).



**Consultation Point 27**

The remaining funds to be allocated by the weighted numbers of :

- Pupils on the Special Needs Register at stages : School Action, School Action Plus, and Statemented
- Pupils on the EAL register at each stage of language acquisition
- Pupils who are in care (LAC).

Agree	28 (88%)	Disagree	4
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**Comment**

Including School Action would possibly create an increase in fund allocation unless there were independent criteria allocated.

Should consider pupils from the Gypsy and Traveller communities which tend to be transient. Traveller pupils should also have a weighting equal to EAL.

As School Action is not moderated, using School Action Plus, Statemented, LAC and EAL would be better measures.

Funding should be available when required and assessment undertaken quicker.

Will there be adjustment during the school year (our school has just had to take 3 SEN pupils which have a huge impact).

Weighting should be higher for SAP then less for statemented as they already have support in place. SAP are regulated numbers as they must have outside agency involvement.

Currently significantly underfunded. Many children with specific learning difficulties are not supported appropriately due to lack of funding.

There needs to be additional funding.

Don't statemented pupils receive funding from elsewhere?

Funding should be available when required and assessment undertaken quicker

**Consultation Point 28**

There will be a formula allocation for Split site / Federated schools, based on the lump sum elements within the overall formula.

Agree	25 (81%)	Disagree	6
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**Comment**

Although we agree we recognise that this is complicated and will require more in depth study in the future.

**Consultation Point 29**

Additional travel costs associated with a split site or federated schools will be recognised by an allowance based on the separation of the premises.

Agree	27 (84%)	Disagree	5
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**Comment**

The potential additional costs (which are not directly associated with teaching and learning) of operating federated or split site schools needs to be fully considered when determining such arrangements in future.

This would need to be dependent on the spread of schools, ones that have sites close together would not need additional funding.

At the County mileage rate

**Other Comments**

Important that review facilitates forecasting for years 2 and 3.

Recognition that each school contributes to the available resources within the County, and that could be encouraged by a limit on the number of children that can attend larger schools, and the promotion of smaller settings as a sound alternative for pupils who can fare better in smaller classes with more individualised attention.

Introduction – Paragraph 1.6 says that the funding formula is a mechanism for distributing funds to schools and by so doing provides a single total budget. It goes on to say that it is not intended to fund or set budgets for individual categories of expenditure within schools. However, under the proposals a number of the Elements in paragraph 2.1 in my opinion would appear to contradict these statements as they appear to allude to specific areas of expenditure. Whilst I can appreciate the need for greater transparency in letting schools see how the new formula is to be calculated we also need to strike a balance so as not to take away from schools their autonomy in deciding how they wish to spend this budget.

Approach – Paragraph 1.10 talks of consultation on the principles and not of the impact of the new proposals on individual school budgets. If more time was available, bearing in mind that these Consultation Documents were over 3 weeks late in coming out, I could perhaps accept this concept but unfortunately we have not been afforded this luxury and we now find ourselves in a position where we, as schools, could be agreeing to a new formula which could seriously affect our funding and our ability therefore to achieve the 4 main objectives outlined in the Introduction. I acknowledge that to mitigate this effect you propose to introduce Transitional Arrangements over a 3 year period.

In conclusion, whilst I commend the vast amount of work that has been undertaken in getting the Formula Review to the stage where it is currently at I firmly believe that there is still an awful lot of work to be done over the next few months if a new Formula is to be agreed and implemented by April, 1<sup>st</sup> 2014. The decision by Flintshire to consult only on principles and not on the impact on individual schools will only add to this workload and in my opinion was not the right decision.

From the information provided within the Consultation Document and also from information gleaned from the few Working Group meetings that I attended I am still not 100% convinced that this proposed new Formula is going to help Flintshire achieve its desired aims as stated in Paragraph 1.7 of the Introduction i.e. transparency, simplification and greater predictability of resources for future years. I fear that the proposed formula is still too complicated and will not meet the needs of schools who wish to understand fully how their budgets are calculated and also will not provide schools with the means to predict any changes to their budgets in future years which may arise from changed circumstances within the school e.g. a major change in pupil numbers.

A further point I would like to make is with regard to the Authority's Section 52 Budget Statement. The Welsh Government Regulations state that at least 70% of all Primary & Secondary funding must be on the basis of pupil numbers. Is Flintshire confident therefore that with the introduction of this proposed new Formula it will be able to achieve this limit?

### **Comments on Welsh Medium**

Again, I hope consideration is given to the views of people who UNDERSTAND the requirements of Welsh medium education and the system that exists in our Welsh medium schools – often people who are connected to non-Welsh medium schools don't really understand the requirements of being COMPLETELY BILINGUAL on all levels. It is vital that Flintshire LA show that it DOES fully understand the NEEDS of Welsh Medium Schools.

It is not only funding for quality first language WELSH materials that is needed, but also second language Welsh materials across ALL aspects of the curriculum – the 'subjects/learning areas' and the Welfare and Emotional Development (PSE) aspects; then in to Language and Speech work – copies/books and exercises are needed in Welsh and English – and all aspects of the Additional Learning Needs area also require equal materials in both languages. In terms of the school's every day resources – double the paper etc is required for policies / letters / parent contact leaflets/ Governors' reports and termly Staff to parents reports. The TIME used by school staff – especially the Head to complete the whole task is endless (often having to do translation work to the early hours of the morning to fulfil the statutory requirements only). Time (Head and UDA) means money – in order to seek quality daily translation/typing/admin support in the office to improve 'work demands' on school leaders.

Duplicating all policies and school letters is double the cost – paper and time – this has never been recognised by Flintshire – and this consultation is a real opportunity to change the way of thinking (which corresponds with and understands the Welsh Medium Education Strategy).

As Welsh medium schools are bilingual schools and therefore, all documentation at all levels are produced bilingually, which means that this takes double the time, double the paper to produce them, double the number of copies e.g. for parents.

Curriculum resources are required in both Welsh and English as the pupils in Welsh medium schools are completely bilingual by the time that they leave the school, and one of their predominant skills is to be able to gain knowledge in one language and transfer it to the other.

Therefore, these additional factors need to be identified and acknowledged when the budget review is considered – especially so in this day and age when there is so much emphasis on a bilingual Wales.

**January 2014**

**Flintshire County Council  
Schools Funding Formula Review  
Secondary Schools Consultation Response Analysis**

This document sets out the responses to the consultation document that was issued by Flintshire County Council on the proposals for the secondary schools funding formula. A summary of the key comments is also included.

<b>Consultation Point 1</b>			
Transitional arrangements should be applied to reduce the impact of any changes in funding to schools in accordance with the table set out in 1.13 of the report.			
Agree	11	Disagree	0
Comments			
<p>Need to show that any gain would be phased in as well.</p> <p>Transitional arrangements as a requirement of this process, suggests that most schools will have a reduction in budget</p> <p>Given the fact that the maximum variation in schools' budgets will be 1% these are less important. However, we agree with the principle that a dampening arrangement should apply but only for a 1 year period.</p> <p>We agree with this because any changes to school budgets have the potential to destabilise a schools' staffing arrangements and curriculum offer.</p> <p>Transitional arrangements should be applied to reduce the impact of any changes in funding to schools in accordance with the table set out in 1.13 of the report</p> <p>For 2014/15 there should be protection to address the Sept/April/Aug funding arrangements. There should be no job losses as a result of the formula review.</p>			
<b>Consultation Point 2</b>			
A single pupil count will be adopted for secondary schools.			
Agree	11	Disagree	0
Comments			
<p>How will the change from 11 - 18 to 11 - 16 be managed in those schools with statutory notice?</p> <p>This is logical as there is limited variation in secondary school populations between September and January.</p> <p>The collection of this data in September will assist budget planning.</p> <p>This is better than the adjustment model that existed in the past. Nevertheless secondary school numbers are not always stable and some thought needs to be given to how sudden and significant reductions in roll can impact a school's delivery of the curriculum and its staffing levels.</p> <p>Sensible minimises workload</p>			

<b>Consultation Point 3</b>			
The current AWPU values of 1.31 for KS3 and 1.72 for KS4 will be retained.			
Agree	11	Disagree	0
Comments			
<p>Would have preferred using STPCD KS3/KS4 ratio, as this has external value  Given the limited information provided for 2014-15 within the consultation document  Governors would value further evidence of the accuracy of these ratios when considering  budgets for future years.  This makes sense as it links to the values that used in the STPCD  There is no rational for them to be changed</p>			
<b>Consultation Point 4</b>			
The Secondary School formula should include an element for leadership and management			
Agree	11	Disagree	0
Comments			
<p>Good to see that consideration is given to the point that leadership / management are  equally required in small schools as well as larger ones!  Given the fact that, irrespective of their size, all schools require a headteacher and  leadership structure, the inclusion of this element is supported  This is more desirable and it should include leadership at all levels within the school's  staffing structure so middle as well as senior leaders. Does there need to be a  leadership and management element for support staff as well?  Leadership and management costs should be identified so that schools can benchmark  themselves on their spending for this element</p>			
<b>Consultation Point 5</b>			
Secondary Schools should receive a lump sum and an amount per AWPU for leadership and management.			
Agree	10	Disagree	1
Comments			
<p>There should be some incentive here to structure properly to manage cost.  Should be AWPU only. Would mean schools would need to rationalise their management  structures to be more efficient/cost effective. There are schools that are overstaffed in  terms of management where as others have made necessary changes.  The principle is cautiously supported. Funding must include a small base element to  recognise the needs of small schools, although this should be modest to encourage  federalisation. However, the funding should largely be based upon pupil numbers to  recognise the more complex leadership structure which is required to manage a large</p>			

school efficiently.  
 t makes absolute sense to have a lump sum element as a school has to have a HT and a DHT or AHT to act as HT in the HT's absence  
 It seems sensible to recognise the need for all schools to have a leadership and management structure, whilst also taking account of the size of the school.

**Consultation Point 6**

Teacher funding should be allocated to secondary schools on an AWPU basis.

Agree	11	Disagree	0
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**Comments**

This methodology for the allocation is logical to maintain pupil teacher ratios at their current level  
 Teaching costs should be directly linked to pupil numbers

**Consultation Point 7**

There should be a top slice of teacher funding in the secondary sector of 1.5% which is reallocated to schools by reference to the largest school to reflect that a lower PTR is achievable in smaller schools at KS4.

Agree	7	Disagree	4
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**Comments**

Request for an explanation as to how this is calculated  
 If funding is on AWPU, no necessary slicing should be required. That would favour smaller schools, and disadvantage larger schools, also it would de incentivise larger school, support small school and not encouraging them to move to a position of attracting better pupil numbers  
 This disadvantages larger schools. I do not agree with a 'top slice', certainly not of this magnitude.  
 Yes if School is small and fully subscribed, No if school is small and under-subscribed  
 Governors do not agree that top slicing is the correct mechanism to fund smaller schools  
 If this comes from the quantum should the smaller schools' allocations be deducted before the top slice is made  
 I would need to see data and calculations to establish if the 1.5% figure is appropriate  
 Whilst this is agreed in principle, the size of the top slice should not adversely impact upon the opportunities for pupils in all schools to be taught in broadly similar class sizes irrespective of the size of the school.  
 Define largest schools and smaller schools as it is not clear how this will impact.

**Consultation Point 8**

The Welsh Medium school should continue to receive funding based on one additional teacher for each of years 7 to 9 to facilitate teaching of children where Welsh is not their first language.

Agree	8	Disagree	3
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**Comments**

The level of funding in Welsh medium schools is already significantly higher than English medium so this should be sufficient to meet this requirement.

Are the AWPU values of 1.31 for KS3 and 1.72 for KS4 the same for Welsh medium schools? If you do the slicing as above, this also benefits the smaller Welsh medium schools. What about other schools where resources are provided for pupils whose first language is not English or Welsh

Immersion course provision at YMG is separate to Welsh Med. Provision and must be staffed and timetabled differently. Clarification is required for the following points: 1. Pay Scale for additional teacher; immersion course teaching is very specialist discipline and requires an experienced practitioner. 2: WESP; In the light of Outcome 1 stating 'the target is to achieve an increase in size by 100%' is anticipated that the numbers on the immersion course will rise. The maximum class size is 15 according to the Welsh Language Board. If pupil numbers increase beyond this figure in a particular academic then funding for an additional teacher will be required.

Whilst it is acknowledged that there should be an element of enhancement to support the 'immersion' groups within the Welsh medium school, consideration should be given to the scale of this enhancement

**Consultation Point 9**

Funding currently allocated as workload is amalgamated with support staff funding.

Agree	10	Disagree	1
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**Comments**

Would still like to see this line as remaining separate  
 The clarity of the budget will be supported by this funding being incorporated into support staff funding  
 We agree. This makes absolute sense given that the funding is used for support staff to ensure that the workforce reform arrangements are in place  
 A welcome simplification

**Consultation Point 10**

The funding identified for support staff is allocated to secondary schools through a lump sum allocation and an AWPU amount.

Agree	11	Disagree	0
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**Comments**

This principle is cautiously supported. Funding must include a small base element to recognise the needs of small schools, although this should be modest to encourage federalisation.  
 This needs to happen as well and this is clearly explained in the rationale in the introduction to the formula review  
 Agree in principle, but in every secondary school pupil numbers should generate the necessary funding and so any lump sum allocation should be kept small.  
 We are in broad agreement although English medium schools are facing the challenge of increasing numbers pupils joining the school as EAL pupils and some provision needs to be made for these.  
 Single status will have implications, even after the 2 year protection. This will need reviewing.

**Consultation Point 11**



The Welsh Medium school will receive an amount in respect of translation costs.

Agree	11	Disagree	0
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Comments

Other high schools should therefore be able to access this service free of charge for translation issues  
 This allocation is endorsed. It is presumed that this allocation will be based on a per capita basis.  
 In order to promote clarity and consistency, and to assist schools in checking budget allocations, it is proposed that the same methodology is used for the allocation of the deprivation funding as is used for the allocation of the Pupil Deprivation Grant - based on FSM numbers only,  
 This can be costed accurately using Single Status for a translator and the staff member that provides specialist ICT/Admin support to produce translated documents  
 A balanced indicator would be appropriate

**Consultation Point 12**

A deprivation indicator is established comprising the following factors:

- FSM
- WIMD data - absolute ranking of schools
- WIMD date – ranking based on pupils on roll

Each factor would have equal weighting.

Agree	10	Disagree	1
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Comments

We broadly agree with this as using the three factors provides a better overview of deprivation.  
 A long overdue element. Strongly agree.

**Consultation Point 13**

Deprivation funding is allocated to all secondary schools using the deprivation indicator.

Agree	10	Disagree	1
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Comments

All schools contain a proportion of pupils from deprived backgrounds; consequently, all schools should receive a share of this limited amount of money.  
 Strongly agree that funding should be available to all schools to target at the appropriate pupils

**Consultation Point 14**

Deprivation funding is targeted to secondary schools with the highest level of deprivation as identified by the deprivation indicator.

Agree	4	Disagree	7
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**Comments**

This would not provide an equitable distribution of funding to schools to support young people from deprived circumstances.  
 We disagree strongly with this option. The adoption of this option would divert funding from schools whose populations are slightly more advantaged overall  
 Deprivation must be targeted in ALL secondary schools if it is a factor  
 Strongly disagree - all schools will have individual pupils from deprived backgrounds and therefore all schools should receive an appropriate share of the funding.  
 The objectives in 1.8 focus on narrowing the attainment gap. In schools where there is greater deprivation reducing the gap is more of a challenge. If the proportion of deprived children in school is greater than there needs to be adequate resource to support these children and their families.

**Consultation Point 15**

There will be a single formula for allocating funding to secondary schools under the heading of premises.

Agree	10	Disagree	1
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**Comments**

This opportunity to simplify this element of the budget is welcomed.  
 This makes sense, however this will need to be examined more closely when modernisation is complete as in Holywell the primary and secondary schools will share some facilities  
 A welcome simplification

**Consultation Point 16**

The formula for the premises allocation will be a combination of a lump sum amount, a per pupil allocation and an allocation based on area.

Agree	7	Disagree	4
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**Comments**

All secondary schools should have an energy rating (DEC) as proposed by EU directive; this should be used to drive utility bills costs on a sliding scale relating to outcome of the assessment. The effect of a low energy rating outcome is not consistent or equitable for the school and is only in the control of the authority. Area and pupil numbers take no account of this factor.  
 The condition of a building based on suitability survey should be taken into account as well as energy efficient ratings. This will be more complicated but would incentivise LA to tackle unsuitable buildings more quickly.

Whilst we support the principle of funding based on a lump sum allocation, and an element based upon the number of pupils, care has to be exercised in relation to area. Noting the current circumstances in some schools, where areas have been 'mothballed' as a result of demographics, the element of the allocation related to area should specifically relate to the area currently used for mainstream education  
 Should 'full' schools subsidise those that have spare capacity/area? Per pupil allocations much fairer in my view  
 A balanced approach to the formula seems fairest

The area of a school should not be included in the formula

**Consultation Point 17**

There will be an enhancement to the premises allocation for secondary schools providing meals to other schools.

Agree	8	Disagree	3
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**Comments**

This should be a separate contract between the two schools  
 The cost of this service should be met but why is additional 'premises allocation' needed?  
 Yes - this is needed to reflect additional costs  
 It is proposed that there should be an adjustment to the SLA costs for catering for schools which provide a service to other schools.

**Consultation Point 18**

There will be a single allocation for supplies and services.

Agree	10	Disagree	1
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**Comments**

This opportunity to simplify this element of the budget is welcomed  
 This makes sense  
 A welcome simplification

**Consultation Point 19**

The supplies and services allocation to secondary schools will consist of a lump sum plus an AWPU allocation.

Agree	11	Disagree	0
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**Comments**

Whilst this is supported, it is proposed that the lump sum allocation for this element is modest, with the majority of the funding being allocated on an AWPU basis.

This makes sense

A balanced approach is fairest

**Consultation Point 20**

Examination costs will be on a fixed cost per Year KS4 pupil.

Agree	11	Disagree	1
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**Comments**

Can consideration be also given to raising the allocation threshold in view of externally driven rising costs which are beyond the control of schools?

Whilst this is supported, it is suggested that due regard is given to schools' historical entry policies, as some schools enter pupils for more examinations.

The fixed cost will need to take into account the varying costs for a range of qualifications and the varying costs of awarding bodies

Agreed, and they would hopefully be set at a more realistic level that doesn't require subsidy from other budget headings

KS4 examination costs at YMG are higher. Pupils sit full course GCSE Welsh Lang. and Welsh Lit. are in addition to the average cost of a Flintshire KS4 pupil

Cost of exams at KS3 - implications of this invigilation and administration costs.

January 2014

	B	E	O	P	Q	R	S	T
1	School	Pupil NumberFTE	Proposed New Formula Allocation	2013/14 Current Formula Allocation	Change £	Change %	Impact after 75% Transitional Dampening	Change % After Transition
2	BRYNFORD C.P.	57.29	239,260	202,664	36,596	18.1%	9,149	4.5%
3	BUCKLEY (WESTWOOD C.P.)	205.6	644,498	629,330	15,168	2.4%	3,792	0.6%
4	BUCKLEY (SOUTHDOWN C.P.)	382.9	1,016,254	1,047,152	-30,898	-3.0%	-7,725	-0.7%
5	BUCKLEY (MOUNTAIN LANE C.P.)	429.0	1,162,889	1,160,451	2,438	0.2%	610	0.1%
6	CAERWYS V.P.(YSGOL YR ESGOB)	60.7	229,122	213,004	16,118	7.6%	4,030	1.9%
7	CARMEL C.P.	163.2	479,631	481,412	-1,781	-0.4%	-445	-0.1%
8	CILCAIN (YSGOL Y FOEL C.P.)	74.1	255,022	250,776	4,246	1.7%	1,062	0.4%
9	YSGOL PARC Y LLAN	83.7	320,272	279,056	41,216	14.8%	10,304	3.7%
10	CONNAH'S QUAY (BRYN DEVA CP.)	282.7	793,985	779,731	14,254	1.8%	3,564	0.5%
11	CONNAH'S QUAY (GOLFTYN CP.)	413.8	1,096,419	1,096,209	210	0.0%	53	0.0%
12	CONNAH'S QUAY (WEPRE LANE CP.)	321.7	914,695	890,777	23,918	2.7%	5,980	0.7%
13	YSGOL CAE'R NANT	335.8	925,693	943,840	-18,147	-1.9%	-4,537	-0.5%
14	DRURY C.P.	132.0	374,797	376,773	-1,976	-0.5%	-494	-0.1%
15	EWLOE GREEN C.P.	384.4	1,018,840	1,021,443	-2,603	-0.3%	-651	-0.1%
16	FFYNNONGROEW (YSGOL BRYN GARTH)	86.2	276,412	279,085	-2,673	-1.0%	-668	-0.2%
17	FLINT (CORNIST CP)	289.3	790,439	798,559	-8,120	-1.0%	-2,030	-0.3%
18	FLINT (YSGOL CROES ATTI)	196.8	591,404	567,030	24,374	4.3%	6,094	1.1%
19	FLINT GWYNEDD C.P.	377.2	1,063,057	1,091,215	-28,158	-2.6%	-7,040	-0.6%
20	FLINT R.C. (ST.MARY'S)	327.5	910,763	901,256	9,507	1.1%	2,377	0.3%
21	FLINT MOUNTAIN CP (MAES EDWIN)	46.8	181,054	181,412	-358	-0.2%	-90	0.0%
22	MAES GLAS	204.1	594,879	610,698	-15,819	-2.6%	-3,955	-0.6%
23	GRONANT C.P.	57.25	206,964	219,693	-12,729	-5.8%	-3,182	-1.4%
24	GWERNAFFIELD C.P. (YSGOL Y WAEN)	71.92	258,353	251,943	6,410	2.5%	1,603	0.6%
25	GWERNYMYNYDD C.P.	47.79	177,408	183,477	-6,069	-3.3%	-1,517	-0.8%
26	GWESPYR PICTON (YSGOL MORNANT)	56.96	197,479	205,051	-7,572	-3.7%	-1,893	-0.9%
27	New HAWARDEN VA	423.0	1,131,290	1,138,054	-6,764	-0.6%	-1,691	-0.1%
28	HAWARDEN PENARLAG C.P.	200.8	554,464	550,126	4,338	0.8%	1,085	0.2%
29	HIGHER KINNERTON (YSGOL DERWEN)	206.3	568,311	572,046	-3,735	-0.7%	-934	-0.2%
30	HOLYWELL JUN (YSGOL Y FRON C.P)	137.3	402,390	416,629	-14,239	-3.4%	-3,560	-0.9%
31	HOLYWELL INF (PERTH Y TERFYN )	113.3	352,416	359,690	-7,274	-2.0%	-1,819	-0.5%
32	HOLYWELL RC.(ST.WINEFRIDES R.C.)	151.0	463,874	450,457	13,417	3.0%	3,354	0.7%
33	HOLYWELL (YSGOL GWENFFRWD C.P)	209.8	597,700	610,857	-13,157	-2.2%	-3,289	-0.5%
34	HOPE C.P.	203.0	603,621	585,328	18,293	3.1%	4,573	0.8%
35	LEESWOOD C.P.	129.2	391,295	383,644	7,651	2.0%	1,913	0.5%
36	LIXWM C.P.	57.13	236,418	205,574	30,844	15.0%	7,711	3.8%
37	LLANFYNYDD C.P.	40.88	183,774	186,136	-2,362	-1.3%	-591	-0.3%
38	MOLD (YSGOL GLANRAFON CP)	282.3	785,367	792,869	-7,502	-0.9%	-1,876	-0.2%
39	MOLD (BRYN COCH C.P.)	571.3	1,557,670	1,592,277	-34,607	-2.2%	-8,652	-0.5%
40	MOLD (BRYN GWALIA C.P.)	215.7	607,692	627,066	-19,374	-3.1%	-4,844	-0.8%
41	MOLD (ST. DAVIDS R.C.)	104.8	338,304	335,118	3,186	1.0%	797	0.2%
42	MOSTYN (BRYN PENNANT C.P.)	102.5	354,366	352,108	2,258	0.6%	565	0.2%
43	NANNERCH V.P.	68.9	252,196	234,855	17,341	7.4%	4,335	1.8%
44	NERCWYS V.P.	42.63	174,125	178,898	-4,773	-2.7%	-1,193	-0.7%
45	NORTHOP C.P. (YSGOL OWEN JONES)	95.0	312,697	301,949	10,748	3.6%	2,687	0.9%
46	NORTHOP HALL C.P.	142.5	405,685	404,938	747	0.2%	187	0.0%
47	New PENYFFORDD SCHOOL	219.5	715,686	658,510	57,176	8.7%	14,294	2.2%
48	PENTROBIN AIDED SCHOOL	103.6	311,715	300,922	10,793	3.6%	2,698	0.9%
49	QUEENSFERRY C.P.	143.0	449,332	416,402	32,930	7.9%	8,233	2.0%
50	RHOESMOR (RHOS HELYG C.P.)	140.0	406,548	407,246	-698	-0.2%	-175	0.0%
51	SALTNEY (ST.ANTHONY'S R.C.)	155.9	438,781	429,543	9,238	2.2%	2,310	0.5%
52	SALTNEY FERRY C.P.	112.6	368,404	368,294	110	0.0%	28	0.0%
53	SALTNEY WOOD MEMORIAL C.P.	175.8	508,767	525,082	-16,315	-3.1%	-4,079	-0.8%
54	SANDYCROFT C.P.	305.7	858,452	860,799	-2,347	-0.3%	-587	-0.1%
55	SEALAND C.P.	186.2	540,428	562,168	-21,740	-3.9%	-5,435	-1.0%

	B	E	O	P	Q	R	S	T
1	School	Pupil NumberFTE	Proposed New Formula Allocation	2013/14 Current Formula Allocation	Change £	Change %	Impact after 75% Transitional Dampening	Change % After Transition
56	SHOTTON (ST. ETHELWOLD'S V.P.)	84.7	271,718	278,493	-6,775	-2.4%	-1,694	-0.6%
57	SHOTTON INFANTS C.P.	134.5	401,674	426,291	-24,617	-5.8%	-6,154	-1.4%
58	SHOTTON (TALIESIN JUNIOR C.P.)	107.8	354,332	356,285	-1,953	-0.5%	-488	-0.1%
59	SHOTTON (VEN. EDWARD MORGAN R.C.)	276.0	732,714	736,732	-4,018	-0.5%	-1,005	-0.1%
60	SYCHDYN C.P.	133.4	410,742	397,157	13,585	3.4%	3,396	0.9%
61	TRELAWNYD V.P.	89.0	291,662	283,159	8,503	3.0%	2,126	0.8%
62	TRELOGAN C.P.	61.17	230,056	209,793	20,263	9.7%	5,066	2.4%
63	TREUDDYN (YSGOL TERRIG C.P.)	69.3	250,864	241,058	9,806	4.1%	2,452	1.0%
64	WHITFORD V.P.	101.8	309,925	312,678	-2,753	-0.9%	-688	-0.2%
65	ABERMORDDU CP	205.0	581,669	575,118	6,551	1.1%	1,638	0.3%
66	BAGILLT (YSGOL GLAN ABER C.P.)	108.6	349,718	335,377	14,341	4.3%	3,585	1.1%
67	BAGILLT (MERLLYN C.P.)	172.9	538,700	513,145	25,555	5.0%	6,389	1.2%
68	BROUGHTON C.P.	431.5	1,165,443	1,163,965	1,478	0.1%	370	0.0%
69	MYNYDD ISA C.P.	501.7	1,401,072	1,373,854	27,218	2.0%	6,805	0.5%

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **HEAD OF FINANCE**

**SUBJECT:** **COUNCIL FUND REVENUE BUDGET 2014/15**

### **1.00 PURPOSE OF REPORT**

1.01 To present the final 2014/15 revenue budget proposals for the Council Fund for recommendation to County Council.

### **2.00 BACKGROUND**

2.01 Detailed revenue budget proposals for 2014/15 were presented to Cabinet on 21<sup>st</sup> January 2014 for draft approval. The budget proposals were also referred to Overview and Scrutiny Committees for consideration and feedback to Cabinet.

2.02 The following Overview and Scrutiny meetings were held as planned:-

28<sup>th</sup> January – Joint Housing (CF only) and Social & Health Care

28<sup>th</sup> January – Environment

28<sup>th</sup> January – Corporate Resources

30<sup>th</sup> January – Lifelong Learning

3<sup>rd</sup> February – Corporate Resources (open to all members to review feedback on the Council Fund and consider the Capital Programme).

2.03 The budget strategy and the development of the Organisational Change and Redesign Programme has been reported to members (together with quantum targets) in previous updates to the Medium Term Financial Plan (as at May and October) and in the January Cabinet report. This has been done in the context of the following expectations as commissioned by Cabinet:

- the protection of local services as a first priority
- the more challenging reduction of operating costs and overheads
- the reorganisation of the Council with a marked reduction in management costs
- the reduction of overall workforce costs
- the remodelling of some functions
- building a longer-term financial plan based on optimal efficiency

2.04 The budget strategy and proposals and their implications for school budgets were discussed with the School Budget Forum on 23rd January 2014. The budget strategy and proposals were also shared with Flintshire Joint Trades Union Committee on 23<sup>rd</sup> January 2014.

2.05 The formal Council Fund budget setting for 2014/15 and setting of the Council Tax for the year will take place at County Council this afternoon.

### **3.00 CONSIDERATIONS**

3.01 The report to Cabinet on 21<sup>st</sup> January 2014 advised of a remaining shortfall of £0.915m to be identified to establish a balanced budget for 2014/15. The report formed the basis for the presentations to the Overview and Scrutiny Meetings held on 28<sup>th</sup> and 30<sup>th</sup> January 2014.

3.02 Each of the meetings began with the Head of Finance providing a corporate overview of the budget and a reminder of the national and local strategic context within which the budget was being set. The Chief Executive then provided an update on the latest position with regard to the four sub-programmes of the Organisational Change and Redesign Programme:-

- Organisational Design: Structure & Operating Model
- Organisational Design: Workforce
- Corporate Value for Money (VFM)
- Functional Value for Money (VFM)

3.03 This was followed by a portfolio specific presentation of the detailed service proposals by the respective Director incorporating:

- Inflationary impact
- Transfers into the settlement
- Pressures and investments
- Efficiency proposals
- Impact of prior year decisions

3.04 A further Corporate Resources meeting, open to all members, was held on 3<sup>rd</sup> February 2014. The purpose of this meeting was to:-

- Provide feedback from the individual scrutiny committees
- Respond to the information requests from the meetings
- Identify the latest position on balancing the budget
- Set out the issues still under discussion

3.05 At the meetings, a number of specific comments and issues were raised and responses provided. Appendix 8 provides a summary of all of the comments and responses for each individual committee, and also incorporates any outstanding responses supplied after the meetings. At the meeting on 3<sup>rd</sup> February 2014, supplementary information was provided to all members attending in relation to the questions raised at the previous scrutiny meetings.



## **Closing the Budget Gap**

- 3.06 At the final Corporate Resources Overview and Scrutiny meeting on 3<sup>rd</sup> February 2014, members were advised that the budget shortfall had reduced from the £0.915m to £0.540m as a result of the net effect of the following items identified as part of the emerging Month 8 budget monitoring position. These amounts are now confirmed following completion of the Month 8 monitoring report which is also on this agenda.

### Corporate Services – Housing Benefit Subsidy and Discretionary Housing Payments

- 3.07 An efficiency of £0.380m has been identified following a review of the Housing Benefit Subsidy profile and the level of funding required to meet Discretionary Housing Payment demand.

### MATRIX – Agency Rebates

- 3.08 The Council receives budgeted income (rebates) in relation to efficiencies made due to the utilisation of a centralised system for procuring agency appointments. Now that the Council is successfully reducing the number of agency appointments, the level of income (rebates) will also reduce proportionately. Therefore, it is anticipated that there will be an ongoing pressure of £0.115m from the loss of income and this has been reflected in the budget.

### Flintshire Futures Programme – Assets Review

- 3.09 An efficiency target of £0.060m was previously included in the budget in relation to soft facilities management as part of the Assets Programme. This efficiency has now been reported as unachievable in 2013/14 and has therefore been removed from the 2014/15 budget.

### Specific Grants Adjustment

- 3.10 A review of specific grants has enabled a positive adjustment of £0.170m to be made on the net movement in the overall level of specific grants for 2014/15 over 2013/14.

- 3.11 Members were also advised at the meeting on 3<sup>rd</sup> February that the following items were still under consideration in an attempt to achieve a balanced budget:-

- Further corporate efficiencies (procurement and back to basics)
- Workforce – costs of employment
- Council tax level
- Ongoing review of budget assumptions and intelligence

3.12 Following detailed consideration of the above the budget proposals for 2014/15 are now balanced as a result of the inclusion of the items in the table below:

	£m	£m
<b>Shortfall as per draft budget report 21 January</b>		<b>0.915</b>
<b>Add:</b>		
MATRIX - Agency Rebates	0.115	
Flintshire Futures Programme - Assets Review	0.060	
		0.175
<b>Less:</b>		
Housing Benefit Subsidy/Discretionary Housing Payments	-0.380	
Specific Grants Adjustment	-0.170	
		-0.550
<b>Shortfall as shown at CROSC 3rd February</b>		<b>0.540</b>
<b>Corporate Efficiencies</b>		
Procurement	0.060	
Back to Basics	0.064	
		0.124
<b>Functional Efficiencies</b>		
Central Loans and Investment Account - based on in-year underspend	0.145	
Library Book Fund - reduction based on previous year underspends	0.050	
Youth Service - further reduction in management costs	0.049	
Inclusion Service - further reduction in management costs	0.012	
		0.256
Workforce: costs of employment (See appendix 6c)		0.160
<b>Shortfall</b>		<b>0.000</b>

3.13 The Procurement and Back to Basics efficiencies are additions to the amounts identified in the draft budget proposals and are now included in the summary shown in Appendix 6a.

3.14 The Central Loans and Investment Account amount of £0.145m reflects an efficiency in 2013/14 which is recurring and is now included in Appendix 6b.

3.15 The Library Book Fund reduction reflects spending levels in previous years and is now included in Appendix 6b.

3.16 The Youth Service and Inclusion Service efficiencies are additional management cost reductions to those included in the draft proposals.

3.17 The cost of employment efficiency of £0.160m relates to a reduction in costs in a number of areas as detailed in Appendix 6c.

3.18 The level of Council Tax increase remains unchanged at 3%.

## **Risk Assessment and Assurance**

- 3.19 In line with the financial strategy, a risk based approach has been taken to the potential items of additional cost as to the likelihood and level required and assessments made of the provision to be included for 2014/15, taking a balance between the challenge of the overall budget position and the potential for variations in demand.
- 3.20 The budget has been set based on the very latest information available at this time, whether it be via national intelligence or local activity as reflected in the latest monitoring report. Despite this fact however, there will inevitably be other risks associated with the budget that will need to be managed should they occur, as it is not possible, particularly in the current financial climate, to provide for every risk and eventuality.
- 3.21 Some of the risks that will need to be monitored closely in 2014/15 include:-
- Pay Inflation – the pay award is subject to national negotiations and is not confirmed at this time. The budget proposals currently assume a 1% uplift for non-schools staff.
  - Single Status – the budget assumes an implementation date of 1<sup>st</sup> April 2014. However, it is now anticipated that this will change to 1<sup>st</sup> May 2014 which will result in some efficiencies not being able to be achieved in the first month. The shortfall arising from this will be met from the Single Status/Equal Pay Reserve which is consistent with the way this has been dealt with for some of the 2013/14 efficiency proposals that are dependent upon the implementation of Single Status.
  - Out of County Placements – this highly volatile area has the potential for significant movement in costs (up and down) due to the impact of client demand.
  - Care Fees – the annual uplift in care fees payable to providers is subject to negotiation and consultation and will not be known at the time of setting the budget.
  - Insurance premiums – these are due for renewal during 2014/15 which are subject to volatility, and will not be known until after the budget is set.
  - Member Allowances – the annual increase in these allowance will not be confirmed until after the budget is set.
  - Euticals Site – the ongoing issue around the decommissioning of this site is being reported through the current year's monitoring report. If the conclusion of this issue was to be delayed there would be a financial impact in 2014/15 that would need to be dealt with.

- 3.22 All of the above will be closely monitored throughout the year and any variations from the approved budget reported to members through the monthly budget monitoring report.

### **Schools Budget**

- 3.23 The budget report to Cabinet on 21<sup>st</sup> January 2014 provided details on the impact of the proposed budget on schools. There have been no further changes made to the schools budget and the budget has been set at an overall increase of 0.9% in line with national expectations of protecting investment in schools. Welsh Government have been notified of the schools budget for 2014/15 in line with the statutory deadline of 14<sup>th</sup> February 2014.

### **EQUALITY IMPACT ASSESSMENT (EIA)**

- 3.24 The Council has an obligation to assess the potential equalities impacts of its budget proposals and it is important that all aspects of the Organisational Redesign and Change Programme are subject to an appropriate Equalities Impact Assessment to ensure that there is no potential for discrimination or disadvantaging of either service users or employees. An update on this work is detailed below.

### **Corporate and Functional Efficiencies (VFM)**

- 3.25 As previously reported, the initial efficiency proposals were equality impact assessed as part of a high level filtering exercise undertaken by Directorate Management Teams and supported by both Policy and Finance team members. Each proposal was identified as having a high, medium or low impact on individuals with protected characteristics and whether the impact may increase poverty for vulnerable groups.
- 3.26 The outcome of this work was that 62 were screened as low impact, 8 as medium impact and 1 as high impact. For the medium and high assessed impacts more detailed impact assessments are being undertaken to identify any potential negative impacts and to ensure that robust arrangements are in place to mitigate them.
- 3.27 The proposal with an initial high impact assessment relates to the closure of some youth clubs and a full equality impact assessment is currently being undertaken. This will involve wider consultation with employees and service users to look at ways of reducing the impact and exploring opportunities to facilitate a wider range of service provision which is not dependent upon traditional youth clubs.

## **Workforce Efficiencies**

- 3.28 For the workforce programme, the Council has commissioned some independent support from Northgate, similar to that commissioned for the Single Status EIA work. This is to ensure that the proposals, including any entitlement policies that might apply, do not have any adverse consequences for any groups of employees.
- 3.29 This work will cover the Council's approach to a voluntary redundancy scheme including the criteria for the consideration of applications received and changes to discretionary compensation provisions. Although this work is still in progress, the potential impacts have been discussed verbally with Northgate and no significant issues are anticipated. This work will also incorporate the workforce impacts contained within the VFM reviews.

## **4.00 FINAL BUDGET PROPOSALS**

### **Proposed Budget**

- 4.01 As a result of the changes outlined above, total expenditure and funding now equates to £296.945m and the total budget build up is outlined below. Details of the figures making up the total budget are attached as Appendices 1-7.

**It is recommended that the 2014/15 Council Fund Revenue Budget Requirement be set at £253,718,291 (which is £1,423,025 below the calculated Standard Spending Assessment).**

<b><u>Funding</u></b>		<b>£m</b>
Aggregate External Funding (RSG & NDR)		192.942
Council Tax		60.776
Budget Requirement		<u>253.718</u>
Outcome Agreement Grant		1.458
Use of Reserves - Investment Strategy		6.250
Specific Grants (Estimated)		35.519
<b>Total Funding</b>		<b><u>296.945</u></b>
<b><u>Expenditure</u></b>		
Total Budget 2013/14		293.346
Previous Year's Growth / Items Dropping Out	Appendix 1	1.138
Pay & Price Inflation	Appendix 2	2.425
New Responsibilities and Transfers into the Settlement	Appendix 3	0.092
Pressures and Investments - Ongoing	Appendix 4	4.872
Pressures and Investments - One-Off and Time Limited	Appendix 5	4.800
Efficiencies	Appendices 6 a - c	(11.950)
Less Specific Grants 2013/14	Appendix 7	(33.297)
Plus Specific Grants 2014/15 (Estimated)	Appendix 7	35.519
<b>Total Expenditure</b>		<b><u>296.945</u></b>
<b>Shortfall</b>		<b><u>0</u></b>

### **Income**

- 4.02 The budget proposals in this report set a budget requirement of £253.718m. At this level of spend, the increase on the Band D Council Tax Rate (excluding Police and Town/Community Councils' precepts) is 3%. This equates to an increase of £28.78 on 2013/14 and a Band D rate of £988.21.

The Council Tax system in Wales contains nine property bands ranging from Band A to Band I. In order to ensure consistency between councils when reporting Council Tax information it is agreed practice that all related information is expressed in terms of Band D equivalents.

**Members are requested to confirm that there is a 3% increase in Council Tax at Band D and an assumed 99% collection rate.**

- 4.03 The amount of Outcome Agreement Grant available for 2014/15 has been advised by Welsh Government. As always the achievement of this is subject to assessment against agreed performance. The Council has been successful in achieving 100% of its grant in previous years and the same assumption has been made for 2014/15.

**Members are requested to confirm the inclusion of the Outcome Agreement Grant of £1,458,151 in the budget.**

## **Expenditure**

### **Inflation**

4.04 Pay and Price Inflation of £2.425m is included in the budget proposals as detailed in Appendix 2. The proposals include pay inflation of £1.316m which assumes a 1% increase for non-schools staff from April 2014.

4.05 Price inflation of £0.590m has been included which represents a targeted 1% to 3% increase for all services as required. In addition to the standard level of price inflation outlined above, non-standard inflation of £0.670m has been included, as detailed in Appendix 2, to reflect the increasing costs of energy, fuel, business rates and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

**It is recommended that items of non-standard inflation are only allocated out to services when the actual increase in cost is known.**

4.06 Inflation on income amounting to £0.151m has been assumed on the yield from existing fees and charges which has generally been applied at 3%.

**Members are requested to confirm the levels of inflation assumed in the budget.**

4.07 The final settlement included one transfer into the settlement in respect of administration subsidy for the Council Tax Reduction Scheme which was previously received through a specific grant and it is proposed that £0.092m is 'passported' to the relevant service area.

**Members are requested to confirm that the amount of £0.092m be 'passported' to the Revenues and Benefits service to administer the Council Tax Reduction Scheme.**

4.08 Appendix 4 sets out recurring pressures totalling £4.872m recommended for inclusion in the budget. These pressures are proposed to be funded from the base budget.

**Members are requested to confirm the inclusion of £4.872m of pressures in the budget for the purposes set out, and that any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet for consideration.**

4.09 Appendix 5 details estimated one-off costs of £4.800m which will be funded by way of the Investment Strategy detailed in section 6.

**Members are requested to confirm the inclusion of estimated one-off costs totalling £4.800m in the budget.**

- 4.10 Appendix 6 a-c sets out the efficiencies, totalling £11.950m, recommended for inclusion in the budget.

**Members are requested to confirm the inclusion of efficiencies of £11.950m in the budget. It is recommended that the achievement of all efficiencies be monitored monthly and reported through the budget monitoring report with any corrective action taken in-year as has been the case in previous years.**

## **5.00 UNEARMARKED BALANCES AND EARMARKED RESERVES**

### **Base Level of Unearmarked Reserves**

- 5.01 The Council's Medium Term Financial Strategy confirms the Council's commitment to maintaining a base level of reserves of 2% of turnover. The current base level of reserves is £5.834m as reported in the monthly budget monitoring reports. Despite the fact that funding has reduced in 2014/15 over 2013/14, it is proposed that unearmarked reserves are maintained at the same level for 2014/15 which will provide an additional safeguard in the current uncertain financial climate.

### **Contingency Reserve**

- 5.02 When the 2013/14 budget was set, the Contingency Reserve was estimated to be £0.200m at 31 March 2013. As a result of the net underspend reported in the final outturn for 2012/13 the actual amount in the Contingency Reserve at the year end was £3.159m after taking into account commitments in 2013/14.
- 5.03 Cabinet approved in the final outturn report, that the amount held in the contingency reserve of £3.159m be held and considered within the context of the Medium Term Financial Plan and 2014/15 budget strategy.
- 5.04 The 2013/14 Month 8 Budget Monitoring report which is also on this agenda, shows an estimated balance of £3.709m in the Contingency Reserve as at 31 March 2014.
- 5.05 Whilst the base level of reserves is a known sum which is set aside, the level of Contingency Reserve is based on the current estimate and is subject to the final outturn for the financial year.

### **Council Fund Earmarked Reserves**

- 5.06 Council Fund Earmarked Reserves include service balances, corporate balances and schools balances.
- 5.07 Service balances are made up of those balances held by departments which Cabinet has agreed can be carried forward. Corporate Balances are held to meet commitments which fall in future years on specific items of expenditure.



5.08 The Council also holds Specific Reserves which are set aside for a specific future purpose.

5.09 Appendix 9 details the estimated closing balances for 2013/14 and 2014/15 in respect of all reserves and balances. The Head of Finance is satisfied that the level of these reserves is appropriate (see also section 7).

## **6.00 INVESTMENT STRATEGY**

6.01 As reported to Cabinet in January the scale and ambition of the Organisational Change and Redesign Programme will require significant initial investment to make the changes happen. Therefore it is critical that the Council has a robust investment strategy in place to provide the level of one-off monies required to achieve:-

- Up front investment costs e.g. cost of reducing workforce numbers, investment in technology.
- Transitional Funding for change which recognises the timing of implementation in the first year.

6.02 The base budget is utilised to support the recurring costs of the Council and the investment strategy is utilised to support the one –off costs to deliver the budget proposals. Although these are two distinct elements of the budget, they need to go hand in hand to both enable change and provide a robust sustainable budget.

6.03 The total estimated one-off funding required to support the 2014/15 budget is £6.250m and includes £4.800m (as detailed in appendix 5) to support the ‘up front’ invest to save costs and £1.450m to provide the transitional funding to take account of the timing of the implementation of some of the efficiency proposals.

### **Review of Reserves and Balances**

6.04 In order to maximise the resources available to the Council for future investment costs, a review of all reserves and balances held has been undertaken. The outcome of this review has identified additional potential resources of £3.1m which are a mixture of items that have previously been set aside that are no longer required and items whereby historical grant income has not been entirely drawn down to match the eligible expenditure incurred.

### **Affordability**

6.05 It can be seen from the table below that a combination of the utilisation of the Single Status/Equal Pay Reserve and the Contingency Reserve will provide total funding of £7.450m which is more than is required to fund the estimated one-off funding requirement of £6.250m for 2014/15 as detailed in para 6.03. In addition the council also holds the £3.1m identified through the review of reserves and balances which will be a first call to mitigate the risks associated with the contingency reserve and Single Status and Equal Pay Reserve.

	£m
<b>Funding</b>	
Contingency Reserve (M8)	3.700
Use of Single Status/Equal Pay Reserve	3.750
	<b>7.450</b>
<b>Investment Costs</b>	
Workforce and VFM	4.800
Transitional Funding	1.450
	<b>6.250</b>
<b>Balance</b>	<u><u>1.200</u></u>
<b>Review of Reserves &amp; Balances</b>	<b>3.100</b>

## **7.00 CHIEF FINANCE OFFICER REPORT ON ESTIMATES AND RESERVES**

- 7.01 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions (the reference to the first person which follows is to the Head of Finance in this role).
- 7.02 The 2014/15 budget has been set within the context of the Medium Term Financial Plan which recognises a significant reduction in the funding available to the Council from Welsh Government and the continuing effects of the economic downturn on the local economy and citizens. The year on year reduction of 4% in funding, is a real terms cut of some 6% or greater. The Council's Organisational Redesign and Change Plan in response to the financial pressures has been set out in detail for Members in successive reports over the budget period.
- 7.03 The financial strategy for 2014/15 has been to robustly challenge need and the cost of new pressures, target inflation and optimise all efficiency options. This has been done through a risk based approach taking account of a balance of risk and certainty. Central to the overall financial strategy has been establishing an investment strategy to provide resource to deliver change and recognise the timing of its implementation.
- 7.04 I confirm the reasonableness of the estimates contained in the proposed budget, having regard to the Council's spending needs in 2014/15 and the financial context within which the budget is being set. I also confirm that the investment strategy is reasonable and affordable and supports the Council's ability to deliver an ongoing programme of change which will deliver efficiencies in the base budget.
- 7.05 Inevitably in managing a budget of this scale across a large and diverse organisation variances will occur, but I believe that the budget assumptions represent a measured and acceptable level of risk. A robust programme for the delivery of the £11.950m of efficiencies within the budget and to the timescales anticipated is essential. In addition, effective and disciplined in-

year financial management will be key to ensuring that budgets are managed effectively and prompt action taken to mitigate the impacts should variances occur.

- 7.06 Within the context described above, I recommend that the Council should maintain the level of general balances of £5.834m to safeguard its position and be in a strong position to plan ahead to meet the financial challenges in future years as set out in the Medium Term Financial Plan and to underpin its ongoing programme of change. The level of reserves and balances is set out in Section 5.

## **8.00 CHIEF EXECUTIVE REPORT**

- 8.01 The budget strategy for 2014/15 is very different to that in previous years given the unprecedented efficiency return which is required. The budget relies in significant part on the implementation of major organisational change programmes on time and to financial target.
- 8.02 The Council needs to be satisfied that these levels of financial efficiency are achievable in proportion to the overall budget, and that the programmes of organisational change are sufficiently advanced to achieve a financial return by the second quarter of the new financial year.
- 8.03 The programmes of organisational change are not without risk and will require decisive organisational action and careful management to be guided through to fruition. The twin programmes of (1) the review of the corporate operating model and senior management structure, followed by wider senior management review, in two phases and (2) workforce review, are proceeding on time and are being planned to achieve their respective financial targets. The consultation on the first phase of (1) is underway for a final decision in March.
- 8.04 There is a sufficient level of confidence that the efficiency targets are achievable subject to the organisation meeting the deadlines set, and being decisive at each step.
- 8.05 The budget strategy is based on the significant 'front-loading' of internalised organisational efficiencies within 2014/15. For the medium-term strategy to be achievable a broader base of service reform and prioritisation will be required for 2015/16 onwards.

## **9.00 RECOMMENDATIONS**

9.01 That the Cabinet makes the following recommendations to County Council on 18 February 2014:-

1. That the 2014/15 Council Fund Revenue Budget Requirement be set at £253.718m (which is £1.423m below the calculated Standard Spending Assessment) (4.01).
2. That there be a 3.0% increase in Council Tax at Band D and an assumed 99% collection rate (4.02).
3. The inclusion of the Outcome Agreement Grant of £1.458m in the budget (4.03).
4. The levels of inflation assumed in the budget (4.04-4.06).
5. That items of non-standard inflation are only allocated out to services when the actual increase in cost is known (4.05).
6. The amount of £0.092m included in the budget relating to a transfer into the settlement (4.07).
7. The inclusion of £4.872m of recurring pressures in the budget (Appendix 4) and that any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet for consideration (4.08).
8. The inclusion of estimated one-off costs totalling £4.800m in the budget (Appendix 5), to be funded in line with the Investment Strategy (section 6).
9. The inclusion of efficiencies of £11.950m in the budget (4.10).
10. The inclusion of efficiencies of £11.950m and that the achievement of all efficiencies be monitored monthly and reported through the budget monitoring report with any corrective action taken in-year as has been the case in previous years. (4.10).

## **10.00 FINANCIAL IMPLICATIONS**

10.01 As set out throughout the report.

## **11.00 ANTI POVERTY IMPACT**

11.01 Individual growth and efficiency items may have specific anti-poverty impacts.

## **12.00 ENVIRONMENTAL IMPACT**

12.01 Individual growth and efficiency items may have specific environmental impacts.

**13.00 EQUALITIES IMPACT**

13.01 As set out in 3.18 – 3.23 of the report.

**14.00 PERSONNEL IMPLICATIONS**

14.01 There will be significant people implications arising from the workforce elements of the Organisational Change Programme.

14.02 The Discretionary Compensation provisions have been reviewed to ensure that redundancy entitlements offered are fair, are likely to incentivise employees to express an interest in Voluntary Redundancy or Early Voluntary Retirement, and are affordable for the Council.

14.03 Employees who are either displaced, or who leave the Council voluntarily, will receive outplacement advice to support their transition into alternative employment or a new career, or into retirement, which may include opportunities to up-skill or retrain, business 'start up' advice, career counselling and retirement planning guidance, depending on the circumstances.

14.04 The Council will ensure that appropriate consultation arrangements are in place, in conjunction with the Joint Trade Unions, for all affected employees in line with statutory requirements and the Council's Organisational Change and Redundancy Policy.

14.05 As detailed in section 6 there is a robust Investment Strategy in place to ensure that the one-off costs associated with the workforce programme are affordable within the context of the overall budget.

14.06 As detailed in section 3.18 – 3.23 work is also ongoing in relation to assessing any equality impacts in relation to the workforce programme.

**15.00 CONSULTATION REQUIRED**

15.01 Overview and Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee.

**16.00 CONSULTATION UNDERTAKEN**

16.01 Member Workshop (open to all members) held on the afternoon of 28<sup>th</sup> January to consider the budget overview followed by Overview and Scrutiny Committees held as follows:

- 28<sup>th</sup> January - Joint Housing (CF only) and Social & Healthcare
- 28<sup>th</sup> January - Environment
- 28<sup>th</sup> January - Corporate Resources (for Corporate Departments)
- 30<sup>th</sup> January - Lifelong Learning
- 3<sup>rd</sup> February - Corporate Resources - Open to all members (to receive feedback from other scrutiny meetings).

- 16.02 Formal consultation held with the School Budget Forum on 23<sup>rd</sup> January.
- 16.03 Statutory consultation with Business Ratepayers undertaken in writing after the Cabinet meeting with the largest businesses within Flintshire.
- 16.04 The budget proposals were discussed at a meeting with the Flintshire Joint Trades Unions on 23<sup>rd</sup> January, as part of ongoing dialogue and information sharing.
- 16.05 Formal consultation on review of corporate operating model underway and consultation on other workforce proposals will be in accordance with the detailed plans and timescales of the workforce programme taking account of statutory requirements and local policy.

**17.00 APPENDICES**

- 17.01 As set out in the report.

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

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**Budget 2014/15**  
**Council Fund - Revenue**

**Previous Years' Growth / Items Dropping Out**

	2014/15 £m	2014/15 £m	2015/16 £m
<b><u>APPROVED 2012/13 BUDGET</u></b>			
<b><u>Community Services</u></b>			
Homecare - Increased complexity of care	0.100		
Transition to Adulthood	0.975		
Housing Renewal Agency - income	0.104		
Management Efficiencies Through Collaborative Working	(0.025)		
	<b>1.154</b>		
<b><u>Environment</u></b>			
Rental Income Shortfalls and NNDR charges for vacant properties	0.050		
Environmental Waste Management - reduction in grant funding	0.047		
Revenue Lost due to phased disposal of Agricultural Estates	0.026		
Ground Water monitoring at former Castle Landfill site	(0.005)		
Continuation of 2011/12 Landfill Tax efficiency	0.000		
Food Waste - increased diversion from landfill	0.004		
	<b>0.122</b>		
<b><u>Lifelong Learning</u></b>			
Transport Policy Review - rationalisation of non statutory entitlement	0.000		
Saltney Library - Lease	(0.010)		
	<b>(0.010)</b>		
<b><u>Corporate Services</u></b>			
Business Systems - Software Maintenance Costs	0.021		
Prudential Borrowing Requirement for Capital Investment	0.169		
Procurement Review	0.000		
HR Management Information System (Phase 2)	(0.003)		
	<b>0.187</b>		
	<b>0.000</b>	<b>1.453</b>	
<b><u>APPROVED 2013/14 BUDGET</u></b>			
<b><u>Community Services</u></b>			
Mental Health - Additional Social Work support	0.010		0.000
Transition to Adulthood	0.129		1.239
Disabled Facility Grants / Aids and Adaptations	0.016		0.000
Homelessness - timing of presentations	0.106		0.000
Children's Services - Removal of one team manager post	(0.013)		0.000
Development and Resources - Rationalisation of Management Team	(0.050)		0.000
	<b>0.198</b>		
<b><u>Environment</u></b>			
Loss of Car Park Income	0.068		(0.002)
Highways Asset Management Plan (HAMP) -rephasing of full implementation	0.000		0.225
Review Management Recharge to the Communities First Programme	0.000		0.000
Agricultural Estates - balance not required	0.025		0.000
Licensing / Health & Safety - balance not required	0.025		0.000
	<b>0.118</b>		
<b><u>Lifelong Learning</u></b>			
Staffing Budget Shortfall following restructure	(0.017)		0.000
Free School Meals - increased demand	0.003		0.003
Review of post 16 distance limit	0.000		0.000
Review of Denominational transport provision	(0.070)		(0.030)
Youth Service - Building rationalisation	(0.005)		0.000
Reduction of Postage within the Library Service	(0.001)		0.000

**Budget 2014/15**  
**Council Fund - Revenue**

**Previous Years' Growth / Items Dropping Out**

	2014/15 £m	2014/15 £m	2015/16 £m
School Transport Service - Operational efficiencies	(0.040)		0.000
	<u>(0.130)</u>		
<b><u>Council Wide</u></b>			
Revised Effect of Prudential Borrowing costs for agreed Capital Projects (change due to revised interest rates and receipt of grant funding)	0.017		0.916
	<u>0.017</u>		
<b><u>Corporate Services</u></b>			
Emergency Planning - collaborative working	(0.025)		0.000
Information & Business services - use of LLPG	(0.014)		0.000
Supplies and Services	0.010		0.000
Joint Working - costs reduction	0.002		0.000
Alterations / Improvements reductions - future agile working	0.002		0.000
Employee Safety Measures - reduced demand on budget	(0.005)		0.000
Community Strategy / LSB partnership - reduction in planned requirements	(0.005)		0.000
	<u>(0.035)</u>		
<b><u>Flintshire Futures Programme</u></b>			
E-Procurement and Improved Processes	(0.109)		(0.056)
Assets Workstream - Office Rationalisation	(0.077)		0.000
Customer Workstream - Channel Shift	0.000		(0.050)
	<u>(0.186)</u>		
<b><u>Council-Wide</u></b>			
Income reduction - Vacation of former Council Offices , Ewloe	0.000		0.500
	<u>0.000</u>		
		<u>(0.018)</u>	
<b>ONE OFF AND TIME-LIMITED PRESSURES</b>			
<b><u>Lifelong Learning</u></b>			
School Modernisation Programme	(0.025)		
Schools Service Level Agreements (SLA's)	(0.172)		
Play Areas - Match Funding	(0.035)		
	<u>(0.232)</u>		
<b><u>Corporate Services</u></b>			
Base Level of Reserves - 2% of Turnover	(0.065)		
	<u>(0.065)</u>		
		<u>(0.297)</u>	
<b>Total Previous years items</b>		<u><u>1.138</u></u>	<u><u>2.745</u></u>



**Budget 2014/15**  
**Council Fund - Revenue**

**Inflation**

	£m	£m
<b><u>Pay</u></b>		
Pay Inflation from April 2014 (1%)	<u>1.316</u>	1.316
<b><u>Price</u></b>		
Targeted General Price Inflation (1.5% - 3%)	<u>0.590</u>	0.590
<b><u>Non Standard</u></b>		
Energy - Street Lighting (8%)	0.093	
Energy - Other (8%)	0.173	
Fuel - (11.2%)	0.179	
Food (5.8%)	0.188	
Non Domestic Rates (2%)	<u>0.037</u>	0.670
		(0.151)
<b><u>Income</u></b>		(0.151)
<b>Total Inflation</b>		<u><u>2.425</u></u>



**Budget 2014/15  
Council Fund - Revenue****Transfers Into the Settlement**

	£m	£m
<b><u>Transfers In to the Settlement</u></b>		
Council Tax Reduction Scheme (CTRS) Administration Subsidy	0.092	
	<hr/>	0.092
<b>Transfers Into the Settlement</b>		<hr/> <hr/> <b>0.092</b>

**Budget 2014/15****Council Fund - Revenue****Pressures & Investments - Summary****Recurring Items**

	2014/15 £m	2015/16 £m	2016/17 £m
Total Welsh Government Policy / Legislative / Regulatory (Appendix 4a)	2.844	5.094	6.651
Total Demand / Local Policy Decisions (Appendix 4b)	2.028	3.633	10.159
<b>Total</b>	<b>4.872</b>	<b>8.727</b>	<b>16.810</b>

**Budget 2014/15**  
**Council Fund - Revenue**

**Pressures & Investments - Welsh Government Policy / Legislative / Regulatory**

	2014/15 £m	2015/16 £m	2016/17 £m
<b><u>Community Services</u></b>			
Independent Living Fund (ILF) estimate of impact of transfer into RSG	0.000	0.450	0.450
<b>Total Community Services</b>	<b>0.000</b>	<b>0.450</b>	<b>0.450</b>
<b><u>Environment</u></b>			
Reduction of Sustainable Waste Management Grant	0.308	0.308	0.308
Landfill Tax - increase cost per tonnage	0.256	0.309	0.362
<b>Total Environment</b>	<b>0.564</b>	<b>0.617</b>	<b>0.670</b>
<b><u>Lifelong Learning</u></b>			
Free Swimming Initiative replacing reduction in grant	0.036	0.036	0.036
<b>Total Lifelong Learning</b>	<b>0.036</b>	<b>0.036</b>	<b>0.036</b>
<b><u>Central &amp; Corporate</u></b>			
Council Tax Reduction Scheme	0.633	0.633	0.633
Impact of Actuarial Valuation	0.991	2.738	4.242
Carbon Reduction Scheme	0.120	0.120	0.120
Fire Levy increase in contribution	0.063	0.063	0.063
Local Government Pension Scheme Reform	0.245	0.245	0.245
Highways Agency Programme (Year 3)	0.192	0.192	0.192
<b>Total Central &amp; Corporate</b>	<b>2.244</b>	<b>3.991</b>	<b>5.495</b>
<b>Total</b>	<b>2.844</b>	<b>5.094</b>	<b>6.651</b>

**Budget 2014/15**  
**Council Fund - Revenue**

**Pressures & Investments - Demand / Local Policy Decisions**

	2014/15 £m	2015/16 £m	2016/17 £m
<b><u>Community Services</u></b>			
Increase in Direct Payments for Social Services for Children	0.060	0.060	0.060
Increase in Foster Care Placements	0.250	0.250	0.250
Children's Out of County Placements	0.250	0.250	0.250
Well Check Increased contribution to service	0.040	0.040	0.040
Transition to Adulthood	0.000	0.000	0.700
<b>Total Community Services</b>	<b>0.600</b>	<b>0.600</b>	<b>1.300</b>
<b><u>Lifelong Learning</u></b>			
Investment in Youth Service Provision	0.046	0.046	0.046
Remission Payments for School meals, trips & uniforms	0.000	0.025	0.050
Leisure Centres	0.962	0.962	0.962
<b>Total Lifelong Learning</b>	<b>1.008</b>	<b>1.033</b>	<b>1.058</b>
<b><u>Corporate Services</u></b>			
Additional cost of Child Protection cases	0.044	0.044	0.044
<b>Total Corporate Services</b>	<b>0.044</b>	<b>0.044</b>	<b>0.044</b>
<b><u>Central &amp; Corporate</u></b>			
Pensioners Grant	0.201	0.201	0.201
Matrix reduction of previous efficiency	0.115	0.115	0.115
Flintshire Futures Asset Programme reduction of previous efficiency	0.060	0.060	0.060
Single Status Agreement	0.000	0.000	5.801
Investment in Organisational Change	0.000	1.580	1.580
<b>Total Central &amp; Corporate</b>	<b>0.376</b>	<b>1.956</b>	<b>7.757</b>
<b>Total</b>	<b>2.028</b>	<b>3.633</b>	<b>10.159</b>

**Budget 2014/15****Council Fund - Revenue****One off Investment Costs****Summary****2014/15  
£m****Senior Management**

Phase 1 - Tier 1 & 2	0.440
Phase 2 - Grades M1-M9	1.294
	<u>1.734</u>

**Workforce Scale Review**

Grades Sc1-SO2	1.211
	<u>1.211</u>

**VFM related**

Community Services	0.202
Environment	0.273
Lifelong Learning	0.511
Corporate Services	0.869
	<u>1.855</u>

**Total one off costs****4.800**

**Budget 2014/15  
Council Fund - Revenue**

**Organisational Change Corporate Value for Money Programme**

**Procurement**

<b>Directorate</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Community Services	0.107	0.107	0.107
Environment	0.456	0.456	0.456
Lifelong Learning	0.297	0.295	0.295
Total Corporate Services	0.237	0.237	0.237
<b>Total Procurement</b>	<b>1.097</b>	<b>1.095</b>	<b>1.095</b>

**Back to Basics**

Community Services	0.043	0.043	0.043
Environment	0.052	0.052	0.052
Lifelong Learning	0.068	0.068	0.068
Corporate Services	0.041	0.041	0.041
<b>Total Back to Basics</b>	<b>0.204</b>	<b>0.204</b>	<b>0.204</b>

<b>Total Efficiencies</b>	<b>1.301</b>	<b>1.299</b>	<b>1.299</b>
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Budget 2014/15  
Council Fund - Revenue

Organisational Change Functional Value for Money Programme

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
1	Community Services	Learning Disabilities – Short Term Care	Eliminate on call costs from Home Managers utilising the supported living on call facility already in Adults, reduce Home Manager posts from three to one. Estimated efficiency of 9% of total budget cost. With the assumption that on call costs can be absorbed within the new service provision at no additional cost.	0.045	0.057	0.070
2	Community Services	Learning Disabilities – Short Term Care	Rightsizing project worker staffing levels based on service need and capacity.	0.023	0.023	0.023
3	Community Services	Learning Disabilities – Enhanced Community Residential Services	Rightsizing or re-tender of 4 supported living houses provided externally.	0.031	0.037	0.037
4	Community Services	Childrens Services – structure realignment	Reconfigure the 3rd tier officer cohort following the retirement of a service manager.	0.053	0.053	0.053
5	Community Services	Childrens Services - Accommodation Efficiencies	Vacation of Connahs Quay Offices – staffing efficiencies	0.019	0.037	0.037
6	Community Services	Childrens Services - Youth Justice Service	A review of the Youth Justice Service to maximise grant funding and review services.	0.050	0.050	0.050
7	Community Services	Social Services for Adults – Direct Payments	Increase the update of direct payment services rather than traditional services for PDSI, older people and disability services	0.048	0.072	0.096
8	Community Services	Social Services for Adults – structural realignment	Reduction in management posts	0.032	0.064	0.064
9	Community Services	Learning Disabilities – Day Opportunities	Efficiencies	0.013	0.013	0.013
10	Community Services	Development and Resources - income	Charging as part of the QCF qualification process	0.044	0.044	0.044
11	Community Services	Development and Resources - income	Explore the potential of charging for financial management for appointeeship clients.	0.030	0.060	0.060

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
12	Community Services	Social Services for Adults - Assets	Relocation of Estuary Crafts to Tri Ffordd	0.024	0.047	0.047
13	Community Services	Housing - Administration	Service Review	0.022	0.022	0.022
14	Community Services	Housing - Community Support Services	Restructure	0.019	0.037	0.037
	<b>Total Community Services</b>			<b>0.453</b>	<b>0.616</b>	<b>0.653</b>
15	Environment	Streetscene - Employment Contracts	Review staff employment contracts to increase service flexibility and reduce costs	0.050	0.050	0.050
16	Environment	Streetscene - NWTRA	Financial benefit from involvement with the NE Wales Trunk Rd Hub. The ongoing review of service delivery will reduce the staff requirement and increase the efficiency of the Trunk Road service delivery	0.050	0.050	0.050
17	Environment	Streetscene - Fleet	Balance of efficiencies from Fleet review (2014-15)	0.350	0.350	0.350
18	Environment	Streetscene & Assets Transportation - Highways Related Services	Service scoping review of Highways related services currently within Streetscene and Assets & Transportation - the ongoing diagnostic of the two service areas will make recommendations on synergies, required staffing levels and the optimised operating model.	0.225	0.300	0.300
19	Environment	Streetscene - Assets	Closure of Halkyn Depot and centralisation at Alltami	0.090	0.090	0.090
20	Environment	Streetscene - Waste	Optimise procurement methods for waste transport	0.030	0.030	0.030
21	Environment	Streetscene - Waste	Rationalise HRC site provision through closing Saltney after opening the new Sandycroft site and reviewing opening hours to match footfall	0.180	0.180	0.180
22	Environment	Streetscene - Waste	Review of clinical waste collection recharges	0.030	0.030	0.030
23	Environment	Streetscene - Employment Contracts	Review operational employment contracts to increase service flexibility and reduce costs	0.450	0.450	0.450
24	Environment	Public Protection and Planning	A review of the operating processes, income potential and management and staffing arrangements across both services.	0.408	0.450	0.450
25	Environment	Regeneration - Communities First	Continuation of current year. Management fee for Communities First programme	0.020	0.020	0.020
	<b>Total Environment</b>			<b>1.883</b>	<b>2.000</b>	<b>2.000</b>

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
26	Lifelong Learning	Services to Schools	Securing Value for Money, increasing locality working and school autonomy within a streamlined but robust approach to accountability for positive student outcomes. Early entitlement, Music Service, ICT, Insurance and Mobile Classrooms.	0.290	0.240	0.240
27	Lifelong Learning	Youth and Community services	Increasing front line youth service delivery through agile working, reducing building and management overheads to maximise front line delivery. Glanrafon, Gronant and Hawarden	0.067	0.113	0.113
28	Lifelong Learning	Inclusion Services	Securing early, local and effective intervention for vulnerable children and young people through increasing locality working and school autonomy,	0.393	0.611	0.611
29	Lifelong Learning	Library Service	Review of contribution to North East Wales School Library Service	0.131	0.130	0.130
30	Lifelong Learning	Library Service	Reduction in Library Book Fund	0.050	0.050	0.050
31	Lifelong Learning	Leisure	Changes to rotas and cover arrangements	0.270	0.270	0.270
32	Lifelong Learning	Development and Resources	School transport efficiencies	0.004	0.004	0.004
33	Lifelong Learning	Development and Resources	Pupil support efficiencies	0.003	0.003	0.003
34	Lifelong Learning	Development and Resources	Youth theatre	0.015	0.015	0.015
35	Lifelong Learning	Development and Resources	Business support	0.010	0.010	0.010
36	Lifelong Learning	Leisure	Recreational grounds and amenities efficiencies	0.025	0.025	0.025
	<b>Total Lifelong Learning</b>			<b>1.258</b>	<b>1.471</b>	<b>1.471</b>
37	Corporate Services	ICT & Customer Services - registrars	Review of working arrangements	0.010	0.010	0.010
38	Corporate Services	Chief Executive	Review of events/marketing and communications activities across the organisation.	0.034	0.034	0.034
39	Corporate Service	Chief Executive	Reduced production of Your Community Your Council	0.040	0.040	0.040
40	Corporate Services	Chief Executive and Democratic Services	Review provision of support to Leadership and Senior Management, Scrutiny, support and information to councillors, report writing and democratic process	0.031	0.141	0.141

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
41	Corporate Services	Chief Executive – Policy, Partnerships and Performance	Review efficiencies in process, co-ordination and resources involved in supporting 'Performance' work.	0.075	0.075	0.075
42	Corporate Services	Administration support across the organisation	Review of all Administration roles / processes as a result of improved technology across the Council	1.000	1.000	1.000
43	Corporate Services	ICT & Customer Services	Service Efficiencies related to equipment lease termination and contract renegotiations	0.192	0.192	0.192
44	Corporate Services	Chief Executive	Clwyd Theatr Cymru subsidy reduction	0.055	0.055	0.055
45	Corporate Services	Legal and Democratic Services	Shared conveyancing service	0.060	0.060	0.060
46	Corporate Services	HR & OD	Increase income from Occupational Health business	0.010	0.010	0.010
47	Corporate Services	HR & OD	Workforce development efficiencies	0.021	0.021	0.021
48	Corporate Services	Finance	Housing Benefit Subsidy efficiency to meet required level of Discretionary Housing Payments.	0.380	0.380	0.380
49	Corporate Services	Finance	Review of investment income in CLIA	0.145	0.145	0.145
	<b>Total Corporate Services</b>			<b>2.053</b>	<b>2.163</b>	<b>2.163</b>
50	Community Services		Review of final out-turn for 2012/13	1.892	2.195	2.195
	<b>Total Functional VFM</b>			<b>7.539</b>	<b>8.445</b>	<b>8.482</b>

**Budget 2014/15**  
**Council Fund - Revenue**

**Workforce Efficiencies**  
**Organisational Design**

	2014/15 £m	2015/16 £m	2016/17 £m
<b>Structure and Operating Model</b>			
Phase 1 - Tier 1 & 2	0.460	0.600	0.600
Phase 2 - Grades M1-M9	0.990	1.400	1.400
Workforce Scale Review	1.500	1.500	1.500
<b>Total Organisational Design</b>	<b>2.950</b>	<b>3.500</b>	<b>3.500</b>
<b>Cost of Employment</b>			
Professional Subscriptions	0.024	0.024	0.024
Disturbance Travel	0.005	0.005	0.005
Subsistence Allowance	0.054	0.054	0.054
Disclosure and Barring Service (DBS)	0.030	0.030	0.030
Overtime	0.047	0.047	0.047
<b>Total cost of Employment</b>	<b>0.160</b>	<b>0.160</b>	<b>0.160</b>
<b>Total Workforce Efficiencies</b>	<b>3.110</b>	<b>3.660</b>	<b>3.660</b>



**Budget 2014/15**  
**Council Fund - Revenue**

**Specific Grants**

		<b>Budget 2013-14</b>	<b>Revised Budget 2013-14</b>	<b>Projection 2014-15</b>	<b>Variance to 2013-14</b>	<b>Confirmed (C) or Estimated (E)</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Lifelong Learning</b>						
Non Delegated	Basic Skills	316,000	137,526	137,526	0	E
	Community Learning	3,311	3,311	3,311	0	E
	Community Focussed Schools	0	97,877	97,877	0	E
	Welsh Baccalureate	0	61,740	61,740	0	E
	Families First	1,735,118	1,735,285	1,735,285	0	E
	Education of Travellers	89,687	70,673	70,673	0	E
	Foundation Phase	5,060,777	5,019,976	4,949,746	(70,230)	C
	Free School Milk	179,773	179,773	179,773	0	E
	Free Swimming	164,807	164,807	156,567	(8,240)	E
	Funding for Youth Work Training in Wales	22,000	22,000	22,000	0	E
	Learning Pathways 14-19	664,080	636,937	360,000	(276,937)	E
	Minority Ethnic Achievement	106,913	134,434	128,032	(6,402)	C
	National Exercise Referral	125,000	125,000	118,750	(6,250)	E
	NE Wales Play Forum	61,660	340,086	340,086	0	E
	School Effectiveness Grant	1,078,580	1,403,508	1,403,508	0	E
	Pupil Deprivation Grant	0	1,251,450	2,295,918	1,044,468	C
	Active Young People	0	463,018	439,867	(23,151)	E
	School Uniform Financial Assistance Scheme	30,080	30,080	30,487	407	C
	Unlocking the Potential of Special Schools	45,572	45,572	0	(45,572)	C
	Youth Service Revenue Grant	90,330	114,877	126,756	11,879	C
	Welsh Language (Athrown Bro & WEG)	226,611	0	0	0	C
	Welsh Medium Bilingual Grant	46,940	0	0	0	C
	Welsh in Education	0	224,638	215,374	(9,264)	E
	Welsh Network of Healthy School Schemes	87,320	87,320	87,320	0	E
	Flying Start	1,652,623	1,652,623	0	(1,652,623)	C
	National Literacy Tests	0	35,450	35,450	0	E
		<b>11,787,182</b>	<b>14,037,961</b>	<b>12,996,046</b>	<b>(1,041,915)</b>	
Delegated	DCELLS (Post 16 provision in schools)	6,025,131	6,085,382	5,935,481	(149,901)	E
		<b>6,025,131</b>	<b>6,085,382</b>	<b>5,935,481</b>	<b>(149,901)</b>	
<b>Community</b>						
	Social Care Workforce Development Programme	346,969	346,969	356,833	9,864	C
	Supporting People	6,824,935	6,824,935	6,483,688	(341,247)	C
	Well Being Activity	25,000	10,000	10,000	0	E
	Flying Start	0	0	2,722,790	2,722,790	C
	Implementation of Mental Health Act 2007	12,770	12,770	0	(12,770)	C
	Youth Service Community Service Grants	60,851	60,851	0	(60,851)	C
	YOT / Youth Justice Board	327,280	327,280	327,280	0	E
		<b>7,597,805</b>	<b>7,582,805</b>	<b>9,900,591</b>	<b>2,317,786</b>	
<b>Environment</b>						
	Communities First	708,911	708,911	708,911	0	E
	Concessionary Travel	1,970,427	1,970,427	1,991,843	21,416	E
	Crime Reduction and Anti Social Behaviour	144,461	144,461	121,203	(23,258)	E
	Domestic Abuse Co-ordinator Funding	27,500	27,500	27,500	0	C
	Local Transport Services	399,062	399,062	399,062	0	E
	Planning - Delivering for Wales	70,000	70,000	20,000	(50,000)	E
	Safer Communities Fund	221,882	221,882	76,868	(145,014)	E
	Food Hygiene Rating	0	0	5,969	5,969	C
	Animal Health & Welfare Enforcement	0	0	15,646	15,646	C
	Substance Misuse	926,141	926,141	293,353	(632,788)	E
	Tidy Towns	81,742	81,742	0	(81,742)	C
	Sustainable Waste Management	3,287,189	3,287,189	2,976,172	(311,017)	E
		<b>7,837,315</b>	<b>7,837,315</b>	<b>6,636,527</b>	<b>(1,200,788)</b>	
<b>Corporate Services</b>						
	LSB Development Support Grant	50,000	50,000	50,000	0	E
		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	
<b>Total</b>		<b>33,297,433</b>	<b>35,593,463</b>	<b>35,518,645</b>	<b>(74,818)</b>	





**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.0	<b><u>Joint Housing &amp; Social &amp; Health Comments / Issues</u></b>	
1.1	<b><u>General Comments / Issues</u></b>	
1.1	Assurance sought about the systems in place to monitor risks particularly around Children's services. Is the system in place for monitoring these risks robust enough?	<ul style="list-style-type: none"> <li>At the close of the budget setting process, we highlight the risks that may impact in the year ahead and throughout the year, we have systems in place which enables us to address issues as they arise.</li> </ul>
1.2	No mention of collaborative ventures within this budget – why and does this mean we cannot make cuts to these?	<ul style="list-style-type: none"> <li>All collaborative ventures are constantly under review an example of this is the Telecare service.</li> </ul>
1.3	Mental Health costs have been discussed at a previous committee where a comparison was made of in house cost v external provision. Why is there no detail of that in the budget?	<ul style="list-style-type: none"> <li>In the future we will continue to look at all options and are doing so. In relation to how we provide and commission services, this will be one of the decisions for Members consideration going forward.</li> </ul>
1.4	Investment from Reserves of £3.7m contingency and £3.7m equal pay. Is there a specific purpose for it to be used for? Clarification sought on this.	<ul style="list-style-type: none"> <li>The contingency reserve is the amount over and above the required base level of reserves and is to meet one off costs including exit costs. The investment strategy is to utilise the equal pay capitalisation as part of a collective approach to total workforce costs. There is also a thorough review underway of all reserves to make sure we have an adequate level of investment to meet one off</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
		costs.
<b>2.0</b>	<b><u>Pressures</u></b>	
2.1	With reference to the pressures for Foster Care and Children's Out of County Placements, are the amounts enough to meet the demand.	<ul style="list-style-type: none"> <li>▪ The Foster Care placements figure is based on current demand on the service. A risk based approach has had to be taken on the level of this and the Out of County Placements figure given the demand led nature of these services.</li> </ul>
2.2	What was the increase in 13/14	<ul style="list-style-type: none"> <li>▪ In 13/14 an additional £110k was approved for the Family Placement team to meet the increased costs of Foster Care and increased cost of court orders for residences and special guardianships. Within Children's Out of County Placements, an efficiency of £533k was realised as a result of a decrease in costs from improved procurement practice.</li> </ul>
2.3	Pressures and Investments is not spit into categories as per previous years budget report – why is this?	<ul style="list-style-type: none"> <li>▪ These will be categorised for final budget report.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>3.0</b>	<b><u>Efficiencies</u></b>	
3.1	VFM efficiency of £50k within the Youth Justice Service. If it has an adverse affect on the service, will it be able to be put back?	<ul style="list-style-type: none"> <li>▪ Members would need to decide if they wanted to put more money into the service. Flintshire are still providing a significant contribution to funding within the Youth Justice Service. The level of efficiency can be met without an impact and nothing can be exempt from the budget review.</li> </ul>
3.2	Can we guarantee level of efficiencies will not impact adversely on services?	<ul style="list-style-type: none"> <li>▪ The aim is to protect services but also to improve, where possible, to be more efficient and to improve outcomes for service users.</li> </ul>
3.3	In relation to the efficiency from moving Estuary Crafts to be co located with Tri Ffordd, this is a small efficiency of £24k but what about the cost of changing the building, and the transport costs for service users who will now need to go to a new location?	<ul style="list-style-type: none"> <li>▪ Capital investment to refurbish the building has been provided from funding within the service. The move provides a better and more appropriate environment for service users. The £24k is as a result of a reduction in management costs due to the co location. There may be an impact on transport costs but these will only be minor and service users will be supported.</li> </ul>
3.4	Agreement that Estuary Crafts needs to be moved, but why Tri Ffordd and not site in Flint near to Castle Connections?	Further information to be provided
3.5	Within the Learning Disability service, there are efficiencies of an unprecedented scale with reduction in Management. Is	<ul style="list-style-type: none"> <li>▪ No</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.6	the efficiency "Structural Management" also to do with Short Term Care?	
3.6	Will the efficiencies in the Short Term Care service have an impact on the number of service users receiving the service?	<ul style="list-style-type: none"> <li>No, the efficiency is about changes to rotas and the way the service is managed.</li> </ul>
3.7	Can we be assured that the efficiency of £822k which is related to transitional services will have no impact on individuals moving from Children's to Adult Services?	<ul style="list-style-type: none"> <li>The efficiency has already been achieved in 2013/14 by doing things differently. Future year's forecasts for transition clients are built into the next three years projections</li> </ul>
3.8	Why is there no procurement efficiencies listed under Social Care?	<ul style="list-style-type: none"> <li>Social Care does make savings on commissioning eg Learning Disability Services and Dementia and Mental Health approaches through the North Wales commissioning hub. In Social Care the main expenditure is on delivering services through the purchase of care.</li> </ul>
3.9	Is the efficiency linked to Connahs Quay offices for staffing or building costs?	<ul style="list-style-type: none"> <li>Staffing costs only.</li> </ul>
3.10	There are many efficiencies that relate to management cuts with the blithe assumption that this means there is no disruption in service. How can that be the case?	<ul style="list-style-type: none"> <li>There is a need to ensure adequate capacity but the efficiency enable us to gain some cross service benefits. There is a need to look at the spans of control and better use of I.T. to ensure we are being as efficient as possible.</li> </ul>
3.11	Need an explanation of "rightsizing".	<ul style="list-style-type: none"> <li>This involves a thorough review of outcomes for service users. A balance between ensuring independence for the</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.12	Development and Resources income – Deputyships. Not clear what is being suggested here?	<p>person involving social workers and specialist nurses and utilising opportunities such as telecare to maintain their safety are taken as part of this process.</p> <ul style="list-style-type: none"> <li>• This relates to weekly charging of £5 per week for the service.</li> </ul>



**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>1.0</b>	<b><u>Environment Comments / Issues</u></b>	
1.1	It is pleasing to see collaboration between services. With instances such as inclement weather, would joining up services lead to delays in responses to incidents e.g. Repairing potholes?	<ul style="list-style-type: none"> <li>Such problems are not foreseen and this should make it easier to manage such instances through better coordination of two teams which should result in improved service delivery.</li> </ul>
1.2	HRC Site Sandycroft – Application for planning previously in 2009 was for 5.5k tonnes but the new application is for 4k tonnes. Is that because we are not collecting the expected levels of recycling? Reference was made to previous prudential borrowing requirements of £600k.	<ul style="list-style-type: none"> <li>No there is no correlation between the planning application tonnage at the new level and recycling levels. Recycling is increasing but so are the targets in relation to this. The Director will seek clarification on issue with the Member who raised the specific issue Relating to borrowing outside of the meeting</li> </ul>
1.3	Due to the volatility of plastic recycling prices, would it be more economic to change the frequency of plastic waste collection to fortnightly?	<ul style="list-style-type: none"> <li>To change the way we collect plastics would create efficiency issues, as it would mean putting extra vehicles on, given that rounds are full at the end of the day at the moment. It would also create a clarity issue for the public as all recyclates are currently collected weekly, whereas this suggestion would mean that some would have to be put out fortnightly – this could impact negatively on recycling performance.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>2.0</b>	<b><u>Pressures</u></b>	
2.1	Residual Waste Pressure – does this reflect a reduction in the tonnage of residual waste even though the cost per tonne has increased?	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
2.2	Energy inflation amount queried as to why less than last year.	<ul style="list-style-type: none"> <li>• Further information to be provided. A response was provided as part of feedback to Overview and Scrutiny meeting 3/2/14.</li> </ul>
<b>3.0</b>	<b><u>Efficiencies</u></b>	
3.1	When Streetscene was introduced there was a lack of joining up. Assurance is sought about the level of efficiency proposed and that it will not mean a negative impact on the service – needs to be managed effectively.	<ul style="list-style-type: none"> <li>• This is a key efficiency but there is confidence that it can be delivered without an adverse impact on the service. It is centred on reducing the number of agency staff within the service and making teams more flexible. Director to provide further detail to the Councillor on this.</li> </ul>
3.2	Public Protection – concern raised that this may result in increased charges to residents when dealing with problems relating to pest control. Needs to be recognised as an area of risk.	<ul style="list-style-type: none"> <li>• Fees will increase but these will not be greater than 5%.</li> <li>• Fees need to reflect the cost of the service and be non-profit making</li> </ul>
3.3	Fleet efficiencies from reducing the 30% downtime is very positive but have we identified who we would hire from?	<ul style="list-style-type: none"> <li>• This will be via the “All Wales Framework for Hire”. Hire companies not known at the moment. Director to inform the Councillor when the information is known.</li> </ul>
3.4	HRC Sandycroft Site – Is this ready for service?	<ul style="list-style-type: none"> <li>• Not yet but an application to Planning Committee is due</li> </ul>



**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.5	Clinical Waste – Are the Health Board aware that they are going to be charged?	in March. Other sites will not close until this one is open.
3.6	Cost of planning application fees – will these be going up?	<ul style="list-style-type: none"> <li>• Yes and there is agreement to pay. Wrexham CBC are already recharging the Health Board</li> </ul>
3.7	Fleet costs –specialist training requirements.	<ul style="list-style-type: none"> <li>• Fees are set nationally so not under the control of the Council. As part of the Planning Bill, WG have committed to a review of Planning Fees.</li> </ul>
3.8	Community Assets. Will any within Lifelong Learning be considered as part of the Rationalisation Programme?	<ul style="list-style-type: none"> <li>• No record of passing up opportunities to embrace this specific training</li> </ul>
3.9	What is being proposed is rapid change. How much work on business re-engineering has been undertaken because if processes are not changed, this may not be sustainable?	<ul style="list-style-type: none"> <li>• All assets are included within the review</li> </ul>
3.10	Planning has historically been under pressure. Are we confident we can deliver these changes?	<ul style="list-style-type: none"> <li>• Proposals have been developed over time and thought has been put in to how they can be delivered within the way that we operate. The Service has developed an action plan to bring about changes and Environment have a good track record of achieving delivery in efficiencies.</li> <li>• It is recognised that there has been pressure within the service historically. The service is closely managed and performance has improved. There is confidence in the ability to meet the proposal and still maintain</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.11	Fleet – will there be some sort of workshop facility?	performance. <ul style="list-style-type: none"> <li>• Options which will be brought back to Cabinet in March as part of Phase 3 of the proposals included in the November 2013 Cabinet Report.</li> <li>• There is a combination of flexible workforce, utilities, general running costs etc.</li> </ul>
3.12	Closing depots – how do they add to the efficiency?	

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>PART ONE - Corporate Services</b>		
<b><u>Corporate Comments / Issues</u></b>		
1.0		
1.1	<ul style="list-style-type: none"> <li>• No split shown of how Aggregate External Funding is made up which has always been made in the past.</li> </ul>	<ul style="list-style-type: none"> <li>• The Local Government Final Settlement received from Welsh Government only includes the total amount of £192.942m.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• Earmarked Reserves should not be under heading "unhypothesized grants"</li> </ul>	<ul style="list-style-type: none"> <li>• This has already been identified and the presentation format will be changed for the final budget report.</li> </ul>
1.3	<ul style="list-style-type: none"> <li>• Previous items dropping out show investment costs out in 2014/15 but back in 2015/16 and 2016/17 – why?</li> </ul>	<ul style="list-style-type: none"> <li>• The Investment Strategy is providing for investment costs in 2014/15 which provides sufficient resources to meet estimated costs to achieve the 2014/15 budget proposals without the need for a further contribution as this would have increased the budget gap. . The amounts remain in for future years but this will be reviewed as part of our ongoing considerations of future years.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>• Leisure Services Para 6.17 of the Cabinet report. Will a part capital payment be made in future years as well?</li> </ul>	<ul style="list-style-type: none"> <li>• Because of previous concerns about the Leisure Services budget, the costs are now being met corporately. In response to the overall Leisure position, the economy has suffered a downturn and so income and Leisure attendance had not been as projected. The Council is investing almost £1m to support the service in the short term, but this is not a sustainable position and the service will be subject to review as part of future service considerations for 2015/16 and beyond.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.5	<ul style="list-style-type: none"> <li>• Pensioners Grant Scheme – why is this not in transfer to final settlement appendix?</li> </ul>	<ul style="list-style-type: none"> <li>• This is due to a technicality of the way it was shown within the Local Government Settlement. This was not shown in the Local Government Settlement as a “transfer in” but it appeared as an increase in the amount of our Revenue Support Grant (RSG) by the amount of the previous Pensioner Grant Scheme. This is therefore now included in the RSG but not on a hypothecated basis. The budget proposals provide for the continuation of the scheme for 2014/15.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• Out of County Placements. There has been an underspend in previous years. Do we now have less control?</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement of placements has improved significantly over the years. There had also been a reduced demand until recently when it as seen an increase. This has always been recognised as a volatile budget.</li> </ul>
1.7	<ul style="list-style-type: none"> <li>• Council Tax collection rate of 99% is an increase of 1.5% on the amount set in the 2013/14 budget. Is this a reflection that the impact of Welfare Reform has not been as great as previously anticipated?</li> </ul>	<ul style="list-style-type: none"> <li>• At the time the 2013/14 Council Tax collection rate was set, there had been no confirmation of the Council Tax Reduction Scheme (CTRS). For 2014/15, the scheme and the level of funding is known and so the collection rate can confidently be set at 99% which is in line with the current years performance. The collection rate should be recognised as a positive achievement. Welfare Reform impacts still need to be monitored and there is a pilot of the new Universal Credit starting in Shotton in June which will need to be monitored.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.8	<ul style="list-style-type: none"> <li>• Referring to a previous letter from the Leader to Robert Hay at Welsh Government, did we apply for any collaboration fund grants?</li> </ul>	<ul style="list-style-type: none"> <li>• Authorities had been asked to bid individually. Details to be provided at the CROSC meeting on 3/2/14. The final decision from WG had only been received the previous week for sums that needed to be spent before the end of the financial year.</li> </ul>
1.9	<ul style="list-style-type: none"> <li>• Query raised on food inflation within Legal &amp; Democratic Services</li> </ul>	<ul style="list-style-type: none"> <li>• This was wrongly classified as food and should have referred to an inflationary increase of £1k for increased postal costs for Electoral Services.</li> </ul>
1.10	<ul style="list-style-type: none"> <li>• Software Licensing – Use of “Good” Software</li> </ul>	<ul style="list-style-type: none"> <li>• Purchased as part of a Public Sector Framework agreement. Limited usage for lpadis only.</li> </ul>
1.11	<ul style="list-style-type: none"> <li>• Use of reserves for organisational change of £3.7m contingency and £3.7m from Equal Pay/Single Status capitalisation. As this is greater than the amount to be utilised for one off costs, will the remainder be used to balance the budget?</li> </ul>	<ul style="list-style-type: none"> <li>• No. The budget would not be balanced in this way as this would be contrary to the principles of the financial strategy which requires the base budget to be funded from recurrent savings and not one off monies</li> </ul>
<b>2.0</b>	<p><b><u>Corporate Services Comments / Issues</u></b></p> <p><b><u>Pressures</u></b></p>	
2.1	<ul style="list-style-type: none"> <li>• Why has this section not been split into the categories as per previous years?</li> </ul>	<ul style="list-style-type: none"> <li>• This will be done as part of final budget report.</li> </ul>
2.2	<ul style="list-style-type: none"> <li>• Increase pensions costs – can we cover this from existing</li> </ul>	<ul style="list-style-type: none"> <li>• This reflects the Actuarial valuation which shows that in</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
2.3	<p>reserves?</p> <ul style="list-style-type: none"> <li>• Single Status impact from 206/17, is that based on current staffing levels? Is reserve available for buffering for 2 years?</li> </ul>	<p>three years time, we will need to step up our funding of the pension scheme by an additional £4.2m. This is a recurrent cost that will continue to rise after 2016/17 also, but will be subject to review through the next Actuarial valuation</p> <ul style="list-style-type: none"> <li>• The Single Status impact on the workforce budget is based on existing staffing levels. The reserve is available for buffering increased cost for the payroll for two years, 2014/15 and 2015/16.</li> </ul>
2.4	<ul style="list-style-type: none"> <li>• Could there be a comparison of the amounts from 2013/14?</li> </ul>	<ul style="list-style-type: none"> <li>• Further detail on individual lines can be provided on request.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
	<b><u>Corporate Resources Comments / Issues</u></b>	
<b>3.0</b>	<b><u>Efficiencies</u></b>	
3.1	<ul style="list-style-type: none"> <li>• In the improvement plan, we refer to an achievement of 85% of our overall efficiencies by 2017. Does that mean that of the £8.1m of VFM efficiencies, we will only expect to get 85%?</li> </ul>	<ul style="list-style-type: none"> <li>• All efficiencies are put forward on the assumption that they can be achieved in full. The reference to 85% is to achieve at least 85% of the efficiencies, but recognises that the other 15% must be replaced by other efficiencies.</li> </ul>
3.2	<ul style="list-style-type: none"> <li>• “Your Community your Council” what is the cost of producing this digitally?</li> </ul>	<ul style="list-style-type: none"> <li>• This is being finalised but is likely to be in the region of £10k which has been recognised in the efficiency amount.</li> </ul>
3.3	<ul style="list-style-type: none"> <li>• Organisational Change Efficiencies from administrative savings, why is this shown here as opposed to within Directorates?</li> </ul>	<ul style="list-style-type: none"> <li>• The Administration Review is a significant cross organisational review being undertaken as corporate piece of work.</li> </ul>
3.4	<ul style="list-style-type: none"> <li>• Increased income from Occupational Health, what is the detail behind this?</li> </ul>	<ul style="list-style-type: none"> <li>• The Occupational Health Department has provided a partnership service to Wrexham CBC for nearly two years. We are seeking to build on this by offering the service to a wider range of organisations.</li> </ul>





**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.0	<u>Lifelong Learning Comments / Issues</u>	
1.1	<u>General Comments/Issues</u> <ul style="list-style-type: none"> <li>• School Governors wanted to record gratitude that there has not been an overall cut made to schools.</li> </ul>	
1.2	<ul style="list-style-type: none"> <li>• Reiteration made that the budget has been handled sensitively and that Officers have presented the detail well</li> </ul>	
1.3	<ul style="list-style-type: none"> <li>• Clarification sought on the 0.45% funding commitment being realised through the increase to the Pupil Deprivation Grant.</li> </ul>	<ul style="list-style-type: none"> <li>• Welsh Government has indicated that 0.45% of the funding commitment to schools will be met through the increase in the Pupil Deprivation Grant. The remaining 0.45% will be met through increases to the schools delegated budget.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>• Organisational Redesign – Expert Independent advice referred to. Does this mean consultants?</li> </ul>	<ul style="list-style-type: none"> <li>• Hay consulting has been appointed to undertake this task for independence and is doing so as cost effectively as possible.</li> </ul>
1.5	<ul style="list-style-type: none"> <li>• Concerned that additional work is not put into schools as head teachers should not be deflected from their role.</li> </ul>	<ul style="list-style-type: none"> <li>• Expectations from headteachers/Estyn are that we should make changes that gain the best outcomes for pupils. Learners need to be supported in their learning communities.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• Concern that the Repairs and Maintenance budget for schools has been a problem and will continue to</li> </ul>	<ul style="list-style-type: none"> <li>• Agreed that we need to look at how we get the best use out of the funding available for repairs and maintenance to</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.7	<p>be one. Can this be looked at? Other changes such as refurbishment due to demographic change add to this pressure.</p> <ul style="list-style-type: none"> <li>• Concern highlighted about the capital amount in the budget for 21<sup>st</sup> Century schools and the high cost of new schools..</li> </ul>	<p>maximise the benefits to schools.</p> <ul style="list-style-type: none"> <li>• One benefit will be that the schools replacement/refurbishment through the 21<sup>st</sup> Century Schools Programme will reduce the demand on the Repair and Maintenance budget in the future releasing resources which can be used to the benefit of all schools.</li> </ul>
2.0	<p><b><u>Lifelong Learning Comments / Issues</u></b></p> <p><b><u>Pressures</u></b></p>	
2.1.	<ul style="list-style-type: none"> <li>• Concern raised about Youth Service provision which is recognised as a pressure but noted also a small efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• This relates to new service strategy which involves a reduction in management but more youth workers.</li> </ul>
2.2	<ul style="list-style-type: none"> <li>• Remission Pressure – clarification sought that zero required in 2014/15 does not mean no budget at all?</li> </ul>	<ul style="list-style-type: none"> <li>• No this means that there will be no increase in 2014/15</li> </ul>
2.3	<ul style="list-style-type: none"> <li>• Noted that no budget required for remission in 2014/15 but why a prior year decision amount of £3k?</li> </ul>	<ul style="list-style-type: none"> <li>• Written response to be provided. A response was provided as part of feedback to Overview and Scrutiny meeting 3/2/14.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.0	<p><b><u>Lifelong Learning Comments / Issues</u></b></p> <p><b><u>Efficiencies</u></b></p> <p>Clarification sought on the following:</p> <ul style="list-style-type: none"> <li>• Services to schools £0.290m. Breakdown is needed prior to Monday's meeting.</li> <li>• Inclusion Services £0.381m. This is about transferring responsibility into schools and concern is raised due to this being a delicate area which it is hard to see how can be achieved without affecting the service.</li> </ul>	<ul style="list-style-type: none"> <li>• There is confidence that the efficiencies can be delivered due to strategies already implemented . A breakdown of this efficiency was provided as part of feedback to Overview and Scrutiny meeting 3/2/14.</li> <li>• Further reports are planned to be brought to Cabinet about this efficiency which will be achieved through a combination of reducing administrative overheads and school consortia working closer together. Delegated via formula funding for them to allocated support more speedily than currently. Proposals are to be implemented from September 2014. This also includes adjustment to the Pupil Referral Unit, Learning Support, Behaviour Support and Inclusion welfare.</li> </ul>
3.3	<ul style="list-style-type: none"> <li>• Leisure Services – why an efficiency of £0.280m but also a pressure. Where are the posts coming from to make this and will we be able to maintain the same level of service as a result?</li> </ul>	<ul style="list-style-type: none"> <li>• The £0.270m is as a result of the Leisure Services Review and is due to management review and staffing deployment.</li> </ul>
3.4	<ul style="list-style-type: none"> <li>• Library Services – Review of contribution £0.131m. Problem recalled when Denbighshire CC was going to withdraw from the service. If this is being transferred</li> </ul>	<ul style="list-style-type: none"> <li>• There is confidence that this efficiency can be realised, however the long term resilience is under question over the services due to other Authorities who may want to</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.5	<p>into schools it may become a problem.</p> <ul style="list-style-type: none"> <li>• Back to Basics – what does this mean?</li> </ul>	<p>withdraw from the service.</p>
3.6	<ul style="list-style-type: none"> <li>• Youth Service – decommissioning of Glanrafon, this centre is used for the music services and other service users.</li> </ul>	<ul style="list-style-type: none"> <li>• Day to day budgets for printing, paper, stationery which are being cut back to make us more efficient. A small but important contribution to setting the budget.</li> </ul>
3.7	<ul style="list-style-type: none"> <li>• Implementation of Service Restructure has reference to Cabinet decision (in detailed papers provided). Why the difference in figures and numbers and posts from that time to the budget report?</li> </ul>	<ul style="list-style-type: none"> <li>• It was confirmed that as part of the decommissioning of this provision alternative arrangements would be identified for the music service.</li> <li>• The Chief Executive indicated that further work has been undertaken to rationalise and release a greater level of efficiency through changes to rotas and operational changes.</li> </ul>
3.8	<ul style="list-style-type: none"> <li>• Early Entitlement &amp; Music Service – more clarification sought.</li> </ul>	<ul style="list-style-type: none"> <li>• This will be secured through maximisation of deployment of the Foundation Phase grant allocation and careful assessment of the levels of training and needs based sustainability budget requirements</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
1.0	<ul style="list-style-type: none"> <li>• <b>General Comments and Questions</b></li> </ul>	
1.1	<ul style="list-style-type: none"> <li>• In the Scrutiny meetings last week, Members were advised that we could only balance the budget gap which is currently £915k from recurring items only. Why therefore is there a suggested strategy of utilising £205k from the Month 8 monitoring position to do this? Can we have details of the breakdown of this amount?</li> </ul>	<ul style="list-style-type: none"> <li>• The £205k is made up of recurring items. Details are as made up of a reduction in previous years efficiencies from Matrix and the Flintshire Futures Asset Programme (£175k) not being achievable together with recurring efficiencies in the budget for Discretionary Housing Payments as a result of lower demand than anticipated and a reprofiling of Housing Benefit income.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• Concern raised that we are referring to a projected position in relation to the Contingency sum available. Events could happen in Month 9 – Month 12 which could affect the actual year end position.</li> </ul>	<ul style="list-style-type: none"> <li>• £3.7m is the update at Month 8. This is a reasonable assumption to work on that this level will be achieved and is consistent with the approach taken in previous years budget strategies.</li> </ul>
1.3	<ul style="list-style-type: none"> <li>• Bridging Finance, why do we have to do this? It is not the usual way of balancing the budget.</li> </ul>	<ul style="list-style-type: none"> <li>• This relates to efficiencies that we will not achieve in full in the first financial year (2014/15) even though they will be recurring in later years. The bridging or transitional funding from reserves relates to the timing of these. Without the use of bridging finance funded from through the Investment Strategy, the gap still to find from recurring efficiencies would be £2m.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
1.4	<ul style="list-style-type: none"> <li>• There is reference to a review of the proposed Council Tax level as part of the strategy to close the gap, has any further work been done on this?</li> </ul>	<ul style="list-style-type: none"> <li>• The projection currently includes an assumption of a 3% increase in Council tax. A further 1% increase would bring in a gross amount of £0.5m but we need to calculate the effect of the Council Tax Reduction Scheme in order for us to have the net position.</li> </ul>
1.5	<ul style="list-style-type: none"> <li>• Is there anything in place to replenish reserves for the future?</li> </ul>	<ul style="list-style-type: none"> <li>• Currently there is £1.580m built in to the assumptions for 2015/16 and 2016/17 for investment costs. In 2014/15 this is not required as the resources available from the review of reserves and balances has provided resource for the investment strategy and there is not a not need to make a contribution from base budget.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• How do Members know that we have not over assumed the amount of bridging finance?</li> </ul>	<ul style="list-style-type: none"> <li>• The risk management approach to the budget provides assurance that the VFM work can be delivered within agreed timescales and the bridging reflects this.</li> </ul>
1.7	<ul style="list-style-type: none"> <li>• Reference to previous restructures in 2005 and that this did not work out then so what assurance it can be delivered this time?</li> </ul>	<ul style="list-style-type: none"> <li>• The organisation does need to change and this does need to be controlled. Establishment control is essential to this. Much tighter control will be possible following the introduction of the Single Status agreement and the realignment of budgets..</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
1.8	<ul style="list-style-type: none"> <li>• Reference to information which shows that FCC have underspent on staff costs for a number of years. Meeting requested with CEO.</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting to be arranged.</li> </ul>
1.9	<ul style="list-style-type: none"> <li>• With Single Status and future reorganisation, if we are not careful we will be open to further challenges on Equal Pay claims and people who are left in a reduced workforce may need revised job evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs may need to be re-evaluated if their role changes but this will not lead to additional equal pay claims as this has been resolved through the Single Status agreement and the new pay structure..</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
<p><b>2.00 Pressures/Investments</b></p> <p>2.1</p>	<ul style="list-style-type: none"> <li>With regard to the pressure of £0.962m for Leisure, this is partly related to a capital payment. How much is that and can we have further detail on this pressure?</li> </ul>	<ul style="list-style-type: none"> <li>An allocation of £0.505m from the contingency reserve was made in 2013/14 to address the in-year budget implications of the revised Leisure Centres business plan. This amount is included on a recurring basis within the £0.962m for Leisure Centres identified in the budget proposals for 2014/15.</li> </ul>



**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
<p><b><u>Corporate Resources Comments / Issues</u></b></p> <p><b><u>Efficiencies</u></b></p> <p>3.0</p> <p>3.1</p> <p>3.2</p> <p>3.3</p>	<p>• With reference to additional efficiencies that may be available from Procurement/Back to Basics, has that not already been included?</p> <p>• Can we have more detail of the Workforce Cost of Employment?</p> <p>• The slide referring to meeting the budget gap makes reference to further efficiencies under the VFM programme. What other types of efficiencies are being included?</p>	<p>• The outcome of the work so far has been included but this work is ongoing and we are striving to find as much as possible from this source.</p> <p>• This relates to Professional Subscriptions/travel etc. It is not related to Part 3 terms and conditions. Discussions have been held with the Unions .</p> <p>• The identification of efficiencies is an ongoing process which will continue until the budget is balanced . A risk based approach is being taken to identify what is achievable. There are no further VFMs in Service areas identified for inclusion..</p>



## Budget 2014/15 Council Fund - Revenue

### Summary of Council Fund Earmarked Reserves

	Estimated Balance 01/04/14 £m	Estimated Balance 31/03/15 £m
<b><u>Service Balances</u></b>		
Community Services	0.029	0.000
Environment	1.140	0.413
Corporate Services	1.319	0.000
<b>Total</b>	<b>2.488</b>	<b>0.413</b>
<b><u>Corporate Balances</u></b>		
Equal Pay / Single Status	27.618	10.767
<b>Total</b>	<b>27.618</b>	<b>10.767</b>
<b><u>Specific Reserves</u></b>		
Insurance Fund - Asbestos	0.160	0.160
Benefits Equalisation	1.200	0.300
Supporting People	1.493	1.293
Building Control	0.200	0.150
Milk Quotas	0.077	0.081
Waste Disposal	0.518	0.418
Flint Castle Landfill Site	0.030	0.030
Flintshire Business Services	0.089	0.039
Winter Maintenance	0.250	0.250
Design Fees	0.120	0.120
County Elections	0.092	0.092
Third Party Insurance Claims	0.087	0.087
Flintshire Insurance	0.600	0.600
Minor Reserves under £0.050m	0.038	0.028
<b>Total</b>	<b>4.954</b>	<b>3.648</b>



## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **HEAD OF FINANCE, CHIEF EXECUTIVE, DIRECTOR OF ENVIRONMENT**

**SUBJECT:** **COUNCIL FUND CAPITAL PROGRAMME 2014/15 AND INDICATIVE FUNDING TO 2017/18**

### **1.00 PURPOSE OF REPORT**

1.01 The purpose of the report is to propose the Council Fund Capital Programme for 2014/15 (with indicative funding estimates for future years), following consultation with the Corporate Resources Overview and Scrutiny Committee.

### **2.00 BACKGROUND**

2.01 The Council plans on a 4 year capital programme timescale. Each year, the Council sets its capital programme for the coming year and provides an indication of the estimated level of resources available and has historically shown the potential allocation to service areas in future years.

2.02 Indicative amounts for 2014/15 were shown in the Capital programme 2013/14 report which was agreed by Council on 1<sup>st</sup> March 2013.

2.03 Capital programme and capital monitoring reports over recent years have highlighted the growing pressure being experienced by all councils in relation to capital. The specific background to the setting of the Council's 2014/15 capital programme was discussed with Members at the Budget Workshops on December 16<sup>th</sup> and 18<sup>th</sup> 2013, who supported the proposed approach to the capital programme for 2014/15.

2.04 A meeting hosted by Corporate Resources Overview and Scrutiny Committee was held on 3<sup>rd</sup> February to enable all Members to consider the 2014/15 capital programme. Members raised various comments and questions and responses were provided and a summary of these are detailed in Appendix 3.

2.05 This report covers the Council Fund only. The initial Housing Revenue Account (HRA) capital programme proposals were considered alongside the HRA revenue budget proposals for 2014/15 by Cabinet and the Housing Overview and Scrutiny Committee in January and the final proposals are also on this agenda.

### **3.00 CAPITAL STRATEGY**

3.01 Flintshire, along with all Councils, has experienced significant pressure on the capital programme in recent years. This results from reduced funding available through the annual financial settlement from the Welsh government (WG) and the impact the economy has had on the generation of capital receipts. Furthermore, as WG seeks to manage its own budgets, the specific grants available to Councils for capital investment in particular services has become more limited; with WG switching its support for Highways Maintenance and 21<sup>st</sup> Century Schools to revenue support for Council borrowing in place of capital grant.

3.02 The pressure on capital resources comes at the same time as significant financial pressure on revenue budgets and is a situation which is set to continue until at least the end of the decade. The combination of the two means that it is more important than ever that the Council's revenue and capital service delivery and financial planning are fully integrated.

3.03 Against this backdrop, it was recognised, during the lead into the setting of the capital programme for 2013/14, that there was a need to review:-

- The approach to the management of assets to ensure that they meet Council priorities in terms of service delivery, community development, income generation and capital receipts; and
- The development and management of the capital programme to ensure it most effectively meets the Council's aspirations, with a Capital Financing Strategy as an integral part of the overall Medium Term Financial Strategy.

3.04 Significant work has been undertaken by officers in 2013 to review capital assets and how and where services are delivered from. The information from this review is being brought together for detailed Member consideration and public engagement in the spring of 2014.

3.05 The availability of this review information is crucial to decisions on future service delivery, prioritising investment, aligning resources and achieving value for money in the longer term.

3.06 Whilst this work on planning for the longer term is developing, it is important that the Council sets its core capital programme and puts in place funding to meet urgent needs for 2014/15 to enable the resources to be in place to:-

- Support key services e.g. schools maintenance;
- Support investment which enables change e.g. ICT networks;
- Provide funding for property related costs e.g. DDA, Health & Safety; and
- Meet essential contractual commitments and health & safety issues.

#### **4.00 FUNDING THE CAPITAL PROGRAMME**

4.01 The capital programme includes the following elements which are funded as shown below:-

(a) A core capital programme resourced by:-

- The funding mechanisms within the WG financial settlement (general capital grant and supported borrowing where WG recognise the cost of repaying the borrowing in the revenue financial settlement); and
- Capital receipts from the sale of Council assets in accordance with the disposal programme.

The Council has discretion to allocate both of these resources as it determines to meet local priorities and needs.

- (b) Capital schemes funded from specific grants which are for specific purposes as directed by WG or other grant providers;
- (c) WG supported borrowing through the Local Government Borrowing Initiative (LGBI) for highways and 21<sup>st</sup> Century schools (WG element); and
- (d) Locally determined unsupported (prudential) borrowing which is met from the Council's revenue budget without support from WG.

#### **5.00 CORE CAPITAL PROGRAMME**

5.01 The total projected core funding available over the 4 year period 2014/15 to 2017/18, by way of the sources in 4.01 (a) above, is shown in the table below and amounts to £31.898m.

<b>ESTIMATED AVAILABLE CORE FUNDING 2014/15 - 2017/18</b>					
	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
<b>Funding (Excluding Specific Items)</b>					
Unhypothesized Supported Borrowing (USB) <sup>1</sup>	4.299	4.299	4.299	4.299	17.196
General Capital Grant (GCG) <sup>1</sup>	2.616	2.616	2.616	2.616	10.464
Capital Receipts	1.250	1.250	1.250	1.250	5.000
(Shortfall) / Surplus from 2013/14	(0.762)				(0.762)
<b>Total</b>	<b>7.403</b>	<b>8.165</b>	<b>8.165</b>	<b>8.165</b>	<b>31.898</b>
<b>1 As per 14/15 Final Settlement.</b>					

5.01.1 This shows that the total resources available in 2014/15 to fund the core capital programme are £7.403m.

### **Funding**

5.02 The basis for the estimates of funding levels are as follows:-

#### **USB and GCG**

5.02.1 The final financial settlement received from WG in December 2013 provided a total of £6.915m, £4.299m through USB and £2.616m via GCG. This has been assumed to be consistent throughout the reporting period.

#### **Capital Receipts**

5.02.2 The issue of capital receipts continues to be a problematic one for the Council. In the current economic climate it is difficult to predict with certainty when disposals will be effected and the funds therefore realised to support the capital programme. This led to the Council's decision to withhold 20% of the core programme in the current financial year. The Month 6 report to Cabinet on 17<sup>th</sup> December recommended that this 20% continue to be held back in 2013/14.

5.02.3 As a consequence of this continued position it is considered to be imprudent to set capital budgets where the funding may not be realised. It is therefore recommended that the 2014/15 core capital programme budget be set based on a minimal capital receipts target of £1.250m, which the Council is confident can be achieved. This will have the effect of reducing the overall core programme by c30% (£3.083m) in 2014/15 from that indicated last year.



5.02.4 Any receipts generated over and above the target figure of £1.250m could either be:-

- Released in year to supplement the programme; or
- Allocated in 2015/16 by adding them to WG funding to fund the core capital programme or utilised to fund capital works arising from the asset review.

It is further recommended that any such additional receipts in 2014/15 be kept until the 2015/16 financial year, so that going forward each subsequent year's budget is based on actual receipts from the previous year, placing the Capital Programme on a more secure footing during difficult economic times.

5.02.5 As a result of the uncertainty about receipt levels, the forecast of receipts in this report is limited to four years rather than the 10 years which has been provided in reports in previous years and is forecast at a consistent level over the period.

5.02.6 Whilst it is appreciated that this approach may cause short term operational challenges, this process will allow future core capital programmes to be set based on known levels of funding and will remove the uncertainty over capital planning that has been inherent in previous years.

#### **Shortfall from 2013/14**

5.02.7 As previously reported in capital monitoring reports, the final shortfall carried into 2013/14 was £3.028m as a result of receipts in previous years not reaching anticipated levels. This was mitigated by the 20% holdback in year and the capital receipt received on the liquidation of AD Waste and increased by a shortfall in in-year capital receipts and new budget pressures, resulting in a revised shortfall of £0.762m carried into 2014/15 (Section 3.05.5 of the Month 6 monitoring report to Cabinet on 17<sup>th</sup> December 2013 refers).

#### **Allocation of the available funding**

5.03 As indicated in 5.01.1, the total amount available to fund the core capital programme in 2014/15 is £7.403m.

5.04 In taking a broadly one year approach to the capital programme, pending the longer term planning described in 3.04, it is important to adopt a risk based approach to identify any urgent capital needs which need to be addressed in 2014/15 to avoid known and unavoidable pressures arising and causing pressure on the programme in year. This has been restricted to contractual and health & safety matters only.

5.05 As a result, two items for inclusion have been identified and it is recommended that these be met from the core programme resources before allocating the remainder to core schemes:-

<b><u>CAPITAL BUDGET 14/15 - ADDITIONAL ITEMS</u></b>		
<b>SCHEME</b>	<b>DESCRIPTION</b>	<b>VALUE £m</b>
Glanrafon Centre, Queensferry	Health and safety works to roof and internal facilities	0.060
A548 Highways Works	Contractual claim re additional works	0.085
		<b>0.145</b>

5.06 This leaves £7.258m to be allocated to the remaining core schemes. Heads of Service from all three operational Directorates and Corporate Services carried out an in-depth review of the core schemes to recognise any statutory/contractual obligations and inherent risks in reducing funding from previously indicated levels. In addition, consideration has been given to the timing of programmes, client groups, links with external funding partners, the level of funding in prior years and specific funding needs for 2014/15.

5.07 The resulting recommended allocations for 2014/15 can be found in Appendix 1. Detailed programmes for future years will be drawn up in the light of actual levels of receipts becoming known.

**6.00 ESTIMATED TOTAL COUNCIL FUND CAPITAL PROGRAMME**

6.01 The total projected funding available (including the core programme) over the 4 year period 2014/15 to 2017/18, by way of the sources in 4.01 (a) to (d) above, is shown in the table below and amounts to £101.361m.

ESTIMATED AVAILABLE TOTAL FUNDING 2014/15 - 2017/18					
	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
<b>Funding (Total)</b>					
<u>General Funding</u>					
Unhypotheated Supported Borrowing (USB) <sup>1</sup>	4.299	4.299	4.299	4.299	17.196
General Capital Grant (GCG) <sup>1</sup>	2.616	2.616	2.616	2.616	10.464
Capital Receipts	1.250	1.250	1.250	1.250	5.000
(Shortfall) / Surplus from 2013/14	(0.762)				(0.762)
<b>Sub Total</b>	<b>7.403</b>	<b>8.165</b>	<b>8.165</b>	<b>8.165</b>	<b>31.898</b>
<u>Specific Funding</u>					
Specific Capital Grants	5.275	0.747	0.576		6.598
Unsupported (Prudential) Borrowing	1.960	21.558	4.043	0.504	28.065
Local Govt Borrowing Initiative - Highways	2.700				2.700
Local Govt Borrowing Initiative - 21st C Schools	3.635	22.698	5.263	0.504	32.100
<b>Sub Total</b>	<b>13.570</b>	<b>45.003</b>	<b>9.882</b>	<b>1.008</b>	<b>69.463</b>
<b>Total Funding Available</b>	<b>20.973</b>	<b>53.168</b>	<b>18.047</b>	<b>9.173</b>	<b>101.361</b>
<b>1 As per 14/15 Final Settlement.</b>					

- 6.02 This shows that the total resources available in 2014/15 to fund the capital programme are £20.973m.
- 6.03 Appendix 2 sets out the estimated total capital programme for 2014/15, taking account of all funding sources referred to in Section 4. These are detailed below.
- 6.04 The core allocations, as funded by those sources referred to in Section 5, can be found in the column 'General'.
- 6.05 Specific allocations can be found in the column 'Specific'. In 2014/15 this adds further investment of £13.570m (See 6.06 to 6.09 below).

- 6.06 Specific grants amount to £5.275m and include £1.7m Regional Transport Grant, £1.542m Transition to 21C Schools and £0.950m for Land Drainage. The amounts included are based on historical allocations and information available at the time of writing the report, any subsequent variation in the level of individual grants will be dealt with by amending the budget as necessary in year. These allocations are for specific time durations hence the variation in amount year on year.
- 6.07 Unsupported (prudential) borrowing of £1.960m relates to funding for schemes approved in previous years.
- 6.08 A further £4m is to be made available across Wales by WG in 2014/15 under the Local Government Borrowing Initiative (on top of the £4m provided in 2012/13 and 2013/14) to support the borrowing charges (revenue) of highways capital works. This equates to £2.7m for Flintshire in 2014/15.
- 6.09 In addition to the above, WG has recently announced an extension of the LGBI to include schools; this will bring forward funding (between 2014/15 and 2016/17) of £200m across Wales, which will be used to support the borrowing charges (revenue) that fund the WG element of the 21st Century Schools Programme. This equates to £3.635m for Flintshire in 2014/15.
- 6.10 It can be seen that the indicative funding for 2015/16 includes £44.176m related to 21<sup>st</sup> C schools. Whilst preliminary expenditure on the 21<sup>st</sup> C schools programme has taken place in 2013/14, the programme is for significant expenditure to commence from 2015/16 to deliver on the £64m of investment in Flintshire schools under the 21<sup>st</sup> C programme which is funded equally by Flintshire and WG.

## **7.00 CONSULTATION**

- 7.01 A meeting of the Corporate Resources Overview & Scrutiny Committee was held on 3rd February 2014, at which the capital programme proposals as set out in this paper were considered. The scrutiny meeting was open to all Members of the Council and the feedback from the meeting is incorporated at Appendix 3

## **8.00 RECOMMENDATIONS**

8.01 Cabinet is asked to recommend to Council on 18<sup>th</sup> February that they:

- (a) Note the report.
- (b) Approve the allocation of funding to the core capital programme in 2014/15, as shown in Appendix 1, including the additional items referred to in Section 5.05, and note the indicative funding available for future years.
- (c) Approve the setting of a minimal capital receipts target for 2014/15 and the process whereby receipts generated in one financial year are used to fund expenditure in the next (See Section 5.02.3 and 5.02.4).

## **9.00 FINANCIAL IMPLICATIONS**

9.01 As set out in the report.

## **10.00 ANTI-POVERTY IMPACT**

10.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

## **11.00 ENVIRONMENTAL IMPACT**

11.01 Individual Capital Programme Schemes may have specific environmental impacts.

## **12.00 EQUALITIES IMPACT**

12.01 Individual Capital Programme Schemes may have specific equality impacts.

## **13.00 PERSONNEL IMPLICATIONS**

13.01 None directly as a result of this report.

## **14.00 CONSULTATION REQUIRED**

14.01 All Members through Overview & Scrutiny.

## **15.00 CONSULTATION UNDERTAKEN**

15.01 Initial discussion took place at the Member workshops on 16<sup>th</sup> and 18<sup>th</sup> December, 2013.

15.02 Corporate Resources Overview & Scrutiny Committee on 3<sup>rd</sup> February.

**16.00 APPENDICES**

16.01 Appendix 1 – Core Capital Programme Schemes 2014/15

Appendix 2 – Total Capital Programme 2014/15

Appendix 3 – Feedback from Overview and Scrutiny

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

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**CORE CAPITAL PROGRAMME SCHEMES**

**APPENDIX 1**

	2014/15 Estimate £m
<b>SUMMARY</b>	
<b>COUNCIL FUND</b>	
COMMUNITY SERVICES	1.885
ENVIRONMENT	2.345
LIFELONG LEARNING	2.035
CORPORATE SERVICES	1.135
<b>TOTAL - COUNCIL FUND</b>	<b>7.400</b>

<b>FINANCING</b>	
Unhypothesized Supported Borrowing (USB)	4.299
General Capital Grant	2.616
Capital Receipts	0.488
(Unallocated - Headroom)) / Under Financing	(0.003)
<b>TOTAL - FINANCING</b>	<b>7.400</b>

## CORE CAPITAL PROGRAMME SCHEMES APPENDIX 1 (Cont.)

		2014/15 Estimate
		£m
<b>COMMUNITY SERVICES</b>		
<b>Grants</b>		
Various	Private Sector Renewal and Improvements	1.730
Shotton	Housing Renewal Area Support	0.155
<b>TOTAL - COMMUNITY SERVICES</b>		<b>1.885</b>

<b>ENVIRONMENT</b>		
<b>Administrative Buildings</b>		
Various	Disability Discrimination Act (DDA) Works	0.175
Various	Energy Efficiency Measures	0.100
Various	Renewable Energy Installations	0.100
Various	Asbestos Removal	0.070
Various	Legionella Monitoring	0.070
Various	Upgrading Fire and Intruder Alarms	0.055
Various	Fire Safety Order Works	0.100
Various	Corporate Property Maintenance	0.350
Queensferry	Glanrafon - Health & Safety Works	0.060
<b>Engineering</b>		
Various	Land Drainage Works - General	0.045
Various	Coast Protection Works - General	0.070
<b>Highways</b>		
Various	Highways Infrastructure	0.520
Various	Bridge Assessments and Replacement	0.100
Various	Street Lighting Replacement	0.120
Various	Structural Maintenance	0.120
Gronant	A548 Contractual Claim	0.085
<b>Regeneration</b>		
Various	Town Centre Regeneration	0.130
Flint	Townscape Heritage Initiative	0.075
<b>TOTAL - ENVIRONMENT</b>		<b>2.345</b>



## CORE CAPITAL PROGRAMME SCHEMES APPENDIX 1 (Cont.)

		2014/15 Estimate £m
<b>LIFELONG LEARNING</b>		
<b>Education - General</b>		
Various	School Buildings Repairs and Maintenance	1.700
Various	Disability Discrimination Act - Individual Pupils	0.250
Various	Furniture and Equipment	0.045
<b>Primary Schools</b>		
Various	Learning Environments (Foundation Phase)	0.040
<b>TOTAL - LIFELONG LEARNING</b>		<b>2.035</b>

<b>CORPORATE SERVICES</b>		
<b>ICT and Customer Services</b>		
General	ICT Infrastructure	0.170
General	Agile Working Investment	0.070
General	EDRMS Implementation	0.065
General	ICT Infrastructure	0.140
General	Microsoft Enterprise Agreement	0.350
<b>Flintshire Connects</b>		
Various	Flintshire Connects	0.250
<b>Corporate Finance</b>		
General	Minor Capital Works - Health & Safety	0.075
General	Corporate Provision - Feasibility Studies	
<b>Clwyd Theatr Cymru</b>		
General	Provision	0.015
<b>TOTAL - CORPORATE SERVICES</b>		<b>1.135</b>
<b>TOTAL - COUNCIL FUND</b>		<b>7.400</b>

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**TOTAL CAPITAL PROGRAMME SCHEMES**

**APPENDIX 2**

	Estimate 2014/15		
	Estimated Payments	Financing	
		General	Specific
	£m	£m	£m
<b>SUMMARY</b>			
<b>COUNCIL FUND</b>			
COMMUNITY SERVICES	2.461	1.885	0.576
ENVIRONMENT	8.146	2.345	5.801
LIFELONG LEARNING	9.228	2.035	7.193
CORPORATE SERVICES	1.135	1.135	0.000
<b>TOTAL - COUNCIL FUND</b>	<b>20.970</b>	<b>7.400</b>	<b>13.570</b>

<b>FINANCING</b>			
Unhypothesized Supported Borrowing (USB)	4.299	4.299	
General Capital Grant	2.616	2.616	
Capital Receipts	0.488	0.488	
Specific Capital Grants	5.275		5.275
Unsupported (Prudential) Borrowing	1.960		1.960
Local Government Borrowing Initiative (LGBI) - Highways	2.700		2.700
Local Government Borrowing Initiative (LGBI) - 21C Schools	3.635		3.635
(Unallocated - Headroom) / Under Financing	(0.003)	(0.003)	0.000
<b>TOTAL - FINANCING</b>	<b>20.970</b>	<b>7.400</b>	<b>13.570</b>

**TOTAL CAPITAL PROGRAMME SCHEMES**

**APPENDIX 2 (Cont.)**

		Estimate 2014/15		
		Estimated Payments	Financing	
			General	Specific
£m	£m	£m	£m	
<b>COMMUNITY SERVICES</b>				
<b>Grants</b>				
Various	Private Sector Renewal and Improvements	1.878	1.730	0.148
Shotton	Housing Renewal Area Support	0.433	0.155	0.278
<b>Travellers' Sites</b>				
Queensferry	Riverside Caravan Site	0.150		0.150
<b>TOTAL - COMMUNITY SERVICES</b>		<b>2.461</b>	<b>1.885</b>	<b>0.576</b>

<b>ENVIRONMENT</b>				
<b>Administrative Buildings</b>				
Various	Disability Discrimination Act (DDA) Works	0.175	0.175	
Various	Energy Efficiency Measures	0.100	0.100	
Various	Renewable Energy Installations	0.100	0.100	
Various	Asbestos Removal	0.070	0.070	
Various	Legionella Monitoring	0.070	0.070	
Various	Upgrading Fire and Intruder Alarms	0.055	0.055	
Various	Fire Safety Order Works	0.100	0.100	
Various	Corporate Property Maintenance	0.350	0.350	
Alltami	Depot Rationalisation	0.075		0.075
Queensferry	Glanrafon - Health & Safety Works	0.060	0.060	
<b>Engineering</b>				
Various	Land Drainage Works - General	0.995	0.045	0.950
Various	Coast Protection Works - General	0.070	0.070	
<b>Highways</b>				
Various	Highways Infrastructure	2.220	0.520	1.700
Various	Bridge Assessments and Replacement	0.100	0.100	
Various	Street Lighting Replacement	0.120	0.120	
Various	Structural Maintenance	0.120	0.120	
Various	Local Government Borrowing Initiative (LGBI)	2.700		2.700
Gronant	A548 Contractual Claim	0.085	0.085	
<b>Regeneration</b>				
Various	Town Centre Regeneration	0.137	0.130	0.007
Flint	Townscape Heritage Initiative	0.309	0.075	0.234
<b>Ranger Services</b>				
Connahs Quay	Wepre Park Development	0.135		0.135
<b>TOTAL - ENVIRONMENT</b>		<b>8.146</b>	<b>2.345</b>	<b>5.801</b>

**TOTAL CAPITAL PROGRAMME SCHEMES**

**APPENDIX 2 (Cont.)**

		Estimate 2014/15		
		Estimated Payments	Financing	
			General	Specific
		£m	£m	£m
<b>LIFELONG LEARNING</b>				
<b>Education - General</b>				
Various	School Buildings Repairs and Maintenance	1.700	1.700	
Various	Disability Discrimination Act - Individual Pupils	0.250	0.250	
Various	Furniture and Equipment	0.045	0.045	
<b>School Modernisation</b>				
Various	21st Century Schools	5.268		5.268
Shotton	Taliesin Junior/Shotton Infant	1.794		1.794
<b>Primary Schools</b>				
Various	Learning Environments (Foundation Phase)	0.040	0.040	
Various	Flying Start Capital Expansion Programme	0.131		0.131
<b>TOTAL - LIFELONG LEARNING</b>		<b>9.228</b>	<b>2.035</b>	<b>7.193</b>

<b>CORPORATE SERVICES</b>				
<b>ICT and Customer Services</b>				
General	ICT Infrastructure	0.170	0.170	
General	Agile Working Investment	0.070	0.070	
General	EDRMS Implementation	0.065	0.065	
General	ICT Infrastructure	0.140	0.140	
General	Microsoft Enterprise Agreement	0.350	0.350	
<b>Flintshire Connects</b>				
Various	Flintshire Connects	0.250	0.250	
<b>Corporate Finance</b>				
General	Minor Capital Works - Health & Safety	0.075	0.075	
General	Corporate Provision - Feasibility Studies			
<b>Clwyd Theatr Cymru</b>				
General	Provision	0.015	0.015	
<b>TOTAL - CORPORATE SERVICES</b>		<b>1.135</b>	<b>1.135</b>	<b>0.000</b>
<b>TOTAL - COUNCIL FUND</b>		<b>20.970</b>	<b>7.400</b>	<b>13.570</b>

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**OVERVIEW & SCRUTINY**  
**Corporate Resources – Council Fund Capital Programme**

No.	Comments and Questions:	Responses:
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<p><b>1.0</b> <b><u>School Modernisation</u></b></p> <ul style="list-style-type: none"> <li>• Is the £5.268m in Appendix 2 in addition to the £3.635m in the Table in 6.01 of the Report?</li> <li>• Who decides which schools are in the 21<sup>st</sup> Century Schools Programme?</li> </ul> <p><b>2.0</b> <b><u>School Repair &amp; Maintenance</u></b></p> <ul style="list-style-type: none"> <li>• There is still a large backlog of repairs and the 2014/15 allocation is down to £1.700m. If deterioration in our school buildings continues at more than this level, we are not even addressing the backlog.</li> </ul> <p><b>3.0</b> <b><u>Highways</u></b></p> <ul style="list-style-type: none"> <li>• What is the £0.085k in Gronant?</li> </ul>	<ul style="list-style-type: none"> <li>• No, the £3.635m makes up part of the £5.268m.</li> <li>• Tranche 1 schemes in Holywell, Connah’s Quay and Queensferry have already been agreed by WG and by Council (December 2011). Details of Tranche 2 schemes are currently being worked on by officers.</li> <li>• The maintenance backlog is reducing by more than the annual allocation from the core programme.</li> <li>• This is part of ongoing contractual negotiations and is therefore commercially sensitive, details will be provided outside of the meeting.</li> </ul>
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**OVERVIEW & SCRUTINY**  
**Corporate Resources – Council Fund Capital Programme**

No.	Comments and Questions:	Responses:
4.0	<p><b><u>Local Government Borrowing Initiative (LGBI)</u></b></p> <ul style="list-style-type: none"> <li>• Relating to paras 6.08 and 6.09 of the report, is it correct that we are borrowing on WG’s behalf?</li> <li>• Is the LGBI revenue support for principal and interest repayments or interest only?</li> <li>• If the revenue support is in the Revenue Support Grant (RSG) and that reduces in future years, does the support reduce also? Could it not be ringfenced as it is a known commitment?</li> <li>• Will the Leader of the Council take this up with WG for future settlements?</li> </ul>	<ul style="list-style-type: none"> <li>• WG are providing the revenue support to enable the Council to borrow on their behalf. This revenue support is in the RSG for the period of the borrowing (20 years in the case of highways).</li> <li>• The response to this will be part of a more comprehensive response to a similar query raised recently at County Council. A copy of the response will be sent to all Members.</li> <li>• RSG is unhypothecated and no ringfencing of amounts within the settlement takes place, though that does not mean that the Council cannot ringfence these funds when setting the annual revenue budget. WGA is call for more hypothecation in the future.</li> <li>• Research since the Scrutiny meeting has identified that the amount for LGBI is shown specifically in the make up of the RSG amount, although the total sum remains unhypothecated.</li> </ul>



**OVERVIEW & SCRUTINY**  
**Corporate Resources – Council Fund Capital Programme**

No.	Comments and Questions:	Responses:
5.0	<p><b><u>General</u></b></p> <ul style="list-style-type: none"> <li>• <b>Shortfall</b> - What is the explanation for the projected shortfall of £0.762m?</li> <li>• <b>Capital Programme</b> – There are a number of schemes where the stated location is ‘various’. Why is this?</li> <li>• Are there already programmes drawn up for those items marked as ‘various’?</li> </ul>	<ul style="list-style-type: none"> <li>• This shortfall is the estimated under-funding of committed capital schemes as at the year end as a result of capital receipts being lower than estimated in prior years. This shortfall has first call on the resources for 2024/15.</li> <li>• Many of the allocations in the Core Programme are not site or area specific but are there to address issues as they arise in year e.g. DDA works.</li> <li>• Programmes are developed based on identified needs and priorities once the funding has been approved by Council.</li> </ul>

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **CHIEF EXECUTIVE, HEAD OF FINANCE, DIRECTOR OF COMMUNITY SERVICES, HEAD OF HOUSING**

**SUBJECT:** **HOUSING REVENUE ACCOUNT 2014/15 & CAPITAL PROGRAMME 2014/15**

### **1.00 PURPOSE OF REPORT**

- 1.01 To consider the Housing Revenue Accounts (HRA) budget as set out in 1.02 and 1.03.
- 1.02 Revenue budget proposals for the 2014/15 financial year, including proposed rent and service charge changes, key areas of income and expenditure, and the level of closing balance at the year end.
- 1.03 Budget proposals for the HRA Capital programme 2014/15, which is year three of a six year improvement programme.
- 1.04 To note the impact of the proposed revenue budget and capital programme on the HRA 30 year Business Plan.

### **2.00 BACKGROUND**

- 2.01 As the Council has a stock of Council housing, it is required by the Local Government and Housing Act 1989 to keep a HRA in accordance with proper accounting practices, and to budget to avoid an end of year deficit.
- 2.02 The HRA is a “ring-fenced” account of certain defined transactions relating to Local Authority Housing. The ring-fenced nature of the account means that funding cannot be transferred between the Council Fund and HRA or vice versa, other than in certain prescribed circumstances.
- 2.03 Although there is a legal requirement to avoid an end of year deficit, it is also considered to be good practice to budget for a closing balance of at least 3% of total expenditure of the HRA.
- 2.04 Prior to the start of each financial year, the Welsh Government (WG) consults with Local Authorities on the draft HRA subsidy and Item 8 determinations. These are the key financial determinations set each year by WG which influence Local Authority rent increases, and also the amount of HRA subsidy payable by the council. The two main

elements of the consultation are the “guideline rent increase” and the Management and Maintenance (M&M) element of the HRA subsidy.

- 2.05 The management and maintenance allowance element of HRA subsidy is the amount which WG considers each Local Authority requires per HRA dwelling to manage and maintain the housing stock held within the HRA.
- 2.06 Initial budget proposals for 2014/15 were approved by Cabinet on 21 January 2014 and considered by the Housing Overview and Scrutiny Committee later the same day. The revenue budget and capital programme proposals were welcomed by scrutiny and no changes were requested to the initial budget proposals set out by the Cabinet. A summary of the questions raised at the scrutiny meeting and responses provided is included as Appendix 6.

### **New Rent Policy for Wales and exit from the HRA subsidy system**

- 2.07 The new rent policy will be introduced in April 2015 and will allow for the convergence of rents for both local authority and registered social landlords. The rent policy sets a target rent band for each landlord and landlords will be required to operate with average weekly rent levels that fall within the scope of those bands. The banding is 5% above or below the target rent.
- 2.08 Where a landlord’s weekly rent is higher than the target rent band, the landlord will be expected to increase its rents more slowly e.g. at 0.5% less than the rate of rent increases for the sector as a whole until the average weekly rent falls within the target rent band.
- 2.09 Where a landlord’s weekly rent is lower than the target rent band, transitional protection will apply to tenants. In any year a landlord will not be permitted to increase the rent for any individual tenant by more than £2 per week in addition to the agreed average annual rate of rent increases for the sector as a whole.
- 2.10 The introduction of the new rents policy will also mark the end of the current subsidy system where the HRA returns an element of its rents back to WG (Currently £6.0m for Flintshire) each year. Stock owning local authorities will ‘buy out’ of the system via a one off payment to HM Treasury funded from HRA prudential borrowing. It is anticipated that the change will be advantageous for Councils. WG agreed the principle of the exit from the subsidy system in June 2013 and the details of how this will be brought into place across Wales are being developed. Further reports will be brought to Members, when the details are known.

### **3.00 CONSIDERATIONS**

#### **REVENUE BUDGET 2014/15**

3.01 The final Housing Revenue Account subsidy and Item 8 determinations were received from WG on the 3<sup>rd</sup> February 2014. There was one minor adjustment to the proposed guideline rent for Flintshire to the Draft determinations that were received 20<sup>th</sup> December 2013, with all other aspects of the determinations unchanged.

#### **Guideline Rent Increase**

3.02 The final determinations from WG are to increase the all-Wales average weekly guideline rent by 4.2%.

- using the previous September CPI inflation figure of 2.7% and
- and apply a 1.5% real increase to the average local authority guideline rent for 2014-15.

The guideline rent increase is the amount by which WG considers each Authority should increase weekly rents in order to make progress towards achievement of the key WG objective of “benchmark” rents, where Local Authority and Registered Social Landlords (RSL) rents for similar properties in similar areas are broadly the same.

3.03 The final guideline weekly rent increase for Flintshire 2014/15 is £3.32 per week, (on a 52 week collection basis). This is a percentage increase of 4.63% (4.60% at provisional stage) to rents compared to the all Wales average of 4.2%. The difference mainly due to a factor that is applied to all councils for economic value of the stock, this is however a reduced increase compared to the 2013/14 budget which saw an increase in rents of 5.0%. Currently 9% of Flintshire social rents are at the benchmark level.

3.04 The current levels of benefit claimants amongst Flintshire housing tenants are illustrated in the table below :-

<b>Flintshire Tenants - Housing Benefit Claimants</b>		
<b>Benefit Status</b>	<b>Tenants</b>	
	<b>Number</b>	<b>%</b>
Full/Partial Benefit	4985	67.1%
Full Rent	2441	32.9%
Total	7426	100.0%

- 3.05 As illustrated above, approximately 67.1% of the Councils 7,426 tenants would face no additional hardship as a consequence of the proposed rent increase. This will be met by housing benefit subject to claimants personal circumstances remaining the same and their households being unaffected by Welfare Reform. Those tenants who are not currently in receipt of benefit will naturally have to meet the full increase in rent, unless they become eligible for housing benefit.
- 3.06 It is proposed to reduce the bad debt provision which will create savings of £0.208m. Welfare reform has not impacted on arrears as severely as anticipated in 2013/14 and this has been reflected in the 2014/15 budget proposals.
- 3.07 **Management and Maintenance allowance**  
The Management and Maintenance allowance element of Housing Revenue Account Subsidy increases to £2,769 per dwelling for each local authority, reflecting an increase of £159 per dwelling (6.1%) on 2013/14.
- 3.08 **Rent Increase – Garages**  
The 2014/15 increased rent level for all HRA garages is £5.75 per week, an increase of £0.25 per week (4.63%) compared to 2013/14 (and in line with rent increases for homes).
- 3.09 **General Income**  
The HRA budget has been realigned for 2014 to follow the same format of the 30 year business plan which is submitted to WG. This includes showing all areas of income under one heading.
- 3.10 £0.734m general income has been included in the plan reflecting £0.531m for water bill collection and other smaller items of general income. It also includes increased income of £0.126m following a new charging policy for the tenants gardening service.
- 3.11 **HRA – Key areas of expenditure**  
Appendix 1 sets out a summary of the proposed HRA budget for 2014/15 and compares it to the 2013/14 budget.  
Appendix 2 shows the assumptions which have been made in calculating the figures.  
Appendix 3 shows the detail of proposed savings and efficiencies, and investment for service improvements.
- 3.12 The approach to developing the draft budget has been to maximise the efficiencies which could be made and to invest in service improvements as set out in the Choices document. Overall the proposed budget provides £0.536m of additional investment in services and £0.789m of additional funding for the capital programme over the levels in 2013/14 and makes savings of £1.144m. The total savings figure equates to 6.9% of total operating costs.

3.13 **Estate Management**

Estate management has identified efficiencies of £0.021m against the 2013/14 budget following VFM and back to basic reviews.

The funding for 2 full year Anti Social Behaviour (ASB) posts is proposed as agreed in the Choices Document and also opening of the ASB out of hours service to direct referrals is proposed. This will be at a cost of £0.017m.

Service improvements totalling £0.038m are proposed to introduce a Handy Person Service in Flintshire which is designed to aid tenants with minor property repairs.

The funding for 2 posts to support tenants at risk of financial exclusion is proposed at a cost of £0.052m as agreed in the Choices Document.

3.14 **Landlord Services**

The Landlord service is reflecting an increased spend of £0.336m compared to 2013/14.

£0.324m is a realignment of the garden service including communal land which is now reflected under landlord services rather than Estate management. The gardening service has also created a saving of £0.125m on 2013/14 costs following a review of the contract.

WG expects landlords to introduce charging for services that are only available to specific tenants to maximise income through the HRA and enable improvements to stock. As agreed at Cabinet, on 17<sup>th</sup> December 2013, it is the intention to provide a chargeable service for grass and hedge cutting from 1<sup>st</sup> April 2014. The new contract costs of £0.126m will be recovered via a chargeable service to the tenant creating additional income in the HRA.

3.15 **Repairs and Maintenance**

The housing repairs service is continuing its drive to develop into a modern and efficient customer focused service. Repairs and Maintenance is the largest element of expenditure within the HRA at £8.467m. It is proposed to spend an additional £0.074m compared to 2013/14 a unit cost of £1,170 per property in 2014/15, compared to £1,138 in 2013/14.

Repairs and maintenance have created savings of £0.070m following value for money reviews on fleet and back to basics. The budget on subcontractors has also been reduced by £0.050m.

An increased cost of £0.300m has been anticipated on materials. This budget has been adjusted to reflect an increase of approximately 2,000 repairs per year and the requirement for subcontractors to utilise the stores to enable greater control over material costs charged via subcontractors.

3.16 **Capital Expenditure financed from Revenue Account**

Capital expenditure financed from the revenue account (CERA) enables additional investment in the HRA Capital Programme. The use of this additional source of financing for capital improvements helps to progress the work to achieve the requirements of the Welsh Housing Quality Standard (WHQS). An investment of £6,581m has been included in the 2014/15 budget which is an increase of £0.789m on the 2013/14 budget.

3.17 **Finance and Support Services**

Finance and Support have identified an efficiency of £0.102m against the 2013/14 budget. These savings have been identified through the reduction of support recharges, one year temporary staff efficiencies and a review of the admin service.

3.18 **Closing Balance**

A closing balance of 3.20% is recommended for 2014/15 as per 2013/14. This enables the Council to maximise investment in WHQS.

3.19 **CAPITAL PROGRAMME 2014/15**

Executive approved a 6 year capital improvement programme commencing in 2012/13, on 19th July 2011.

At the end of the programme all council homes will have:-

- A WHQS standard kitchen
- A WHQS heating system
- Smoke detectors
- 1300 homes will have WHQS standard bathrooms

This is year 3 of the original 6 year programme and Appendix 4 sets out the proposed capital expenditure for 2014/15. The total proposed capital funding for 2014/15 is £12.106m as set out below. This figure is reduced marginally by £0.275m from the initial proposals in the January report to Cabinet and Scrutiny. A further assessment of the likely level of capital receipts in 2014/15 has been made which takes account on market conditions. As a result the estimate for capital receipts has been reduced from £0.600m to £0.325m. Should further land receipts materialise in 2014/15 then further work can be undertaken as agreed at scrutiny.

A revised Asset Management strategy is under development and will be implemented from April 2015, subject to approval. This revised strategy will ensure that all stock achieves the WHQS by 2020, and will therefore involve the introduction of a number of new work streams to address all investment needs both internal, external and estate based environmental improvements.



- 3.20 **Home Ownership**  
Zero sales have been assumed for Right to Buy in 2014/15 for budget purposes.
- 3.21 **30 YEAR BUSINESS PLAN**  
It is a requirement of WG for all stock owning local authorities to produce a robust business plan showing how they will meet WHQS by the target of 2020.
- 3.22 Appendix 5 sets out the most up to date estimate of Flintshire's 30 year HRA business plan, based on the proposed 2014/15 revenue budget and capital programme as set out in this report. The plan shows a projected funding shortfall of £8.005m to meet WHQS by 2020 a reduction of £6.520m on the funding shortfall projected in the 2013/14 business plan submitted to WG.
- 3.23 This is a slight change from initial proposals in the January report to Cabinet and Scrutiny which reflects the reduced level of capital receipts. A draft business plan was submitted on 17th January 2014 as required to access the MRA and a revised Business Plan and a slightly revised capital programme will be submitted following Council approval.
- 3.24 The Council's preference in relation to achieving WHQS is to seek to avoid borrowing for this purpose, but the Council has indicated to WG that should this be necessary in order to achieve WHQS by 2020 then it would do so. It can be seen that the gap has reduced significantly because of the efficiencies within the HRA and additional revenue income. The shortfall could potentially be met by prudential borrowing if the gap is not closed over the next three years from savings anticipated following rent reform and the exit from the subsidy system along with driving through ongoing efficiencies to create more resources for investment.

#### **4.00 RECOMMENDATIONS**

- 4.01 Members are asked to approve and recommend to Council :
- i. The proposed HRA budget for 2014/15 as set out in Appendix 1, incorporating the financial assumptions in Appendix 2 and the service Improvements and Efficiencies in Appendix 3.
  - ii. The level of rent and service charges for 2014/15 as set out in paragraphs 3.01 to 3.07
  - iii. The level of projected balances at 31<sup>st</sup> March 2015 at 3.20% of total expenditure.
  - iv. The proposed HRA Capital Programme as set out in Appendix 4.

4.02 Members are asked to note the impact of the proposed revenue budget and capital programme on the 30 year Business Plan.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The Council has a statutory duty to review the income and expenditure of the HRA, and to set a budget for the forthcoming financial year which avoids a deficit closing balance position. This report sets out how this can be achieved for the Council in 2014/15. The key financial assumptions on which this is proposed are set out in Appendix 2. The proposed budget estimates a closing balance of 3.20% to total expenditure.

#### **6.00 ANTI POVERTY IMPACT**

6.01 HRA activity helps alleviate poverty by providing safe and secure homes that are energy efficient and economical to run. The ongoing programme maintains the impetus to upgrade heating etc., to minimise fuel use and thereby boost disposable income.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 There are no direct environmental impacts arising from the HRA budget as outlined in the report.

#### **8.00 EQUALITIES IMPACT**

8.01 There are no direct equalities impacts arising from this report.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 There are no direct personnel implications arising from the report.

#### **10.00 CONSULTATION REQUIRED**

10.01 Consultation with all tenants over any rent increase must take place and must be at least 28 days before any rent increase is due to come into effect.

#### **11.00 CONSULTATION UNDERTAKEN**

11.01 Consultation with tenants on the draft budget and proposed rent increase was undertaken at the tenants' conference on 3<sup>rd</sup> February 2014. The Housing Scrutiny committee considered the draft budget proposals at their meeting on 21<sup>st</sup> January 2014 and fully supported the proposals.

**12.00 APPENDICES**

Appendix 1 – HRA budget 2014/15 Summary

Appendix 2 – HRA financial assumptions

Appendix 3 – HRA budget pressures, savings & service improvements.

Appendix 4 – HRA capital budget 2014/15

Appendix 5 – HRA 30 year business plan summary

Appendix 6 – Summary of Questions and Responses

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

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## HRA BUDGET 2014/15

	2013/14 Budget	2014/15 Budget	Variance £ to 2013/14	Variance % to 2013/14
<b>INCOME</b>	£	£	£	
Rents (Council Dwellings & Garages)	-26,918,901	-27,712,804	-793,903	3%
Capitalised Salaries	-1,138,661	-1,111,523	27,138	-2%
General Income	-590,756	-734,242	-143,486	24%
	-28,648,318	-29,558,570	-910,252	3%
<b>EXPENDITURE</b>	£	£	£	
HRA Subsidy (Negative/Deficit)	6,166,805	6,403,697	236,892	4%
Capital Financing - Loan Charges	2,044,557	1,909,344	-135,213	-7%
Estate Management	2,318,001	1,887,596	-430,405	-18.6%
Landlord Services	500,632	836,225	335,593	67%
Repairs and Maintenance	8,392,993	8,466,870	73,877	1%
Welsh Housing Quality Standard - CERA	5,792,000	6,580,997	788,997	14%
Finance and Support	2,791,460	2,689,804	-101,656	-3.6%
Capitalised Salaries	1,138,661	1,111,523	-27,138	-2%
	29,145,108	29,886,056	740,948	3%
(Surplus) / Deficit for the year	496,790	327,486	-169,304	
Opening Balance	-1,930,630	-1,283,840	646,790	
HRA Closing Balance	-1,433,840	-956,353	477,486	
% of Total Expenditure (Guideline 3%)	4.92%	3.20%		

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## HRA FINANCIAL ASSUMPTIONS - Appendix 2

Ref	Description	2014/15
1	Guideline Rent av. Rent based on 50 weeks	£ 74.96
2	Guideline Rent applied, this level assumed for future years	104.6%
3	Empty Properties rent loss	1.70%
4	M and M allowance average per property	£ 2,769
5	M and M allowance	106.1%
Page 207	Increase applied to Garage Rents. Charge per week.	£ 0.25
	Empty Garages rent loss	21.2%
	CERA contribution to Capital	£6.581m

2014/15 %	2015/16 %	2016/17 %	
1.000	1.000	1.000	<b>Prices</b>
1.000	1.000	1.000	<b>Pay</b>
1.030	1.030	1.030	<b>Income</b>
1.080	1.080	1.080	<b>Energy</b>
1.030	1.030	1.030	<b>Insurance</b>
1.046	1.042	1.042	<b>Garage Rents</b>
1.061	1.055	1.055	<b>M and M Allowance</b>
0.020	0.020	0.020	<b>Empty Property</b>
1.000	1.000	1.000	<b>Bad Debt Provison</b>
1.112	1.112	1.112	<b>Fuel</b>
1.000	1.000	1.000	<b>Price non inflation</b>
1.050	1.050	1.050	<b>Aerial Systems</b>
1.023	1.023	1.023	<b>Rates</b>

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HRA BUDGET PRESSURES, SAVINGS & INVESTMENT OPTIONS- Appendix 3				
Code	Bid Ref	ADDITIONAL CAPITAL INVESTMENT	2014/15	Notes
HRP/HRR		CERA	788,997	Increased contribution to the Capital programme
Code	Bid Ref	Increase in Rents	2014/15	Notes
HRP/HRR		4.63% Rental Increase as per Welsh Government Guidance	-342,622	
Code	Bid Ref	EFFICIENCY SAVING OPTIONS	2014/15	Notes
HRX	1S	Support Recharges	-106,702	Reduction in support recharges to the HRA following a review of costs and agile working
HRM/HRX	2S/4P	Salary savings	-14,954	Finance review implemented. Vacant posts reflected at Single Status grades.
HRE/HRM/HRX	7S/12S/2P	Consolidation of general costs	-16,015	Realignment of general costs under "Back to Basics"
HRX/HRM	13S/20S	Software review	-155,448	Review of software costs and licences, reversal of one off expenditure.
HRR/HRP	21S	Capital Financing costs	-135,213	Review of costs
HRE	8S/6P	Tenant Garden works	-129,147	Contract tendered
HRE	9S	Cleaning of Walks/Leas	-28,560	Contract cancelled due to demolition
HRE	10S	Strand House	-2,793	Property handed back to HRA
HRE	11S	Housing News printing	-7,305	Printing costs lower than previous years
HRM	16S	Subscriptions	-3,368	Review of costs
HRM	15S	Subcontractors	-50,000	Less sub contractor spend
HRM	17S	Call out monitoring	-3,000	Saving in the contract costs
HRM	25S	Fleet Review	-50,000	Savings as a result of the corporate fleet review
HRX/HRM	26S	Admin Review	-71,941	Review of Admin service
HRD/HRL	4S/5S	Void properties	-31,306	Savings due to a decrease in number of void properties.
HRL	22S	Right to Buy fees	-3,275	Reduction in RTB fees
HRD	24S	Income from Garden Service recharges	-126,000	Charging of service to tenants
HRD	18S	Bad Debt Provision - Welfare Reform	-208,216	Calculated on Pd8 arrears figures, impact not as severe as expected.
<b>Total Savings</b>			<b>-1,143,242</b>	<b>6.8% of Total Operating Costs</b>
Code	Bid Ref	Budget Realignment/One off pressures reversed	2014/15	Notes
HRL	6S	Adhoc aerial costs	-8,500	Reversal of 1yr budget
<b>Total Savings</b>			<b>-8,500</b>	<b>0.1% of Total Operating Costs</b>

Code	Bid Ref	BUDGET PRESSURES/SERVICE IMPROVEMENTS	2014/15	Notes
HRD	14P	Garage Voids	16,276	Increase in garage voids and removal of Castle Hgts
HRX	1P	Maisonette Decants	7,442	Council Tax and Utility costs
HRX	3P	Handy person service as per Choices Document	37,360	Agreement for handy person services.
HRX	4P	Total Mobile IT Support post	26,271	1 yr additional IT post to implement Total Mobile
HRX	4P	2 posts to support tenants at risk of financial exclusion - Choices Document	52,542	Currently have 2 people short term funded, this funding is ending.
HRE	10P	Court Costs	6,000	Increase in court action taken by Rents and ASB
HRE	13P	ASB posts as per Choices document	16,200	Salary 13/14 part year only
HRL	5P	Launderette Machine Rental	18,798	Contract reviewed for 5yrs
HRE	9P/11P	Agile working	17,525	Costs to implement agile working
HRM	16P	Materials	300,000	More repairs completed and more expenditure through stores
ALL		Inflation	37,648	Average %
<b>Service Improvements</b>			<b>536,062</b>	<b>2.0% of Rental Income</b>

**Appendix 4**  
**Draft HRA Capital Programme 2014/15**

<b>HRA Capital programme</b>	<b>2014/15</b>
<b>WHQS</b>	<b>£'m</b>
Smoke Alarm Installations	0.100
Planned urgent works	0.150
Bathroom replacements	0.500
Heating Replacement - Programme and survey	2.000
Kitchen Replacements - Programme	4.000
DDA Audits	0.100
Fire Risk Assessments Work	0.400
Off Gas Programme	0.400
Environmental Works (footpaths and fences)	0.300
UPVC	0.200
Asbestos Survey and Removal (Ongoing Programme)	0.150
Envelope Works - Roofs, Fascias, Rendering	0.250
Electrical periodicals and rewires	0.150
Capitalised Salaries	0.478
Eco Funding	0.428
Welfare Reform - Remodelling	0.150
<b>Total WHQS</b>	<b>9.756</b>
<b>Non WHQS</b>	
Planned urgent works	0.150
Vacant Properties	0.300
Maisonettes	0.575
Disabled Facility Grants (DFG) - Mandatory/ Minor Adaps	1.000
<b>Total Non - WHQS</b>	<b>2.025</b>
<b>RingFenced Work</b>	
Envelope Works - Roofs, Fascias, Rendering	-
Vacant Properties	0.100
Eco Funding	0.150
Maisonettes	0.075
<b>Total Ring Fenced Work</b>	<b>0.325</b>
<b>Total Spend</b>	<b>12.106</b>

<b>Funding - Base Programme</b>	
M.R.A	5.200
CERA	6.581
<b>Total Base funding</b>	<b>11.781</b>
<b>Capital Receipts</b>	
RTB's 13/14	0.000
Land Receipts	0.325
<b>Capital receipts</b>	<b>0.325</b>
<b>HRA Capital Funding 2014/15 Programme</b>	<b>12.106</b>
<b>Unallocated Funds</b>	-

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## Flintshire Housing Capital Operating Account

Year No	Year	Capital Expenditure	Funding B/fwd	Major Repairs Allowance	Usable Capital Receipts	HRAS Supported Borrowing	Prudential Borrowing	CERA	Funding C/FWD	Shortfall	Cumulative Shortfall	Shortfall Exc Inflation
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
1	2014.15	12,379	0	5,200	600	0	0	6,581	0	-2	-2	-2
2	2015.16	15,901	0	5,200	0	0	0	7,550	0	3,151	3,149	3,102
3	2016.17	15,461	0	5,200	0	0	0	8,121	0	2,139	5,288	5,133
4	2017.18	15,693	0	5,200	0	0	0	8,884	0	1,609	6,897	6,596
5	2018.19	15,928	0	5,200	0	0	0	9,674	0	1,054	7,951	7,492
6	2019.2	16,167	0	5,200	0	0	0	11,095	0	-128	7,823	7,262
7	2020.21	16,409	0	5,200	0	0	0	11,344	0	-135	7,689	7,032
8	2021.22	7,073	0	5,200	0	0	0	14,068	0	-12,195	-4,507	-4,061
9	2022.23	4,319	0	5,200	0	0	0	14,951	0	-15,832	-20,339	-18,055
10	2023.24	11,315	0	5,200	0	0	0	15,760	0	-9,644	-29,983	-26,223
11	2024.25	7,396	0	5,200	0	0	0	16,593	0	-14,397	-44,380	-38,241
12	2025.26	7,507	0	5,200	0	0	0	18,179	0	-15,873	-60,253	-51,150
13	2026.27	11,883	0	5,200	0	0	0	18,338	0	-11,654	-71,907	-60,142
14	2027.28	12,062	0	5,200	0	0	0	19,251	0	-12,390	-84,297	-69,463
15	2028.29	12,242	0	5,200	0	0	0	20,192	0	-13,150	-97,447	-79,112
16	2029.3	12,426	0	5,200	0	0	0	21,163	0	-13,937	-111,383	-89,090
17	2030.31	12,612	0	5,200	0	0	0	22,163	0	-14,751	-126,134	-99,398
18	2031.32	11,971	0	5,200	0	0	0	24,063	0	-17,291	-143,426	-111,354
19	2032.33	12,151	0	5,200	0	0	0	24,259	0	-17,308	-160,733	-122,947
20	2033.34	12,333	0	5,200	0	0	0	25,355	0	-18,222	-178,955	-134,862
21	2034.35	12,518	0	5,200	0	0	0	26,486	0	-19,168	-198,123	-147,101
22	2035.36	12,706	0	5,200	0	0	0	27,653	0	-20,147	-218,270	-159,664
23	2036.37	10,515	0	5,200	0	0	0	28,856	0	-18,222	-241,811	-174,270
24	2037.38	10,673	0	5,200	0	0	0	31,133	0	-20,147	-267,471	-189,914
25	2038.39	10,833	0	5,200	0	0	0	31,375	0	-23,541	-293,214	-205,116
26	2039.4	10,995	0	5,200	0	0	0	32,695	0	-25,660	-320,113	-220,624
27	2040.41	11,160	0	5,200	0	0	0	34,056	0	-25,743	-348,209	-236,441
28	2041.42	8,495	0	5,200	0	0	0	35,459	0	-26,900	-380,373	-254,464
29	2042.43	8,622	0	5,200	0	0	0	36,907	0	-28,095	-413,857	-272,773
30	2043.44	8,752	0	5,200	0	0	0	39,637	0	-32,164	-449,942	-292,174

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## OVERVIEW & SCRUTINY

### Housing Revenue Account - Initial Budget Proposals for Revenue and Capital 2014/15

No.	Comments and Questions:	Responses:
1.0	<p><b><u>Housing Revenue Account (Revenue) - Comments / Issues</u></b></p> <p><b><u>General Comments/Issues</u></b></p>	
1.1	<ul style="list-style-type: none"> <li>• What will we get back by exiting the subsidy system?</li> </ul>	<ul style="list-style-type: none"> <li>• The working figure is approx.£1m per annum. An exit from the HM Treasury subsidy system will benefit the HRA. It will be during next year financial year that we will be better placed to talk through the figures and report on the amounts as the work to exit the subsidy system progresses. With regards to the borrowing, this is still under review about whether the terms of the exit is fixed term or repayment term as with a mortgage.</li> <li>• The borrowing cap may allow potential building of new homes in the future.</li> <li>• M&amp;M allowance – WG guidelines were always conservative in terms of what could be included within the Council’s Business Plan, but, year on year, the Council has received more than was allowed to be reported in the business plans. The previously reported gap for achieving WHQS by 2020 was £14m now. This has halved to £7m as a result of these budget proposals and it is hoped this will be a future trend.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• How does agile working work?</li> </ul>	<ul style="list-style-type: none"> <li>• Rather than staff being based at a desk in a specific area,</li> </ul>

## OVERVIEW & SCRUTINY

### Housing Revenue Account - Initial Budget Proposals for Revenue and Capital 2014/15

No.	Comments and Questions:	Responses:
1.3	<ul style="list-style-type: none"> <li>• Communications was an issue with repairs and maintenance, has it been resolved?</li> </ul>	<p>they are able to work more flexibly. This reduces mileage and office costs and allows the service to be more flexible with the aim to get better value from staff for customers.</p> <ul style="list-style-type: none"> <li>• A new phone system has been installed and calls are now answered quicker and we also have the facility to monitor all calls.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>• What is being done with the old Canton depot?</li> </ul>	<ul style="list-style-type: none"> <li>• This is being marketed but it is not owned by HRA. Any capital receipt from its sale will be General Fund resource</li> </ul>
1.5	<ul style="list-style-type: none"> <li>• Gardening service, will the rate be reduced for disabled tenants?</li> </ul>	<ul style="list-style-type: none"> <li>• The gardening service will come into effect on April 1<sup>st</sup>. There will be a lower rate for disabled tenants claiming benefits.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• Eco energy – what is the criteria on which houses are “cased”, does the Council have any input?</li> </ul>	<ul style="list-style-type: none"> <li>• Areas of deprivation are targeted, although the criteria has just changed. Further details to be sent to Cllr Curtis on the selection process, work to be carried out etc</li> </ul>
1.7	<ul style="list-style-type: none"> <li>• Handy person service – can you please clarify?</li> </ul>	<ul style="list-style-type: none"> <li>• This will involve a multi skilled person and vehicle. Costs are being looked at on whether this is delivered in house or externally. Firm proposals will be presented to members before implementation</li> </ul>



## OVERVIEW & SCRUTINY

### Housing Revenue Account - Initial Budget Proposals for Revenue and Capital 2014/15

No.	Comments and Questions:	Responses:
2.0	<b><u>Housing Revenue Account (Capital) - Comments / Issues</u></b>	
	<b><u>General Comments/Issues</u></b>	
2.1	<ul style="list-style-type: none"><li>UPVC, we would like to see more budget spent on this work due to cold weather, will this happen?</li></ul>	<ul style="list-style-type: none"><li>Housing would like to increase the budget on UPVC. The Repairs Service are receiving more complaints and are aware that there is a problem. £200k was allocated to the budget to carry out repairs until they are replaced. In the new 2016/17 Programme there is significant budget for the replacement of UPVC.</li></ul>
2.2	Potential land receipts, would the money raised from a specific site stay within that area?	<ul style="list-style-type: none"><li>No. The money that is raised from land receipts is put back into the HRA Capital Programme all HRA properties benefit from the proceeds according to the priorities agreed to address need across the whole Council.</li></ul>

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **PRUDENTIAL INDICATORS 2014/15**

### **1.00 PURPOSE OF REPORT**

1.01 To present proposals for setting a range of prudential indicators in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

### **2.00 BACKGROUND**

2.01 The Prudential Code has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) as a professional code of practice to support local authorities in determining their programmes for capital investment in fixed assets. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out duties under Part 1 of the Local Government Act 2003.

2.02 The framework established by the Prudential Code is intended to support local strategic planning, local asset management planning and robust option appraisal. The objectives of the Code are to ensure, within a clear framework, that the capital investments plans of local authorities are **affordable, prudent and sustainable**, and that treasury management decisions are taken in accordance with good professional practice.

2.03 The Prudential Code sets out the indicators that must be used, and the factors that must be taken into account in preparing such.

### **3.00 CONSIDERATIONS**

3.01 The prudential indicators required by the Prudential Code are designed to support and record local decision making; they are not designed to be comparative performance indicators - the use of them in this way would be likely to be misleading and counter productive. They are considered in parallel with the treasury management indicators required by the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, as reported elsewhere on this agenda.

3.02 The Prudential Code recognises that in making capital investment decisions, and in reviewing the prudential indicators, the Council must have regard to the following:

- Service objectives, e.g. strategic planning for the authority
- Stewardship of assets, e.g. asset management planning
- Value for money, e.g. option appraisal
- Affordability, e.g. implications for Council Tax and Council housing rents
- Prudence and sustainability, e.g. implications for external borrowing
- Practicality, e.g. achievability of the forward plan

The Code does not specify how the Council should have regard to these factors, but instead concentrates on the means by which it demonstrates that the proposals are affordable, prudent and sustainable.

3.03 Affordability is the ultimate constraint on the amount that a local authority can spend or borrow. In practice, when making a decision to invest in a capital asset, the authority must do more than simply determine whether it can afford the immediate cost. In order to ensure long term affordability, decisions have to be prudent, and in the long term sustainable. Borrowing has to be prudent because, since future interest rates and revenue streams are uncertain, it must involve an element of risk. Furthermore, if the Council is unable to deliver its capital programme, or to afford the cost of running and maintaining the new facilities, the chosen level of capital investment will not be sustainable in the long term. Prudence and affordability are related concepts.

3.04 The Prudential Code specifies that prudential indicators are required to be calculated for the forthcoming financial year and two subsequent financial years, this process links in with the Medium Term Financial Plan.

3.05 Based on those resources currently allocated (including specific grants, but excluding any rephasing of expenditure from 2013/14 to future years), the estimates of capital expenditure to be incurred in 2014/15 (and the following two years), are as indicated in the table below; unsupported (prudential) borrowing of £27.561m has been assumed in the three year period for Council Fund purposes. This is in line with the capital programme proposals recommended to commence in 2014/15 in the Council Fund Capital Programme 2014/15 to 2017/18 report which is included elsewhere on this agenda.

<b>CAPITAL EXPENDITURE</b>			
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Fund	20.970	53.168	18.047
Housing Revenue Account	12.381	15.901	15.461
<b>Total</b>	<b>33.351</b>	<b>69.069</b>	<b>33.508</b>

The capital expenditure totals essentially provide the base financial data from which all other indicators follow.

### **Prudential Indicators for Affordability**

- 3.06 Estimates of the ratio of financing costs to net revenue stream for 2014/15 based on those expenditure assumptions outlined in the Council Fund and Housing Revenue budget report (both included elsewhere on this agenda), are as included in the table below; these indicators of affordability address the revenue implications of the Council's financial strategy.

<b>RATIO OF FINANCING COSTS TO NET REVENUE STREAM</b>			
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Council Fund	6.004%	6.932%	7.432%
Housing Revenue Account	6.755%	5.923%	5.434%

The Council Fund net revenue stream is the amount to be met from Welsh Government (WG) grants and local taxpayers, and the HRA equivalent is the amount to be met from WG grants and from Rent payers. The estimate of financing costs includes the current commitments and the proposals included in the capital programme report. The HRA, as calculated, reflects a reducing financing cost attributable to the continuing reduction in HRA debt outstanding as a percentage of an increasing level of revenue stream income.

- 3.07 The Prudential Code requires that the estimate of the incremental impact of capital investment decisions as proposed in the capital budget report for the period 2014/15 to 2016/17, over and above capital investment decisions that have previously been taken by the Council are reported in terms of their impact on Band D Council Tax and Housing Rents. The 2014/15 Council Fund and HRA capital programmes contain no new capital investment decisions (only those decisions previously approved by Council).

## Prudential Indicators for Prudence

- 3.08 Estimates of the capital financing requirement, as described in section 3.09 below, for 2014/15 are:

<b>CAPITAL FINANCING REQUIREMENT</b>			
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Fund	166.707	189.626	212.582
Housing Revenue Account	24.701	24.207	23.722
<b>Total</b>	<b>191.407</b>	<b>213.833</b>	<b>236.304</b>

- 3.09 The capital financing requirement measures the Council's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements. In accordance with best professional practice, The Council does not associate debt with particular items or type of expenditure. The authority has an integrated treasury management strategy and has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its debt and investments in accordance with its approved Treasury Management Policy and Strategy. The Treasury Management Policy Statement 2013 – 2016 and the Treasury Management Strategy 2014/15 appear elsewhere on this agenda following consideration by the Audit Committee in January 2014. In day to day cash management, no distinction can be made between revenue cash and capital cash. External debt arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Council's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements.
- 3.10 CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following; gross debt and the capital financing requirement, as a key indicator of prudence.

*'In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional financing requirement for the current and next two financial years'.*

In November 2012 CIPFA issued an amendment to the Prudential Code changing the indicator from net debt (total borrowing and other long-term liabilities less any investments held) to gross debt. Following reflection that comparing the capital financing requirement to the net position i.e., net of investments, could potentially mask a position where an authority had borrowed other than for a capital purpose and then subsequently invested the surplus funds.

The Head of Finance reports no difficulty in meeting this requirement for the future period to which the prudential indicators apply. This view takes into account current commitments, existing plans, and all budget proposals.

### **Prudential Indicators for External Debt and Treasury Management**

- 3.11 In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt gross of any investment for the next three financial years. These limits separately identify borrowing from other long term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Head of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its meeting following the change.

<b>AUTHORISED LIMIT FOR EXTERNAL DEBT</b>			
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
All Borrowing (Cap/Rev)	202.300	247.300	257.300
Other Long Term Liabilities	20.100	21.100	22.100
<b>Total</b>	<b>222.400</b>	<b>268.400</b>	<b>279.400</b>

The authorised limits are consistent with the authority's current commitments, existing plans and the proposals in the capital programme report, and with its approved Treasury Management Strategy 2014/15. They are based on the estimate of most likely, prudent position with, sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

- 3.12 Council is also asked to approve the following operational boundary for external debt for the same period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent provision, without the additional headroom included in the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures borrowing and other long term liabilities are separately identified. Council is also asked to delegate authority to the Head of Finance, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to Council at its next meeting following the change.

<b>OPERATIONAL BOUNDARY FOR EXTERNAL DEBT</b>			
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
All Borrowing (Cap/Rev)	182.300	227.300	237.300
Other Long Term Liabilities	10.100	11.100	12.100
<b>Total</b>	<b>192.400</b>	<b>238.400</b>	<b>249.400</b>

The figure for all borrowing has increased in line with the assumption made in 3.05 that for Council Fund purposes there is a requirement to borrow £27.561m through unsupported (prudential) borrowing over the three year period.

- 3.13 It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since actual external debt reflects the position at a point in time.

Council is asked to note that the authorised limit determined in 2014/15 (see section 3.11 above) will be the statutory limit determined under section 3 (1) of the Local Government Act 2003.

- 3.14 The prudential indicator in respect of treasury management is confirmation that the Council has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (as reported elsewhere on this agenda). The aim of this indicator is to ensure that treasury management is led by a clear integrated forward treasury management strategy.



#### **4.00 RECOMMENDATIONS**

4.01 That Members approve and recommend to County Council on 18<sup>th</sup> February 2014:

- (a) the prudential indicators as detailed in Section 3 of the report
- Capital expenditure (3.05)
  - Ratio of financing costs to net revenue stream (3.06)
  - Incremental impact of capital investment decisions on the council tax (3.07)
  - Incremental impact of capital investment decisions on housing rents (3.07)
  - Capital financing requirement (3.08)
  - Gross debt and the capital financing requirement (3.10)
  - Authorised limit for external debt (3.11, 3.13)
  - Operational boundary for external debt (3.12)
  - Adoption of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (3.14)
- (b) delegated authority for the Head of Finance to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (3.11, 3.12)

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 As set out in the report.

#### **6.00 ANTI POVERTY IMPACT**

6.01 None directly as a result of this report.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 None directly as a result of this report.

#### **8.00 EQUALITIES IMPACT**

8.01 None directly as a result of this report.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 None directly as a result of this report.

#### **10.00 CONSULTATION REQUIRED**

10.01 None.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None directly as a result of this report.

**12.00 APPENDICES**

12.01 None.

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

Various Welsh Government and CIPFA Papers.

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **HEAD OF FINANCE**

**SUBJECT:** **MINIMUM REVENUE PROVISION 2014/15**

### **1.00 PURPOSE OF REPORT**

1.01 To present proposals for the setting of a prudent minimum revenue provision for the repayment of debt in 2014/15, as required under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 ('the 2008 Regulations').

### **2.00 BACKGROUND**

2.01 Local Authorities are required each year to set aside some of their revenue reserves as provision for the repayment of debt i.e. a provision in respect of capital expenditure financed from borrowing or credit arrangements.

2.02 Regulation 22 of the 2008 Regulations requires an authority to each year make an amount of Minimum Revenue Provision (MRP) which it considers to be 'prudent', but the regulation does not itself define 'prudent provision'. However, the Welsh Government (WG) has provided guidance which makes recommendations to authorities on the interpretation of the term; the guidance was last updated in April 2010.

2.03 Authorities are required to prepare an annual statement of their policy on making MRP, which mirrors the existing requirements on the prudential borrowing limit and investment policy.

### **3.00 CONSIDERATIONS**

#### **Meaning of 'Prudent Provision'**

3.01 The WG guidance provides for a number of options for making 'prudent provision'. It explains that provision for the borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service.

## **Options for Prudent Provision**

### 3.02 Option 1 – Regulatory Method.

For debt which is supported by Revenue Support Grant (RSG), authorities may continue to use the formula specified in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (the regulations which preceded the 2008 Regulations), since the RSG is calculated on that basis, i.e. authorities are able to calculate MRP exactly as if the 2003 Regulations were still in force.

### 3.03 Option 2 – Capital Financing Requirement Method

This is a technically simpler alternative to option 1 and may also be used in relation to supported debt. While still based on the concept of the Capital Financing Requirement (CFR), which is easily derived from the balance sheet, it avoids the complexities of the formula in Regulation 22. However, for most authorities it will probably result in a higher level of provision (and subsequent impact on service budgets) than Option 1, as it would for Flintshire County Council.

### 3.04 Option 3 – Asset Life Method

For new borrowing under the Prudential system for which no Government support is being given and is therefore self-financed, there are two options. Option 3 is to make provision in equal instalments over the estimated life of the asset for which borrowing is undertaken. This is a possibly simpler alternative to the use of depreciation accounting (Option 4), though it has some similarities to that approach.

### 3.05 Option 4 – Depreciation Method

Alternatively, for new borrowing under the Prudential system for which no WG support is being given, Option 4 may be used. This means making MRP in accordance with the standard rules for depreciation accounting.

## **Conditions for using the options**

- 3.06 The intention is that Options 1 and 2 should be used only for WG supported borrowing. Options 3 and 4 should be used in relation to all capital expenditure which is to be financed by unsupported borrowing or credit arrangements.

#### **4.00 RECOMMENDATIONS**

4.01 That members approve and recommend to the County Council on 18<sup>th</sup> February 2014:-

- Option 1 (Regulatory Method) be used for the calculation of the minimum revenue provision in 2014/15 for all supported borrowing; this represents a continuation of the approved and adopted policy for 2013/14.
- Option 3 (Asset Life Method) be used for the calculation of the minimum revenue provision in 2014/15 for all unsupported (prudential) borrowing; this represents a continuation of the approved and adopted policy for 2013/14.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The 2014/15 Council Fund revenue budget provides for the minimum revenue provision in respect of all supported borrowing, on the basis of Option 1 – Regulatory Method calculation.

5.02 Any planned use of unsupported (prudential) borrowing, will need to take account of the revenue consequences of the Option 3 – Asset Life Method calculation, as part of the overall options appraisal and budget setting processes.

#### **6.00 ANTI POVERTY IMPACT**

6.01 None directly as a result of this report.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 None directly as a result of this report.

#### **8.00 EQUALITIES IMPACT**

8.01 None directly as a result of this report.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 None directly as a result of this report.

#### **10.00 CONSULTATION REQUIRED**

10.01 None.

#### **11.00 CONSULTATION UNDERTAKEN**

11.01 None.

**12.00 APPENDICES**

12.01 None.

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

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**  
**DATE:**               **TUESDAY, 18 FEBRUARY 2014**  
**REPORT BY:**       **HEAD OF FINANCE**  
**SUBJECT:**           **TREASURY MANAGEMENT STRATEGY 2014/15**

### **1.00 PURPOSE OF REPORT**

1.01 To present to Members the draft Treasury Management Strategy for 2014/15 for recommendation to Council.

### **2.00 BACKGROUND**

2.01 The Local Government Act 2003 requires all local authorities to have due regard to both the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice (The CIPFA Code of Practice) and Welsh Government guidance on Local Authority Investments.

2.02 The Council has adopted The CIPFA Code of Practice which requires:-

- The Council to create and maintain a Treasury Management Policy Statement which states the Council's policies, objectives and approach to risk management of its treasury management activities.
- The Council to create and maintain suitable Treasury Management Practices (TMPs) and accompanying schedules, stating how those policies and objectives will be achieved and prescribing how those activities will be managed and controlled.
- The Council to receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- Responsibility for Treasury Management to be clearly defined. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to Head of

Finance, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's *Standard of Professional Practice on Treasury Management*.

- A body to be responsible for the scrutiny of Treasury Management Policy, Strategy and Practices. The Council has nominated the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management function. The Audit Committee has previously agreed to include treasury management as a standing item on each quarterly agenda to receive an update.

2.03 A training session open to all Members on treasury management was run by Arlingclose, the Council's Treasury Management advisors on the morning of 27<sup>th</sup> January. The aim of the workshop was to aid Members' understanding of the Treasury Management Strategy.

### **3.00 CONSIDERATIONS**

3.01 The draft Treasury Management Strategy for 2014/15 is attached at Appendix 1. The changes made from the 2013/14 strategy are summarised below:

- Section 3 – Local context.  
A new section bringing together current levels of borrowing and investments, along with the Council's projections for capital expenditure and use of reserves to estimate either the level of borrowing required, or the level of investments the Council will have, over the medium term.
- Section 5 – Investment Strategy.  
Additional counterparties have been added to the list of organisations which the Council can invest its surplus funds with.  
In preparation for amendments to building society regulatory framework, changes have been made to investments with building societies.
- Section 6 – Borrowing Strategy.  
In 2013/14 the borrowing strategy was to create short term revenue savings by not undertaking any new borrowing and funding capital expenditure internally from reserves. In all probability the situation will remain the same in 2014/15 and possibly beyond, however this is not sustainable in the medium term. The borrowing strategy for 2014/15 will be to regularly review the level of internal borrowing against the potential for incurring additional revenue costs by deferring borrowing into future years when long-term borrowing costs are forecast to rise.



- 3.02 At a meeting of the Audit Committee on 29<sup>th</sup> January 2014 Members reviewed the draft Treasury Management Strategy for 2014/15.

Discussion was as follows:

3.03 Investments

Members debated the inclusion in the 2014/15 Strategy of the ability to invest in any other organisation (that is, unrated organisations). There was recognition that this exposed the Council to additional risks, and in response Officers will develop an additional policy framework for consideration by Members before any investments of this type are made, these changes have been reflected in the strategy. Members also recognised that this could be an opportunity to support local organisations such as credit unions, and potentially meet economic development or other policy aims, subject to striking a balance with the security, liquidity and yield of the Council's surplus funds. The Committee recommended that the enquiry be put before Cabinet.

3.04 Debt

Queries had been raised regarding the Council's level of debt and the interest costs of the debt at the training session on 27<sup>th</sup> January 2014 and County Council on 28<sup>th</sup> January 2014, and a discussion regarding debt ensued at the Committee.

Members of the Committee recognised that in absolute terms the figures for debt and interest on debt are significant, however must be viewed in proportion to the level of assets that the Council has invested in over a very long period of time. There was recognition that the rate of interest charged on some loans were high by today's standards, however these loans were taken out at a time when those interest rates were the best available. The Committee is satisfied that processes are in place to review debt and to take debt rescheduling opportunities when appropriate (higher rated loans could be replaced by new loans at lower rates when the premium charged is not prohibitive).

- 3.05 On 1<sup>st</sup> March 2013 the Council approved the current Treasury Management Policy and Treasury Management Practices with both documents covering 3 financial years, 2013 to 2016. It was agreed that these documents would not require annual approval by Members, unless any significant changes was required. No changes need to be made to the Policy, and only minor changes need to be made to the Practices simply to bring them in line with changes approved to the Strategy.

**4.00 RECOMMENDATIONS**

- 4.01 That the Cabinet considers the enquiry put forward by the Audit Committee outlined in 3.03.

4.02 That the Cabinet approves and recommends to the Council the Treasury Management Strategy 2014/15.

**5.00 FINANCIAL IMPLICATIONS**

5.01 As set out in the report.

**6.00 ANTI POVERTY IMPACT**

6.01 None directly as a result of this report.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None directly as a result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None directly as a result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None directly as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 Arlingclose Ltd as Treasury Management Advisers.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Arlingclose Ltd as Treasury Management Advisers.

**12.00 APPENDICES**

12.01 Appendix 1 – Draft Treasury Management Strategy 2014/15

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

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**FLINTSHIRE COUNTY COUNCIL**

**TREASURY MANAGEMENT  
STRATEGY**

**2014/15**

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## Treasury Management Strategy Report 2014/15

**The Council is recommended to:**

- **approve the Treasury Management Strategy for 2014/15**
- **approve the Treasury Management Indicators for 2014/15**

### **1.0 Introduction**

In April 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Welsh Government (WG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.

The successful identification, monitoring and control of risk are central to the Council's treasury management strategy as the Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.

### **2.0 Economic Context (including Interest Rate Forecast – as provided by Arlingclose Ltd, November 2013.**

**Economic background:** The Bank of England's Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain knock-outs. Unemployment was 7.7% in August 2013, but is not forecast to fall below the threshold until 2016, due to the UK's flexible workforce.

The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.7% in September 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.

Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2 and 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop.

However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual. Arlingclose forecasts the MPC will maintain its resolve to keep interest rates low until the recovery is convincing and sustainable.

In the US expectations for the slowing in the pace of asset purchases ('tapering') by the Federal Reserve and the end of further asset purchases will remain predominant drivers of the financial markets. The Federal Reserve did not taper in September and has talked down potential tapering in the near term. It now looks more likely to occur in early 2014 which will be supportive of bond and equity markets in the interim.

**Credit outlook:** The likelihood of banking failures has diminished, but remains a significant risk. Regulatory changes in the UK, US and Europe are underway to move away from the bank bail-outs of previous years (e.g. Lloyds Banking Group and RBS in 2008) to bank resolution regimes in which shareholders, bond holders and unsecured creditors are the first port of call to re-capitalise an institution via bail-in. This is already apparent to holders of subordinated debt issued by the Co-operative Bank, which will suffer a haircut and conversion to alternative securities and/or equity in the bank's liability management exercise. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail-in risk will become even more important in the light of these developments.

**Interest rate forecast:** Arlingclose's projected path for short term interest rates remains flat. Markets are still pricing in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. The MPC will not raise rates until there is a sustained period of strong growth. However, upside risks weight more heavily at the end of our forecast horizon.

Arlingclose continue to project gilt yields on an upward path through the medium term. The recent climb in yields was overdone given the soft fundamental global outlook and risks surrounding the Eurozone, China and US.

Table 1: Interest rate forecast

	Bank Rate	3 month LIBID	12 month LIBID	25-year gilt yield
Q1 2014	0.50	0.45	0.90	3.35
Q2 2014	0.50	0.45	0.95	3.40
Q3 2014	0.50	0.50	0.95	3.45
Q4 2014	0.50	0.55	0.95	3.50
H1 2015	0.50	0.55	1.00	3.55
H2 2015	0.50	0.75	1.05	3.60
H1 2016	0.50	0.75	1.15	3.75
H2 2016	0.50	0.75	1.25	3.95

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.5%, and that new long-term loans will be borrowed at an average rate of 4.3%.

### **3.0 Local Context**

As at 31<sup>st</sup> December 2013 the Authority had £172.1m of long term borrowing and £59.7m of investments. This is set out in further detail in section 4. Forecast changes in these sums are shown in the balance sheet analysis in the table below.

Table 2: Balance Sheet Summary and Forecast

	31.3.13 Actual £m	31.3.14 Estimate £m	31.3.15 Estimate £m	31.3.16 Estimate £m	31.3.17 Estimate £m
* Non-HRA CFR	159	163	169	209	216
i HRA CFR	26	25	24	24	23
n Total CFR	185	188	193	233	239
a Less: Other long-term liabilities *	-8	-8	-8	-8	-8
f Borrowing CFR	177	180	185	225	231
c Less: External borrowing **	-172	-172	-172	-172	-172
Internal (over) borrowing	5	8	13	53	59
t Less: Usable reserves	-63	-60	-31	-24	-22
e Less: Working capital	3	3	3	3	3
a Investments (or New borrowing)	55	49	15	-32	-40

\* finance leases and PFI liabilities that form part of the Authority's debt

\*\* shows only loans to which the Authority is currently committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing below their underlying levels, sometimes known as internal borrowing.

The table shows the Authority's CFR increasing steadily until 2015/16, this is linked with the capital programme which increases sharply in 2015/16 due to the 21<sup>st</sup> century schools building programme. The level of reserves the Authority has is expected to fall in 2014/15 following the implementation of the Single Status Agreement. The combination of the increase in capital expenditure and a reduction in reserves, results in, an expected reduction in investments in 2014/15, and a projected new borrowing requirement in 2015/16.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2014/15.

#### **4.0 Current and Expected Treasury Portfolios**

##### Current portfolio

The Council's treasury portfolio as at 31<sup>st</sup> December 2013 was as follows:

Table 3: Current Treasury Portfolio

	Principal amount £m	Interest rate %
<b>Investments:</b>		
Call accounts	6.0	0.57
Money market funds	12.6	0.41
Short-term deposits	37.3	0.61
Long-term deposits	2.0	0.95
Landsbanki (Iceland)	1.8	
<b>Total Investments</b>	<b>59.7</b>	<b>0.57</b>
<b>Borrowing:</b>		
Short-term loans	-	-
Long-term PWLB loans (fixed)	143.16	5.86
Long-term PWLB loans (variable)	10.00	0.55
Long-term market loans (LOBOs)	18.95	4.53
<b>Total Borrowing</b>	<b>172.11</b>	<b>5.42</b>
<b>Net Borrowing</b>	<b>114.21</b>	<b>7.85%</b>

##### Expected changes in portfolio

Current cash flow forecasts show net borrowing increasing to £126m by 31<sup>st</sup> March 2014, as borrowing is expected to remain at this same level but investments reduce. Net borrowing will further increase during 2014/15, when the single status agreement is implemented and the reserve created specifically is used.

##### Budget implications

The budget for investment income in 2014/15 is £248k, based on an average investment portfolio of £50m at an average interest rate of 0.50%. The budget for loan interest paid in 2014/15 is £9.3m, based on an average debt portfolio of £172.11 million at a weighted average interest rate of 5.4%. If levels of investments borrowing, and interest rates differ from those forecast, performance against budget will be correspondingly different.



## 5.0 Investment Strategy

The Council holds surplus funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £57.9 and £83.3 million.

Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

### Investment criteria and limits

The Council may invest its surplus funds with any of the counterparties in the table below, subject to the monetary and time limits shown.

Table 4: Investment criteria and limits

	<u>Fitch</u>	<u>Moody's</u>	<u>S &amp; P</u>	<u>Cash Limit</u>	<u>Time Limit</u>
Banks, Building Societies, other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	Aaa	AAA	£7m each	5 years*
	AA+	Aa1	AA+		5 years*
	AA	Aa2	AA		4 years*
	AA-	Aa3	AA-		3 years*
	A+	A1	A+		2 years
	A	A2	A		1 year
	A-	A3	A-	£5m each	1 year
The council's current account bank (NatWest Bank plc) if rated below A-				£5m	next day
UK Building Societies without credit ratings				£1m each	1 year
Money Market Funds <sup>1</sup> and similar pooled vehicles				£7m each	N/A
UK Central Government (irrespective of credit rating)				unlimited	5 years
UK Local Authorities <sup>2</sup>				£7m each	5 years

<sup>1</sup> as defined in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003

<sup>2</sup> as defined in the Local Government Act 2003

\* but no longer than 2 years in fixed-term deposits and other illiquid instruments

Additional counterparties, new to the 2014/15 Treasury Management Strategy, which the Council may invest its surplus funds with, are shown in the table below, subject to the monetary and time limits shown.

Table 5: Investment criteria and limits

	<b>Fitch</b>	<b>Moody's</b>	<b>S &amp; P</b>	<b>Cash Limit</b>	<b>Time Limit</b>
UK Registered Providers of Social Housing whose lowest published long-term credit rating is:	A-	A3	A-	£7m each	5 years
UK Registered Providers of Social Housing without credit ratings or those whose lowest published long-term credit rating is:	BBB-	Baa-	BBB-	£1m each	1 year
Any other organisation, subject to: <ul style="list-style-type: none"> <li>an external credit assessment and specific advice from the Authority's treasury management adviser</li> <li>a further policy framework for investing with any other organisations being developed</li> </ul>				£1m each £100k each	1 year 5 years

To manage the risk of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £7 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the *Banking Reform Act 2014* and the *EU Bank Recovery and Resolution Directive* are implemented.

In addition, the Authority may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority's treasury management adviser.

#### Current account bank

The Council's current accounts are held with NatWest Bank plc, which currently meets the above credit rating criteria. During the year should its rating not meet the above criteria the Council will treat NatWest as "high credit quality" for the purpose of making investments that can be withdrawn on the next working day, subject to the bank maintaining a credit rating no lower than BBB-.

#### Building societies

The Council takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Council's deposits would be paid out in preference to retail depositors. The Council will consider investing with unrated building

societies where independent credit analysis shows them to be suitably creditworthy. The Government has announced plans to amend the building society insolvency regime alongside its plans for wide ranging banking reform, and investments in lower rated and unrated building societies will therefore be kept under continuous review.

#### Money market funds

Money market funds are pooled investment vehicles consisting of instruments similar to those used by the Council. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Council.

Investments in money market funds involve the acquisition of share capital, and are therefore counted as capital expenditure under WG regulations. However, since withdrawals from funds count as capital receipts, these will be used to fund the capital expenditure, leaving no overall impact on the Council's capital programme.

#### Registered Providers

Formerly known as Housing Associations, Registered Providers of Social Housing are tightly regulated by the Welsh Government or the Homes and Communities agency and retain a high likelihood of receiving government support if needed. The Council will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.

#### Other Organisations

The Authority may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Authority's treasury management adviser.

#### Foreign countries

Investments in foreign countries will be limited to those that hold an AAA or AA+ / Aa1 sovereign credit rating from all three major credit rating agencies, and to a maximum of £10 million per foreign country. Investments in countries whose lowest sovereign rating is not AAA will be limited to one year's duration. No country limit will apply to investments in the UK, irrespective of the sovereign credit rating.

Overseas subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation. However, Santander UK plc (a subsidiary of Spain's Banco Santander) and Clydesdale Bank plc (a subsidiary of National Australia bank) will be classed as UK banks due to their substantial UK franchises and the arms-length nature of the parent-subsidary relationships.

Sovereign credit rating criteria and foreign country limits will not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank) or other supranational organisations (e.g. the European Union).

#### Risk assessment and credit ratings

The Council uses long-term credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service Inc and Standard & Poor's Financial Services LLC to assess the risk of investment default. The lowest available credit rating will be used to determine credit quality.

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is unlikely that the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it is likely to fall below the above criteria, then no further investments will be made in that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks.

The Council's investments are normally senior unsecured liabilities of the borrower, and the credit rating of the investment is therefore normally identical to the credit rating of the counterparty. However, where a credit rating agency awards a different rating to a particular class of investment instruments, the Council will base its investment decisions on the instrument credit rating rather than the counterparty credit rating.

#### Other information on the security of investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions.

If these restrictions mean that insufficient commercial organisations of “high credit quality” are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

#### Specified investments

The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

The Council defines ‘high credit quality’ organisations as those having a credit rating of A- or higher that are, domiciled in the UK, or a foreign country with a sovereign rating of AA+ or higher.

#### Non-Specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments in foreign currencies. Non- specified investments will therefore be limited to long term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement; those that are defined as capital expenditure, such as money market funds; and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 5 below.

Table 6: Non-Specified Investment Limits

	Cash Limit
Total long-term investments	£10m
Total shares in money market funds	£30m
Total investments without credit ratings or rated below A-	£10m
Total non-specified investments	£50m

#### Approved Instruments

The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Authority may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

#### Liquidity management

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

#### Planned investment strategy for 2014/15

The economic climate improved slightly during 2013/14 and several longer term investments were made.

However, following discussions with the Council's treasury management advisors after their review of building society risk, the focus has turned away from building societies and returned to placing money "on call" with banks, depositing with other local authorities and extensive use of Money Market Funds.

Treasury management staff will continue to seek out investments that meet the criteria detailed within this strategy whilst having full regard for the Council's cash flow requirements, in particular the expectancy to meet single status and equal pay obligations during the 2014/15 financial year.

The cash flow forecast will be used to divide surplus funds into three categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.

- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

Short-term funds are required to meet cash flows occurring in the next month or so, and the preservation of capital and liquidity is therefore of paramount importance. Generating investment returns is of limited concern here, although it should not be ignored. Instant access money market funds and bank deposit accounts will be the main methods used to manage short-term cash. It is estimated that about 35% of surplus monies will be short term for cash flow purposes, although this may vary depending on changes to the interest rate yield curve.

Medium-term funds which may be required in the next one to twelve months will be managed concentrating on security, with less importance attached to liquidity but a slightly higher emphasis on yield. The majority of investments in this period will be in the form of fixed term deposits with banks and building societies. A wide spread of counterparties and maturity dates will be maintained to maximise the diversification of credit and interest rate risks. It is estimated that about 55% of surplus funds will be medium term. However, again this may vary depending on changes to the interest rate yield curve.

Cash that is not required to meet any liquidity need can be invested for the longer term with a greater emphasis on achieving returns that will support spending on local authority services. Security remains important, as any losses from defaults will impact on the total return, but fluctuations in price and even occasional losses can be managed over the long term within a diversified portfolio. Liquidity is of lesser concern, although it should still be possible to sell investments, with due notice, if large spending commitments arise unexpectedly. A wider range of instruments, including structured deposits, certificates of deposit, gilts and corporate bonds will be used to diversify the portfolio. The Council will consider employing external fund managers that have the skills and resources to manage the risks inherent in a portfolio of long-term investments. However, in the current economic and financial environment it is likely that only a small percentage, about 10% will be invested longer term, probably over two years in fixed term deposits or callable deposits.

With short-term interest rates currently much lower than long-term rates, due consideration will also be given to using surplus funds to make early repayments of long-term borrowing. In addition to the savings on the interest rate differential, this strategy will also reduce the Council's exposure to credit risk and interest rate risk.

## **6.0 Borrowing Strategy**

The Council currently holds £172.11m of long-term loans, as part of its strategy for funding previous years' capital programmes. The balance sheet

forecast in section 3 shows that the Council does not anticipate undertaking any long term borrowing during 2014/15.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which the funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term instead.

By doing so, the Council is able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing costs are forecast to rise. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2014/15 with a view to keeping future interest costs low, even if this causes additional cost in the short term.

In addition, the Council may borrow for short periods of time (normally for up to one month) to cover unexpected cash flow shortages.

#### Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- UK local authorities
- any institution approved for investments above
- any other bank or building society approved by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds (except the Clwyd Pension Fund)
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

#### Planned borrowing strategy for 2014/15

The Head of Finance will:

- Manage the Council's debt maturity profile, i.e. to leave no one future year



with a high level of repayments that could cause problems in re-borrowing with the limits stated in this Strategy Statement. Appendix A analyses the debt portfolio of the Council, as at 31st December, 2013.

- To effect any borrowing that maybe required in 2014/15 at the cheapest cost commensurate with future risk based on interest rate forecasts.
- To monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements, within the limits stated in this Strategy.
- Continue to monitor options for debt-restructuring and debt re-payment.

The Head of Finance will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances, reporting any decisions and actions taken under delegated powers to Cabinet via the Audit Committee.

The Council has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as bond issues and bank loans, that may be available at more favourable rates.

Loans that present additional risk to the authority, such as lender's option borrower's option (LOBO) loans and variable rate loans will be restricted to the limit on the net exposure to variable interest rates in the treasury management indicators below.

## **7.0 Policy on Use of Financial Derivatives**

In the absence of any legislative power, the Council's policy is not to enter into standalone financial derivatives transactions such as swaps, forwards, futures and options. Derivatives embedded into loans and investments may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

## **8.0 Treasury Management Indicators**

The Council measures and manages its exposures to treasury management risks using the following indicators. The Council is asked to approve the following indicators:

### Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as an amount of net principal borrowed will be:

	2014/15	2015/16	2016/17
Upper limit on fixed interest rate exposures	£200m	£200m	£200m
Upper limit on variable interest rate exposures	£40m	£40m	£40m

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

### Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Lower	Upper
Under 12 months	0%	10%
12 months and within 24 months	0%	10%
24 months and within five years	0%	30%
Five years and within 10 years	0%	50%
10 years and above	0%	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2014/15	2015/16	2016/17
Limit on total principal invested beyond year end	£10m	£10m	£10m

Any long term investments carried forward from previous years will be included in each years limit.

### Borrowing limits

The Council is being asked to approve these Prudential Indicators as part of the Capital Programme report. However they are repeated here for completeness.

	2014/15	2015/16	2016/17
Operational boundary – borrowing	£182.3m	£227.3m	£237.3m
Operational boundary – other long-term liabilities	<u>£10.1m</u>	<u>£11.1m</u>	<u>£12.1m</u>
Operational boundary – TOTAL	£192.4m	£238.4m	£249.4m
Authorised limit – borrowing	£202.3m	£247.3m	£257.3m
Authorised limit – other long-term liabilities	<u>£20.1m</u>	<u>£21.1m</u>	<u>£22.1m</u>
Authorised limit – TOTAL	£222.4m	£268.4m	£279.4m

## **9.0 Other Matters**

The WG Investment Guidance requires the Council to note the following three matters each year as part of the investment strategy:

### Treasury Management Advisers

The Council's treasury management adviser, Arlingclose continues to provide advice and information on the Council's investment and borrowing activities, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is controlled by Financial Procedure Rules

### Investment training

The needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

### Investment of Money Borrowed in Advance of Need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

The Head of Finance under delegated powers may borrow in advance of need if it is within forward approved Capital Financing Requirement estimates, and if there is a clear business case for doing so.

Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism. The Council would not look to borrow more than 12 months in advance of need.

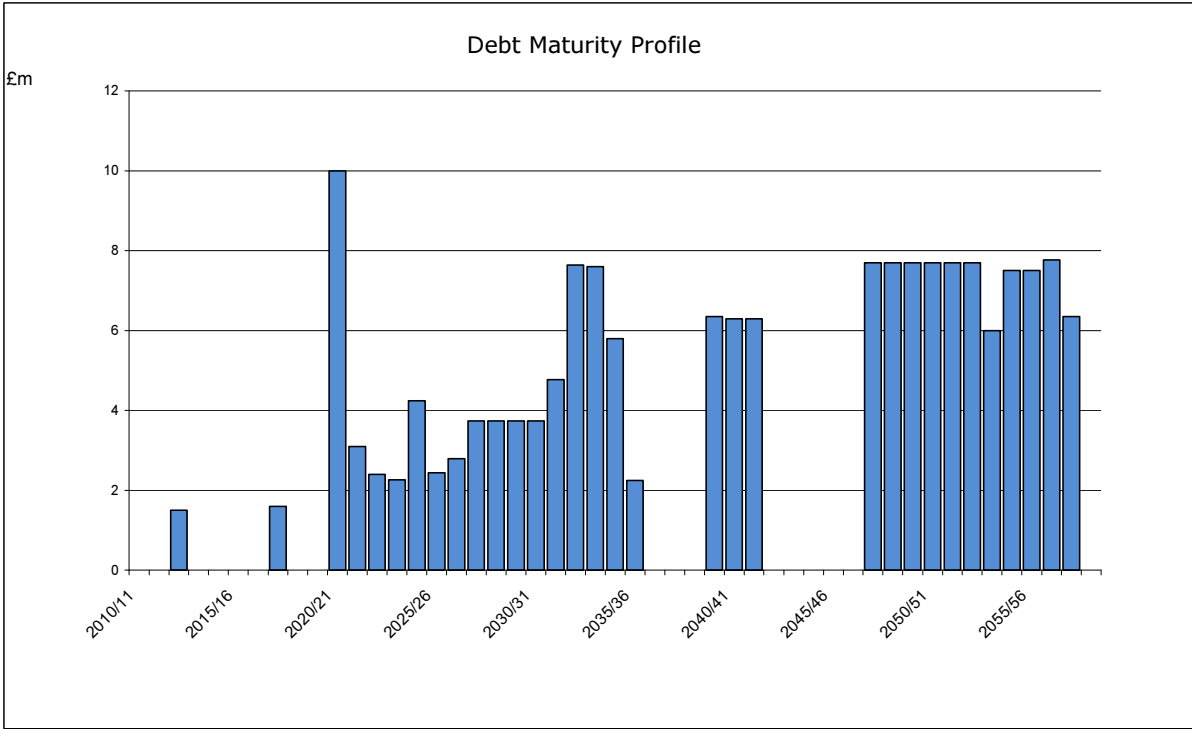
The Council will only invest money borrowed in advance of need for known debt maturities or to finance the borrowing requirement for the year concerned.

### **Other Options Considered**

The WG Investment Guidance and the CIPFA Code of Practice do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter periods.	Interest income will be lower	Reduced risk of losses from credit related defaults
Invest in a wider range of counterparties and/or for longer periods.	Interest income will be higher	Increased risk of losses from credit related defaults
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
Reduce level of borrowing if debt rescheduling costs weren't prohibitive	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

**APPENDIX A – DEBT MATURITY PROFILE**



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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY 18 FEBRUARY 2014**

**REPORT BY:** **DIRECTOR OF ENVIRONMENT**

**SUBJECT:** **REVIEW OF THE COUNCIL'S HOUSEHOLD WASTE COLLECTION POLICY AND HRC/BRING SITE ARRANGEMENTS**

### **1.00 PURPOSE OF REPORT**

1.01 To seek Cabinet approval of the Councils Household Waste Collection Policy and the arrangements at the Councils HRC and 'Bring sites'

### **2.00 BACKGROUND**

2.01 On 15<sup>th</sup> March 2011 the Council's Executive formally approved its Household Waste Collection Policy which supported the introduction of a Managed Weekly Collection (MWC) service, fundamentally changing the way the Council collected all domestic waste in the County. The new MWC service was designed to increase participation in recycling and reduce the Councils reliance on landfill in order meet the challenging targets set out in the all Wales National Strategy 'Towards Zero Waste'.

2.02 Failure to meet the WG National Strategy targets could result in infraction charges being levied against the Council totalling £200 for each tonne of waste land filled above the defined allowance. In addition, a further £200/tonne infraction charge could be levied if the Council fails to achieve the Statutory Waste Recycling target in the same period. Therefore if the Council fails to meet the target by (say) 1,000 tonnes (roughly equivalent to just 1% of the Councils current Municipal Waste Arising), this could result in a financial penalty of £400,000 for that year alone.

2.03 Since the introduction of the policy and the new collection arrangements, recycling levels across all areas of the County have increased, allowing the Council to achieve the 2012 – 13 statutory target of 52% and to be well on track to achieve the subsequent targets - which are shown below:

**Table 1 - Summary of municipal waste targets**

TARGET FOR EACH INDIVIDUAL LOCAL AUTHORITY:	TARGETS FOR EACH TARGET YEAR			
	12-13	15-16	19-20	24-25
Minimum levels of reuse and recycling / composting (or AD)	52%	58%	64%	70%
Minimum levels of AD (or composting if currently committed to this technology) of source separated food waste from kitchens as part of the combined recycling/ composting target above	12%	14%	16%	16%
Minimum proportion of reuse/recycling/composting that must come from source separation (kerbside, bring and/or civic amenity (CA) site)	80%	80%	80%	80%
Maximum level of energy from waste per annum	-	42%	36%	30%
Maximum level of landfill	-	-	10%	5%
Maximum level of residual household waste per inhabitant per annum	295kg	258kg	210kg	150kg

2.04 The service is partly funded by WG though the Sustainable Waste Management Grant (SWMG). The level of the grant was reduced by approximately 5% or £149,470 during the financial year 2013-14 and indications are that further reductions are to be expected in 2014 – 15 and beyond.

2.05 It is good practise to review all formal Council policies to ensure they are still appropriate and meet the needs of both the residents and the Council. It is also important to ensure that by the application of the policy, the Council avoids any financially damaging infraction charges in future years. In addition there are a number of elements within current waste policies which are not being implemented and that therefore require amending i.e.

- Side waste collection policy – Changes detailed in new policy
- HRC provision

2.06 To provide clarity and a single document which provides detailed information on the Councils complete waste collection service, the new policy has been extended to include detailing operations at the Councils Household Recycling Centres (HRC's) and 'Bring Sites'.

### **3.00 CONSIDERATIONS**

3.01 The proposed policy relies heavily on the continuing participation of Flintshire residents to ensure that recycling levels remain high and the further development and promotion of the new collection service is considered essential, if the Council is to achieve the incremental



targets set by WG.

A summary of the main changes to the Policy are as follows:

- 3.02 The new Collection Policy provides greater clarity for collection arrangements allowing curtilage rather than kerbside collections to take place. It also provides clarity on the liability issues in respect of containers placed for collection.
- 3.03 Residents can continue to purchase a second garden waste bin. However the number of garden waste bins at individual properties will be restricted to a maximum of two. Properties currently with more than this number will continue to be serviced.
- 3.04 The collection of side waste will continue in order to avoid littering and the process for residents who continue to present side waste is clarified in the new Policy. Properties presenting excess side waste will be noted by the crews and staff from the service will then call on the resident to investigate the level of waste being produced at the property. If the resident continues to present side waste and refuses to reduce their waste by recycling, a formal notification process will be followed to ensure the resident is aware of the collection arrangements and the need to recycle. Continued failure to follow the advice issued during this process may result in action being taken under the powers within the Environment Protection Act 1990.
- 3.05 The number of HRC sites will be considered further as one element of the broader Assets Review and the proposed changes resulting from the completion of the Sandycroft HRC site are detailed in the Policy. This will require closure of the current facilities in Saltney and Queensferry once the new facility in Sandycroft opens
- 3.06 The opening times for all HRC sites have been amended to reflect the footfall levels at the sites. The opening hours will also prevent overtime working for staff and remove the need for lone working at the sites during the evening and morning periods.
- 3.07 The Council Van Permit Scheme, which allows residents with vans to use the HRC site's has been amended to limit all van owners to the HRC sites in Greenfield and Mold, which are more suited to receiving these vehicles. The proposal is intended to reduce the risk from confrontations with staff at the remaining sites, where a clear instruction will be advertised informing all users that vans are not accepted into the public areas of the facility. Additional resources will be allocated to the Greenfield and Mold sites to manage van usage and ensure compliance with the policy. The proposed arrangements will be further monitored by operators based in Alltami using the new CCTV system and the complete van ban in all public areas of the remaining sites will therefore be easier to manage and will improve the safety of Council staff

3.08 The Council will continue to offer Trade customers in the County the opportunity to dispose of their garden waste and general waste in Greenfield HRC site. This will be a chargeable service with details of the charges available on the Council's Fees and Charges listing.

**4.00 RECOMMENDATIONS**

4.01 That Cabinet approve the Council Household Waste Collection Policy and the proposed arrangements at Council operated HRC and 'Bring Sites'

**5.00 FINANCIAL IMPLICATIONS**

5.01 The service is part funded by the Welsh Government through the Sustainable Waste Management Grant. There has been a reduction in this grant in the current year of approximately 5% and further reduction are expected in future years.

5.02 The remaining service is budgeted within the Environment Directorate budget

**6.00 ANTI POVERTY IMPACT**

6.01 Not applicable

**7.00 ENVIRONMENTAL IMPACT**

7.01 Achieving the recycling targets will reduce landfill and also reduce the Council carbon footprint.

**8.00 EQUALITIES IMPACT**

8.01 No impact

**9.00 PERSONNEL IMPLICATIONS**

8.01 No impact

**10.00 CONSULTATION REQUIRED**

10.01 Notification to all HRC site users of revised opening hours

**11.00 CONSULTATION UNDERTAKEN**

11.01 With Cabinet Member

11.02 With Local Members in respect of Saltney and Queensferry HRC site closure

11.03 A report was presented to the Environment Overview and Scrutiny on January 22<sup>nd</sup> 2014 detailing the changes to the policy. The report

received positive comments from Members of the Committee and a copy of the Minutes of the meeting are attached at Appendix 2.

**12.00 APPENDICES**

12.01 The Councils Waste Collection Policy

12.02 Minutes of Environment Overview and Scrutiny Committee meeting on January 22<sup>nd</sup> 2014

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

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**Flintshire County Council**

**HOUSEHOLD WASTE COLLECTION  
POLICY.**

**HOUSEHOLD RECYCLING CENTRE  
OPERATIONS.**

**AND**

**THE COUNCIL'S BRING SITE SERVICE**

**December 2013**



## **POLICY FOR HOUSEHOLD WASTE COLLECTION**

### **1.0 Legislation**

**1.1** Under the terms of the Environmental Protection Act, 1990, Flintshire County Council (the "Council") is classed as a Waste Collection and Disposal Authority, and as such has a statutory duty to collect household waste from all domestic properties in the County. Under Section 46(4) of the Act, the Council has specific powers to stipulate:

- The size and type of the collection receptacle(s);
- Where the receptacle(s) must be placed for the purpose of collecting and emptying;
- The waste types which may or may not be placed within each of the receptacle(s).

### **2.0 Household Waste Collection Eligibility**

**2.1** Each household in Flintshire registered on the Council Tax Register will be entitled to receive a waste collection service.

**2.2** Places of religious worship, registered charities and community halls (where no business activity takes place for profit) may be entitled to the standard waste collection service offered to householders.

### **3.0 Collection Frequency**

**3.1** The Council operates a Managed Weekly Collection (MWC) service offering the following:

- A weekly collection of all recyclable material which should be cleaned and separated by the residents. This includes – Glass, Plastics, Card/Paper and Cans
- A weekly collection of food waste
- A fortnightly collection of a 180 litre general domestic waste container  
*Alternating with:*
- A fortnightly collection of 140litre green/garden waste container

### **4.0 Containers for the Storage of Waste Materials**

**4.1** Where operationally possible all households have been included in the MWC service and the properties will receive curtilage collections. However in some locations specific collection points have been identified by the Council and in some locations (particularly flats) local collections will be provided from communal wheeled bin(s) which are provided for the purpose of storing waste materials prior to collection.

- 4.2 All containers supplied to householders for the purpose of the waste/recycling collection service shall remain in the ownership of the Council. When householders move home they will be required to leave all wheeled bins and recycling boxes at the property for the new occupant to use. The only exemptions are additional garden waste bins (Brown Bins) that have been purchased by the householder from the Council.
- 4.3 Householders are responsible for the storage, safe keeping and cleaning of waste containers provided by the Council.
- 4.4 Each householder in the scheme shall be provided with the following containers free of charge in which to store their waste:
- 1 x 180 litre black wheeled bin for non recyclable waste. Only waste produced by a household on a normal day to day basis should be placed in this wheeled bin (i.e. it should not contain non standard items such as bulky waste, commercial waste or recyclable waste).
  - 1 x 55 litre blue recycling box (for plastic bottles, mixed cans and mixed glass). Households requesting additional recycling capacity shall be provided with reusable weighted woven sacks for separating plastic bottles and mixed cans (the box will then be used for glass only). Recycling products placed in these receptacles should be rinsed and be free of the material originally stored in them.
  - 1 x 60 litre blue reusable plastic sack (for paper and cardboard). Additional sacks will be available on request.
  - 1 x 25 Litre caddy for the storage of food waste and a smaller 7 Litre caddy for use in the kitchen. Householders will also be supplied with a roll of 52 biodegradable bags for food waste. Householders will be supplied with additional bags (free of charge) when the notification sticker within the roll is presented by residents on collection day.
  - 1 x 140 litre brown wheeled bin for green garden waste. If an additional bin is required please see paragraph 4.12
- 4.5 All containers supplied by the Council should only be used for the storage of items as prescribed by the Council. Failure to do so may result in the Council retrieving the container(s) from the households.
- 4.6 Households must separate their waste items into the appropriate containers as per the advice provided by the Council. If the householder fails to correctly segregate their waste materials into the prescribed containers as required, the waste **may not** be collected and this **shall not** be classed as a missed collection. Following such an incident the householder must place the waste items in the correct container which will then be collected at the next scheduled collection.
- 4.7 Any request to provide a new wheeled bin, recycling box (e.g. due to damage or if a new property has been built etc) shall be made by initially

contacting the Streetscene service through the Streetscene Contact Centre (01352 701234) or through the Councils web-site. Food bags should be requested by placing the sticker within the roll on the food caddy on collection day

Deliveries will be made by Streetscene staff within the operating standard

- 4.8 Where a household has 6 or more permanent occupants, they may make a request for a larger, 240 litre wheeled bin for the storage of non recyclable waste. This service shall be subject to annual review and the 240 litre wheeled bin will be exchanged for a standard 180 litre wheeled bin once the number of permanent occupants reduces below 6.
- 4.9 Where a household with fewer than 6 permanent occupants believe they have a need for a larger bin (240 litres) than the standard 180 litre wheeled bin supplied, applications can be made to the Council for consideration
- 4.10 Only 1 wheeled bin for non recyclable waste will be supplied and emptied per property.
- 4.11 Where a household produces large quantities of green garden waste, they may purchase one additional 140 litre wheeled bin for the storage of this material. The provision of additional wheeled bin for this purpose shall be subject to availability and households will be restricted to a maximum of 2 wheeled bins for garden waste. The charge for additional brown bins will be reviewed annually and details of current charges are available on the Council's Fees & Charges listing. Households with more than two bins will be continue to receive a collection service subject to further notice..

## **5.0 Collection Points**

- 5.1 All wheeled bins, food containers and recycling boxes/bags must be placed on the drive or footway within one metre of the curtilage or boundary of the property and be easily accessible to the crews without the need to open gates etc. Where this is not possible the containers should be placed on the footway/verge outside the property, at a point causing minimal obstruction to the highway users
- 5.2 The collection point for householders with long private drives will be the point where their drive meets the adopted highway.
- 5.3 Where appropriate collection vehicles will travel along un-adopted roads allowing residents to present their waste containers at the same point on their property as though the road were adopted (5.1). This does not mean that the Council will maintain the road and should the road be deemed unsuitable for the vehicles involved or if the owner of the road refuses to allow the vehicle to use the road, the residents will be required to bring their containers to the nearest adopted highway
- 5.4 Where required, site specific arrangements will be made for collections at flats or properties with narrow or difficult access arrangements. These



specific collection arrangements will be advised to the householder by the Council.

**5.5** Wheeled bins and recycling containers **will be** returned to their point of origin by the collection crews immediately after collection with the lid of the container closed

**5.6** The householder must collect their wheeled bins/recycling boxes after they have been emptied and return them to within the boundary of their property on the day of collection. Containers should not be permanently stored on the public highway.

## **6.0 Collection Day and Time**

**6.1** Wheeled bin and recycling collections will generally take place on the same day each week

**6.2** Wheeled bins, food containers and recycling boxes/bags should be presented for collection by 7.00 am on the day of collection and removed after collections have taken place (which could be up until 5pm). Containers may be placed at their collection point on the evening before collection however the Council will not accept liability for any injury or damage to third parties as a result of any incidents occurring with a container left on the public highway outside of these periods unless caused by the acts or omissions of its employees, contractors or agents.

**6.3** It may be necessary for the Council to change collection days from time to time e.g. over the Christmas and New Year period and on some occasions the waste collection service will have to be suspended due to a service disruption (e.g. during heavy snow, fuel shortage etc). The Council will make every effort to minimise the level of disruption to householders during these periods and will try to rectify any missed collections as soon as the cause of the disruption comes to an end. Notification of changed collection days in these instances will be available on the Councils website and from the Councils Streetscene Contact Centre.

**6.4** Where the Council is unable to collect any missed waste collections due to a service disruption, householders should retain their waste materials until the next scheduled collection when the all of the material will be collected. The Council would encourage residents to use their nearest HRC for the disposal of all waste types in these instances.

## **7.0 Presentation**

**7.1** All waste must be presented in Council supplied containers to ensure its safe collection. Lids on wheeled bins must be shut when the waste is collected in order to ensure the health and safety of the collection crews and prevent damage to the containers and the vehicle lifting equipment..

**7.2** Any waste jammed in a wheeled bin that does not fall out following the normal mechanical emptying process on the waste collection vehicles will

not be taken. In these cases householders will have to loosen the materials themselves ready for the next scheduled collection.

- 7.3** All non recyclable waste must be contained within the Council supplied black wheeled bin. Properties presenting excess side waste will be noted by the crews and staff from the service will then call on the resident to investigate the level of waste being produced at the property. If the resident continues to present side waste and refuses to reduce their waste by recycling, a formal notification process will be followed to ensure the resident is aware of the collection arrangements and the need to recycle. Continued failure to follow the advice issued during this process may result in action being taken under the powers within the Environment Protection Act 1990. The side waste will however be collected to reduce littering in the locality.

## **7.0 Assisted Collections**

- 7.1** Where, through frailty or incapacity, a householder cannot present their 180 litre wheeled bin or recycling boxes at the curtilage, and subject to there being no other able bodied adult person living at the property, the householder may make a formal request to the Council for an Assisted Collection. If an Assisted Collection is approved a suitable collection point on the property shall be agreed with the householder and collections will then take place from this point. All containers will be returned to the collection point by the waste teams once they have been emptied.
- 7.2** Assisted Collections will be restricted to those households who are in genuine need following approval of an application to the Council. The Council will review every individual case every two years.

## **8.0 Missed Kerbside Collections**

- 9.1** If a wheeled bin or recycling container is placed out ready for collection at a collection point as specified in section 5 and on the correct collection day and time, and is not picked up by the Council, then this will be classed as a missed collection. As the Council undertakes almost one million individual collections each month in the County, inevitably there will be some missed collections each day
- 9.2** Where a genuine missed collection is reported the Council will endeavour to return and collect the waste the following working day after receipt of notice.
- 9.3** Where it is proven that the householder has failed to place the bin out for collection at a collection point as specified in section 5 or on the designated day and time; the Council will not return for the collection and the resident will be required to place their waste for collection on the next collection date.
- 9.4** Missed collections can be reported through the Streetscene Contact Centre or through the Councils web-site

## **10.0 Clinical Household Waste Collection**

- 10.1** The Council provides a collection service for clinical household waste from householders upon request from the relevant Health Care provider, via a prescribed application form.
- 10.2** The Council shall provide a suitable container for the householder to store their clinical waste.
- 10.3** An agreed collection point, day of collection, frequency of collection and any other specific instructions regarding this service, will be agreed between the Council and the householder.

## **11.0 Bulky Household Waste Collection**

- 11.1** The Council provides a bulky waste collection services for householders. This is a chargeable service for 1 to 5 items (or up to 10 bin bags). Extra items, up to a maximum of 5, are also collected at an additional charge. The cost for each of these services will be shown in the Council's Fees & Charges listing which is reviewed each year. Fridges and Freezers are collected free of charge
- 11.2** Householders in receipt of Income Support, Unemployment Benefit, Disability Living Allowance, State Pension or Guaranteed Pension Credits will be provided with up to two free collections per year if required. Proof of benefit will be required.
- 11.3** Following a request for a bulky household waste collection service, the collection shall take place within the prescribed Streetscene standard period.
- 11.4** Typical examples of bulky waste that will be accepted include the following - mattress's, bed frames, chairs, tables, TV's, carpets, hi-fi's, cupboards, standard cookers, sideboards, lamps, children's toys, computers, bookcases etc. A three piece suite will count as three items.
- 11.5** Small waste objects should be placed into a box, sack or suitable container and this will then be counted as one item. Only the items listed during the original request to the Council will be collected and additional items will not be collected.
- 11.6** No commercial or industrial waste will be collected however trade waste will be accepted at Greenfield HRC site with the appropriate permit.
- 11.7** All items must be presented for collection by 07.00 hours on the specified day of collection. All items of waste must be left in the front of the nominated property and clearly visible from the highway. They should be presented in a safe fashion which does not cause any obstruction or danger to the public. The Council will not enter houses to collect waste items. The collection point for properties with difficult access e.g. flats shall be agreed with the Council at the point of request and before collections are made.

**11.8** The Council reserves the right to refuse the collection of any waste items that may cause harm or may have an affect on the health and safety of waste collection staff.

**11.9** Home Improvements including kitchen/bathroom renewals, fitted wardrobes and any soils & rubble from landscaping works **will not be collected** as part of a bulky waste collection and households should make the appropriate arrangements with their contractor to ensure they comply with their own duty of care for the safe disposal of the material.

## **12 Household Recycling Centres (HRC's)**

**12.1** Flintshire County Council operates 8 HRC sites at the following locations across the County:

- Greenfield
- Flint
- Mold
- Hope
- Connahs Quay
- Saltney & Queensferry – To be replaced by Sandycroft
- Buckley

**12.2** The number of HRC sites required across the County will be considered further as one element of the broader Council Assets Review.

**12.3** In recent years and in line with the Councils Waste Management Strategy, the emphasis at the sites has changed from a simple tipping facility to one which allows the Council to recycle the majority of material that residents take to the sites. This change has been driven by the targets set by Welsh Assembly Government (WAG) for the amount of municipal waste recycled by each Council in Wales.

**12.4** Approximately 30% of the total domestic waste currently produced in Flintshire is collected at the HRC sites and the average recycling rate achieved at the sites is approximately 58%. All residents using the facilities will be met by a member of the staff on the site and provided with guidance on the disposal of their material. The intention will be to ensure that as much of the waste as possible is recycled. Black bag or residual waste will then be opened on the sites by the staff and any recyclable product removed from the bag and then placed in the appropriate recycling container.

**12.5** Space at the sites limits the number of waste types that can be recycled however every attempt is made to maximise the number of waste types that can be recycled at each site.

**12.6** Due to Health and Safety concerns Asbestos products will only be accepted at Greenfield and Buckley HRC sites. The material should be presented in sealed plastic bags (which are supplied at the HRC sites if

required) and place in the designated skip for storage prior to disposal. Flintshire County Council recommends that specialist advice on handling asbestos should be sought before handling this material.

Similarly building rubble and soil can only be accepted at Buckley, Mold and Greenfield.

**12.7** The opening hours for the facilities will be as follows:

Summer (March – Sept)	Opens	09.00 hours
	Closes	19.00 hours

Winter (Oct – Feb)	Opens	09.00 hours
	Closes	17.00 hours

**12.8** Residents with privately owned vans wishing to dispose of their household waste at HRC's will only be accepted at the Greenfield and Mold facilities and will be required to obtain a permit in order to do so. This is in order to reduce conflict with staff at other sites and compliance will be monitored using CCTV cameras which are situated on all of the sites

**12.9** Trade or commercial waste will only be accepted at the Greenfield HRC site with a permit which should be issued before the site is visited.

#### **12.10 Resident Van Permits at HRCsites**

##### **Why are permits necessary?**

- To stop illegal use of the sites by businesses
- To meet the requirements of environmental legislation.
- To reduce congestion at the sites making general visits safer, quicker and easier.

##### **What types of vehicles are restricted?**

Residents owning the following vehicles must be in possession of a permit to dispose of their waste at HRC sites. This restriction applies to company vehicles, hired vehicles and borrowed vehicles and includes:

- Lorries
- Vans
- Pick-ups
- Trailers (with more than one axle)
- Mini-buses
- Any vehicle that might be seen as 'commercial'

### **Criteria for issuing permits**

If a Flintshire resident can satisfy three simple criteria they can apply for a permit from Flintshire County Council and continue to use Greenfield and Mold HRC sites for the disposal of their household waste.

- The vehicle must be registered to the resident, not a business or other organisation.
- The vehicle must be registered to an address in Flintshire.
- The vehicle must not be sign-written or display advertising.

If the resident cannot satisfy the above conditions, they will not be permitted to bring the vehicle into the nominated HRC

### **How to apply for a Residents Van Permit**

There are 2 ways to apply for a permit:

**Email** the completed permit application form (available on the Councils website) to [Streetscene@flintshire.gov.uk](mailto:Streetscene@flintshire.gov.uk) along with scanned copies of the required documents, or

**Post** the completed permit application form to Streetscene, Flintshire County Council Depot, Alltami CH7 6LG together with copies of the required documents,

The following documents should be included in the application:

- Vehicle registration Document (V5) Section 4, 5, 6 & 7 and
- Two recent utilities bills/Council Tax demands

Photocopies or scanned copies of documents are acceptable and we will return any originals sent.

Permits will then be collected from Alltami depot when the suitability of the vehicle will be assessed by staff

There is no charge for these permits.

### **Process**

1. **The van permits will only apply in the Greenfield and Mold HRC sites and no other sites will accept vans with permits.**
2. Once the application is approved the applicant will receive a card with vehicle details noted and 12 numbered boxes around the edge, these will be hole punched by the attendant on site each time you visit.
3. The permit can be used for a maximum of 12 visits per year. The HRC staff will not allow you access to the site if you do not have a permit.
4. If the vehicle is changed during the year a new permit for the new vehicle will be required.

### **12.13 Hired Van 'One Off' Permits**

If the van is hired or borrowed and taking **household** waste to a Flintshire County Council HRC a "one off" permit will be required. 'One Off' permits are available from the Streetscene Contact Centre (031352 701234) and directly

from the Greenfield and Mold HRC sites at weekends. Hire documents and proof of address (through utility bill) will be required and this information will be checked by site staff when the vehicle visits the site. Hired or borrowed vans will only be accepted at the Greenfield and Mold HRC sites and for **three visits only over a two week period**. Vehicles should not display any commercial markings other than that of the Hire Company.

#### **12.14 Commercial Waste HRC permits**

The Council will provide permits for Commercial waste to be disposed at Greenfield HRC site only. This includes commercial disposal of green garden waste at the Councils composting facility.

**For details of commercial disposal costs and application arrangements please contact Flintshire County Council Streetscene Contact Centre 01352 701234 or visit the Councils web-site.**

#### **13 The Councils 'Bring Sites'**

**13.1** In addition to the HRC sites the Council also operates 23 strategically placed 'Bring Sites' which allow residents to recycle locally. The sites are in the following locations.

- Bagillt, The Stag Car Park
- Broughton, Village Centre
- Buckley, Potters Wheel
- Caergwrle, High Street
- Caerwys, Caerwys School
- Caerwys, Marian Lucy Common
- Connah's Quay, Somerfield
- Halkyn, Blue Bell Inn
- Hawarden, Tinkersdale
- Higher Kinnerton, The Royal Oak
- Higher Kinnerton, The Swan
- Holywell, Tesco Car Park
- Leeswood, Community Centre
- Mold, Somerfields Car Park
- Mold, Tesco Car Park
- New Brighton, Beaufort Park Hotel
- Queensferry, Asda Car Park
- Rhydymwyn, Antelope Inn
- Saltney, Morrisons
- Saltney, Sports & Social Club
- Shotton, Charmleys Lane Car Park.

- 13.2** The sites will include a single unit providing storage for separated glass, cans, plastic and paper/card and a separate unit for recycled textiles. The textile bank will be emptied and managed under contract by a nominated contractor. The single glass, plastic etc storage facility will be managed by the Council's own staff.
- 13.3** The provision of Bring sites are subject to review and provided subject to the level of demand in a particular area



**ENVIRONMENT OVERVIEW & SCRUTINY COMMITTEE**  
**22 JANUARY 2014**

Minutes of the meeting of the Environment Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold CH7 6NA on Wednesday, 22 January 2014

**PRESENT:**

Councillors: Haydn Bateman, Peter Curtis, Chris Dolphin, David Evans, Veronica Gay, Ray Hughes, Colin Legg and Nancy Matthews

**SUBSTITUTES:**

Councillors: Glyn Banks for Ian Dunbar, David Wisinger for Cindy Hinds, Ron Hampson for Ann Minshull and Alex Aldridge for Paul Shotton

**APOLOGIES:**

Councillors Matt Wright and Carolyn Thomas

**ALSO PRESENT:**

Councillor Bernie Attridge was present as an observer

**CONTRIBUTORS:**

Cabinet Member for Economic Development, Cabinet Member for Waste Strategy, Public Protection and Leisure and Director of Environment  
Head of Streetscene for minute number 56  
Head of Regeneration and Regeneration Officer for minute number 57

**IN ATTENDANCE:**

Member Engagement Manager and Committee Officer

**53. APPOINTMENT OF CHAIRMAN FOR THE MEETING**

The Member Engagement Manager indicated that neither the Chairman nor Vice-Chairman were able to attend today's meeting. Therefore, he sought nominations for a Chairman for the meeting. Councillor David Evans was nominated by Councillor Ron Hampson, which was duly seconded.

**RESOLVED:**

That Councillor David Evans be Chairman for this meeting.

**54. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

No declarations of interest were made.

**55. MINUTES**

The minutes of the meeting of the Committee held on 16 December 2013 had been circulated to Members with the agenda.

## Matters Arising

Councillor Nancy Matthews indicated that she had tried to sign on to Superfast Cymru but had been advised that it was not available in the area. She said that she would try again and would provide an update in the future.

### **RESOLVED:**

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

## **56. THE COUNCIL'S HOUSEHOLD WASTE COLLECTION POLICY**

The Head of Streetscene introduced a report to inform Members of the proposals to review and update the Council's Waste Collection Policy.

He detailed the background to the report and explained that recycling was still a significant challenge for the authority. The municipal waste target for 2015/16 was 58% and this year the Council was currently achieving 57%. The Head of Streetscene reminded Members that the cost of not achieving the targets was extremely high and that failing to meeting the target by 1% could result in infraction charges of £400,000 for that year alone. The Sustainable Waste Management Grant was decreasing each year and the targets were increasing so it was good practice to review the processes and policies in place. The following were reported as changes to the policy:-

- Household Recycling Centres (HRCs) had now been incorporated into the policy
- curtilage collections
- restricting garden waste bins to two per property
- continuation of side waste
- provision of a new HRC site in Sandycroft resulting in the closure of Saltney and Queensferry once it opened
- opening times amended to take account of footfall levels at the sites
- van owners with a Van Permit limited to Greenfield and Mold sites

The Head of Streetscene explained that areas which had high amounts of side waste would be monitored and where issues were identified, an action day would be set up in the area to educate residents on what could or could not be recycled to encourage them to recycle. Visits from officers may also be required and enforcement action would be undertaken as a last resort. He explained that plans for the new site in Sandycroft, which now did not include steps, would be submitted to Planning in March 2014.

Councillor Nancy Matthews expressed concern about side waste and queried whether reports could be submitted to future Committees about the levels of side waste to allow the Committee to monitor whether it was reducing. She welcomed the provision of the van permit scheme at two sites and queried whether the permits would be available at the Alltami depot in future. The Head of Streetscene advised that he could provide a summary about side waste in his six monthly performance report to the Committee. It was intended that the van permits would be available at Alltami and that renewals could then be undertaken through the Contact Centre.

Councillor Colin Legg raised concern about the number of complaints he had received from residents about collections of waste during the Christmas period. He also asked if a smaller bin for residents who lived alone could be considered and queried why other authorities such as Liverpool asked that all waste be placed in one bin and not separated into recyclable/non-recyclable waste. Councillor Legg also asked that thanks from residents be passed on to the refuse collectors.

In response, the Head of Streetscene said that the number of complaints during the Christmas period was very low, which was encouraging, and that a 99.3% collection was now being achieved. Processes were in place for missed collections but he reminded Members that the Council was not always to blame for missed collections. He said that the suggestion of a smaller bin could be explored. The Cabinet Member for Waste Strategy, Public Protection and Leisure said that there had been a significant number of changes over the past 12 months and he highlighted that supervisors would be allocated responsibilities for rounds and HRC sites to ensure that they were dealt with appropriately. On the issue of separating waste, the Head of Streetscene said separation of recycling by residents was the preferred option from Welsh Government and that it was likely to become a legal requirement for Councils to ask residents to do it.

Councillor David Wisinger welcomed the report but asked how many van permits had been issued (743) and indicated that he would have preferred the two sites to be Greenfield and Queensferry not Greenfield and Mold. The Cabinet Member for Waste Strategy, Public Protection and Leisure said that the sites had been chosen because of their spatial ability but that the issue would be monitored and would be reviewed 12 months after implementation. In response to a question from Councillor Wisinger, the Head of Streetscene said that residents would be notified if any bins were crushed or lost during the collection of waste. Councillor Wisinger requested that Queensferry and Saltney HRC sites remain open for a period of time following the opening of Sandycroft until such time that he was satisfied with it but the Cabinet Member stated that it was neither possible or appropriate to keep all the sites open beyond the opening of Sandycroft. The Head of Streetscene advised that he would make enquiries about the number of van permits issued.

Councillor Chris Dolphin asked questions about the provision of replacement green food bags and the returning of bins to their point of origin and suggested that the noting and monitoring of properties that put out side waste should be undertaken by the supervisors. The Head of Streetscene advised that the properties leaving out side waste were recorded onto a device in the cab and were fed back to supervisors automatically. He agreed that supervisors should take more control and have a greater role in the area that they were responsible for.

Councillor Peter Curtis welcomed the report and the changes proposed to the policy including curtilage collections. He raised concern about shopkeepers in town centres that put out their waste on a Saturday for early morning collections on a Monday and asked if collections could be undertaken later on Mondays so that the waste could be put out that morning instead of over the weekend. On the issue of Christmas collections, he said that information was issued about changes

during that period and he welcomed the collection rate in his area. Councillor Curtis also welcomed the inclusion of Disability Living Allowance in the list of benefits that householders could receive to qualify for up to two free collections per year of bulky household waste. The Head of Streetscene advised that he would look at the issue of town centre waste collections.

On the issue of black bins, Councillor Ron Hampson said that they were not big enough for some families and therefore the issue of side waste would continue; he queried whether the bins used in Chester were larger. The Head of Streetscene responded that a significant amount of time and effort had gone into deciding the correct size for the black bins. The Cabinet Member for Waste Strategy, Public Protection and Leisure said that it was hoped that the amount of side waste would continue to reduce and therefore the Council would continue to use the size of bin that was currently in place.

In referring to the comment that bins would be returned to their place of origin once emptied, Councillor Veronica Gay asked that the lids be put on the bins. She also welcomed the proposals to not include steps at the Sandycroft HRC and asked if advertising would be undertaken to prepare the public for the closure of the sites at Saltney and Queensferry. Councillor Gay also suggested that figures be published to raise awareness about which areas were better at recycling than others. She commented on the 'bring sites' and asked if these were located in the correct sites across the county. The Cabinet Member for Waste Strategy, Public Protection and Leisure said that the situation of 'bring sites' would be monitored and reviewed if necessary. In response to the subject of lids on bins, the Head of Streetscene advised that the lids should be closed once the bin had been emptied.

Councillor Glyn Banks congratulated the officers for the report and felt that a presentation on what could or could not be recycled would be welcomed in his ward. On the issue of collections, he said that Talacre had a Saturday collection whilst the rest of area had their waste collected on a Monday; this was an area of concern and Councillor Banks asked if it could be reviewed. The Head of Streetscene responded that areas that received presentations were chosen because of their high rate of side waste and he added that the Local Members would always be invited if such an event took place in their ward. There were currently no plans to change the rounds but the issue of collections in Talacre could be reviewed.

In response to a question from Councillor Haydn Bateman about black bags no longer being able to go to landfill, the Head of Streetscene said that the Environment Act was being reviewed and it referred to residual waste not being permitted in landfill so was not referring to the use of black bags. Following a further query from Councillor Bateman, the Head of Streetscene said trade waste was only permitted into the Greenfield HRC site with the necessary permit.

Councillor Ray Hughes referred to the collection of waste during the Christmas period, which he welcomed, and queried whether the weekly collection of black bins during this period could be extended to the end of January. The Head of Streetscene responded that the brown bin service was suspended for four weeks to allow weekly black bin collections during the Christmas period and it was felt that this was a sufficient timeframe. Councillor Alex Aldridge felt that the

diligence of residents should be highlighted as the Council would not achieve its targets without them. He asked if regular visits were made to schools to educate children as he felt that this was essential and the Head of Streetscene confirmed that these were undertaken. Councillor Aldridge raised concern about areas in the county where litter including cans and bottles were left and asked how those responsible for this were dealt with.

The Chairman referred to rows of terraced properties where the bins were left out all week as there were no areas to store them and said that he felt that the residents needed to be educated about this. On the issue of bulky waste collection, he asked if this applied where a child in the property was in receipt of Disability Living Allowance. The Head of Streetscene responded that it was intended to apply to householders in receipt of the listed benefits so the service would not be free if only the children in the property were in receipt of the benefits listed.

**RESOLVED:**

- (a) That the proposed changes to the Council Waste Collection be endorsed; and
- (b) That the Cabinet Member and Officers be requested to have regard to the comments made by Members during the discussion.

**57. TOWN CENTRES, HIGH STREETS AND RETAIL AREAS**

The Member Engagement Manager introduced the report to consider how the Committee can undertake a review of Town Centre and High Street regeneration.

Following a request from the Committee in July 2013 to give further consideration to exploring new ways to enhance town centres and high streets, a meeting had taken place where it had been agreed that a considerable amount of good work was already taking place across Flintshire. The report identified the work that had been undertaken since May 2013 and the updates that the Committee had received as part of the Quarterly Performance Report for Regeneration. The group that met on 12 December 2013 felt that a joined up approach was needed across the Council including planning, housing, social enterprise and working with the many stakeholders which were listed in the outline project plan which was attached as an appendix to the report.

Councillor Alex Aldridge expressed his support for the proposals and said that it was important that all areas were given the same opportunity to put suggestions forward. He asked if information including anecdotal evidence would be provided for all areas so that the Committee could have an overall view of the town centres and high streets across the County.

The Cabinet Member for Economic Development indicated that he had attended the meeting in December 2013 and said that the Chairman and Vice-Chairman had suggested that the Committee needed to be made aware of what was taking place in town centres and then prepare a mini strategy to take forward as good practice for all areas. Councillor Aldridge believed that a 'bottom up' approach was required. The Head of Regeneration said that it was important to

work with local communities and that each town would have different priorities and would require a different solution. The project plan approach adopted by the County Council was about developing a strategy that was appropriate for the local communities.

Councillor Chris Dolphin agreed with more involvement of Overview & Scrutiny in Town Centres but said that ideas that he had tried to put forward for Holywell Town Centre regeneration had not been welcomed. The Chairman felt that there was a need to look at the County as a whole and not at individual wards.

Councillor Nancy Matthews referred to two issues that affected small businesses which were rent and business rates. Councillor Peter Curtis said that the Clerk of the Town and Community Council could be contacted if there were certain projects that other Town and Community Councils wanted to submit an opinion about. He also referred to the Holywell Partnership Board. The Head of Regeneration said that the partnerships referred to were not formally constituted bodies, they were open meetings and decisions on attendance were a matter for the bodies themselves. On the issue of business rates and rents, he said that these were collected by the Council but were set by Welsh Government and he spoke of a review in Wales about rate relief for small traders. He also commented on a small shop scheme which he detailed but he said that the County Council had been unable to reach agreement with any shop. On the issue of wider strategic approaches, he felt that it made sense to undertake a joined up approach and suggested working alongside whatever other major initiatives were operating in the area, for example, the Deeside approach was closely linked to the Deeside Enterprise Zone Board.

The Cabinet Member for Economic Development reinforced what the Chairman of the Committee had said at the group meeting on 12 December 2013 that this Committee needed to be apprised of what Town and Community Councils were doing to allow the collection of information to identify good practice within the ward which could be considered as a solution for other areas.

Councillor Veronica Gay asked how this issue was linked with Flintshire Connects and commented in particular about the proposals for Saltney. The Cabinet Member for Economic Development said that the issues were not related. Councillor Aldridge disagreed and said that there was an intrinsic link and highlighted the Flint Connects office which would also house the Police and the Jobcentre as well as officers delivering Council services.

Councillor Glyn Banks asked how tourism fitted into the scheme and commented on the areas of Talacre and Gronant. The Director of Environment felt that Tourism was a separate issue and felt that this could be included in the Forward Work Programme for discussion at a future meeting.

Councillor Curtis queried whether the Partnership Board meetings were open to the public and said that he understood that people were invited to attend but that the meetings were not public meetings. The Head of Regeneration said that the boards were unconstituted bodies and confirmed that they were not closed meetings and that they had initially been set up as open meetings.

The Chairman agreed with the recommendation in the report but added that he would like the issue to be included on the Forward Work Programme and brought to the next meeting for discussion in more detail.

**RESOLVED:**

- (a) That the Committee agree in principle to undertake a scrutiny review of Town Centres and High Streets, as identified in the report; and
- (b) That the Project plan be further developed for consideration at the next meeting.

**58. FORWARD WORK PROGRAMME**

The Member Engagement Manager introduced a report to consider the Forward Work Programme of the Committee.

He explained that a report on the North Wales Residual Waste Partnership was due to be considered at the meeting of the Committee scheduled for 26 February 2014. The Director of Environment said that a meeting of the North Wales Residual Waste Treatment Project Joint Committee was due to be held the following week and until this meeting had taken place, he could not confirm whether a report would be available to submit to the meeting of this Committee scheduled for 26 February 2014. He suggested that if the report was to be submitted, then it should be the only item for consideration on the agenda for that meeting and that there would be a wide range of information that would be available for Members to view prior to attending the meeting. The report on Streetscene – next steps would not be available due to the forthcoming organisational restructuring and the report on C Roads could be deferred to a future meeting.

The Chairman suggested that an additional meeting be scheduled for April 2014 to ensure that items were not unduly delayed and that the Member Engagement Manager discuss this and the possibility of moving items from the 26 February 2014 meeting with the Chair and Vice Chair.

Councillor Alex Aldridge spoke of the significant challenge ahead on the issue of waste and also commented on the suggestion in the Williams Report to merge Flintshire County Council and Wrexham County Borough Council (WCBC). Councillor Nancy Matthews sought further information about the amount of debt WCBC had for the PFI (Private Finance Initiative) and what affect this had on the project. She felt that this issue needed to be sorted before any decision was made and added that there was a need to be prepared that this very important project might not happen because of it. On the issue of the Williams Review, the Director of Environment said that political discussions would take place at all levels and until these had been undertaken, the Authority could only deal with the information before it. He commented on the Inter Authority Agreement (IAA2) which talked of the potential for a local government review and said that there would be the opportunity to look at the document as the process progressed.

In response to a question from Councillor Matthews, the Member Engagement Manager said that an item on Deeside Enterprise Zone could be included in the Forward Work Programme. He also advised that the following had

been suggested by the Corporate Resources Overview & Scrutiny Committee as items for consideration by this Committee:-

- Issue of changing legislation on local authorities responding to flood relief
- Responsibilities of a third Dee crossing, and its maintenance

Councillor Veronica Gay suggested that Natural Resources Wales be asked to provide a presentation on their flood maintenance programme. The Chairman indicated that this could form part of the item which was showing in the 'items to be scheduled' section. The Member Engagement Manager suggested that the Facilitator liaise with the Chair and Vice-Chair to be authorised to vary the programme between meetings. Following a discussion on flood strategies for evacuation of residents, the Chairman suggested that a workshop on the subject be held for Members.

It had also been suggested earlier in the meeting that a further report on Tourism in the County be submitted to a future meeting.

**RESOLVED:**

- (a) That the Forward Work Programme be changed to reflect the discussion which took place at the meeting; and
- (b) That the Facilitator, in consultation with the Chair and Vice-Chair be given authority to alter the Forward Work Programme between meetings.

**59. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There was one member of the press and no members of the public in attendance.

(The meeting started at 10.15 am and ended at 12.33 pm)

.....  
**Chairman**



## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY 18 FEBRUARY 2014**

**REPORT BY:** **HEAD OF HOUSING**

**SUBJECT:** **HOUSING ASSET MANAGEMENT STRATEGY**

### **1.00 PURPOSE OF REPORT**

1.01 This report seeks approval from Cabinet for a Council Housing Asset Management strategy. This document covers the period from 2014 to 2020; and will see the stock meet the WHQS at the end of that time. Programmes of work will also be developed to ensure that the housing stock is able to meet the changing needs of the population and has a sustainable future; meeting issues identified through Welfare reform and household income pressures. The strategy will see the creation of 20 apprenticeships and 200 local jobs. In addition, the strategy considers legislative responsibilities that need to be met and how the strategy can support delivery of the Council's Improvement Plan objectives particularly around the alleviation of fuel poverty.

### **2.00 BACKGROUND**

2.01 Flintshire County Council, like all other Welsh social landlords, is required to comply with WHQS by the year 2020. The Council has agreed a business plan with Welsh Government to meet this target. Extensive work has been undertaken following the housing ballot to reduce costs and identify efficiencies and income generation options, to maximise the investment resources available.

2.02 The draft Asset Management Strategy has three key goals;

- To achieve the WHQS by 2020
- To make the most efficient and effective use of funds available
- To maximise job creation and training opportunities for local people.

2.03 The draft strategy is based on the levels of funding available through the Major Repairs Allowance (MRA), Capitalised Expenditure from the Revenue Account (CERA), and contributions from sales of housing land and properties. The investment strategy is currently based upon the latest projections arising from resources within the existing subsidy system. The revised business plan requires an expenditure of circa £103 million to be incurred over a 7 year period to achieve

WHQS. Currently, the Council can provide funds of circa £12 million per annum and this will need to rise to £15 million per annum in the last few years of the investment plan to fully achieve the standard by 2020. This gap could be met either by limited prudential borrowing or further income maximisation or serve cost efficiencies (other than those identified in the current business plan).

- 2.04 The Council commissioned a comprehensive Stock Condition Survey (SCS) in 2007, which was updated in 2011 for the ballot purposes. A 25% representative sample of the whole stock formed the basis of the survey. A new SCS is currently being undertaken, to provide an additional 10% representative sample, and the remaining 65% of the stock will be surveyed externally. This will provide the Council the opportunity to confirm or adjust its business plan to achieve WHQS by 2020.
- 2.05 The current delivery plan, as approved by cabinet and following tenant consultation, consists mainly of internal elements of work such as kitchens, bathrooms, heating and smoke alarms. The new delivery plan is required to consider completion of these elements and in addition new work streams including further internal works; Envelope treatments, (see 3.02); External and Environmental work programmes (to fully meet the WHQS).
- 2.06 The Asset Management Strategy also describes the need to address other important factors such as, energy efficiency, estate re-modelling, regeneration and actions to aid the management of Anti Social Behaviour and the impacts of Welfare Reform.

### **3.00 CONSIDERATIONS**

- 3.01 The Asset management team are formulating ideas around working in broader geographical areas, (perhaps estate by estate), in lieu of the current system of working in many ward areas each year and only completing one or two streets within those areas.

In addition the range of work streams now needs to be extended to achieve all the investment needs by 2020.

- 3.02 The four main work stream requirements can be clustered as follows:
- Internal work – Kitchens, Bathrooms, Heating, Re-wires, Smoke Alarms etc.
  - Envelope works – Roofing, Chimney work, Roofline works (Gutters, fascias etc), Windows / Doors, Re-pointing / re-rendering etc.
  - External works – Fencing, Paths etc
  - Environmental works – Estate wide projects to include off street parking and larger environmental projects.

3.03 The Council will be looking at the potential cost savings of grouping elements together within a work stream, such as kitchens and bathrooms being completed at the same time (whole house). This approach is different from the existing method used, (individual elemental approach). This would achieve potential cost savings against both contractor and council contract management costs. This is because the council would be administering a smaller number of projects as opposed to managing a large number of contracts at the same time.

3.04 The Council will be tackling area specific issues and projects in the Asset Management Strategy through its Environmental schemes. Consultations will be required with Tenant groups, Members and other stakeholders to identify issues and solutions in specific areas and wards.

In addition the investment programme can be utilised to address housing management issues such as design issues which exacerbate ASB, or stock which needs to be changed to deal with issues such as Welfare reform or the changing needs of the local population.

3.05 The Asset Management Strategy aims to continue providing job creation and other community gain through the expenditure of the WHQS programme, (supporting the Welsh Government objective to maximise community benefit through investment programmes). The council is developing an ambitious goal to provide 200 local jobs and 20 apprenticeship schemes through its commitment to spend circa £100 million over all the streams of work to achieve WHQS during 2014-2020.

To help achieve this aim, the council will adopt the i2i model (developed by the Chartered Institute of Housing) within contracts for targeted recruitment and training and will be monitored through the Community Benefits Toolkit supplied by WG.

It is the intention to work closely with other organisations namely Coleg Cambria, Job Centre Plus, the CIH and other councils with similar investment programmes to pursue the option of developing a local training/jobs “Academy” to facilitate and manage the placement and training of individuals on apprenticeship schemes.

#### **4.00 RECOMMENDATIONS**

- 4.01 Cabinet is asked to
- Approve the Asset Management strategy attached to this report as Appendix 1
  - Agree and support the detailed consultation work needed with local councillors and tenants during the Spring and Summer of 2014 to produce an investment plan to achieve WHQS for each of the programme years up to 2020.

- 4.02
- Cabinet is asked to note that 14/15 programme will continue as previously agreed.

## **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The HRA business plan allows for the full costs to achieve WHQS by 2020 with some further efficiencies and/or some prudential borrowing. The plan also allows for 6% costs to manage and deliver the work streams. Current costs are circa 3%.

The 2014/15 HRA budget proposes savings and efficiencies of £1.1m against service improvement costs of £0.5M. This supports an increased revenue contribution to the Capital programme of £0.7m over 13/14 and demonstrates that the council is stretching capacity in the HRA each year to maximise the investment programme. This approach will continue.

- 5.02 The results of the stock condition survey may have a financial implication on the costs to achieve WHQS by 2020, though this is not expected to have either a negative or significant impact.

The current plan assumes that MRA will continue to be provided unchanged post exit from the HRA. Should this not be the case this could have a detrimental impact on the resources available for investment.

## **6.00 ANTI POVERTY IMPACT**

- 6.01 There will be local job creation through these significant investment programmes. Work streams to improve the housing stock provide a direct benefit to the lives and living conditions for some of the poorest Flintshire residents.

## **7.00 ENVIRONMENTAL IMPACT**

- 7.01 The agreed approach will have impact on the external environment of all areas affecting both the aesthetics of the landscape.

## **8.00 EQUALITIES IMPACT**

- 8.01 A large percentage of the housing stock is allocated to older people, therefore, the proposals in this paper will have an impact on this customer group.

## **9.00 PERSONNEL IMPLICATIONS**

- 9.01 A small number of additional staff members will be needed to deliver the programme as investment levels and work stream areas increase.

These have been accounted for in the management fees to deliver the project as a whole, and agreed with Welsh Government.

- 9.02 In addition, the investment programme will create 200 local jobs and 20 apprentices.

#### **10.00 CONSULTATION REQUIRED**

- 10.01 The Asset management team will complete a consultation programme with elected members, tenants and other stakeholders to develop a revised investment plan commencing in April 2015.

#### **11.00 CONSULTATION UNDERTAKEN**

- 11.01 Scrutiny committee considered the draft Asset Management strategy at its January meeting and welcomed the strategy and the plans to achieve WHQS by 2020 and create local jobs. The committee were broadly in support of all internal elements being completed together as long as the service was sensitive to the needs of vulnerable tenants and made provision for this. There was unanimous support that all envelope works should be done as a single work programme. Finally, there was a recommendation that officers draw up the draft investment plans on the basis of stock condition data and with the principles of equitable investment streams in mind and bring this to members for final consideration/approval.

A Tenants conference in January considered the draft strategy and investment plan proposals and those attending were broadly supportive of the suggested approach, with similar issues raised to those of scrutiny committee.

#### **12.00 APPENDICES**

- 12.01 Asset Management Strategy (2014-2020).

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

None

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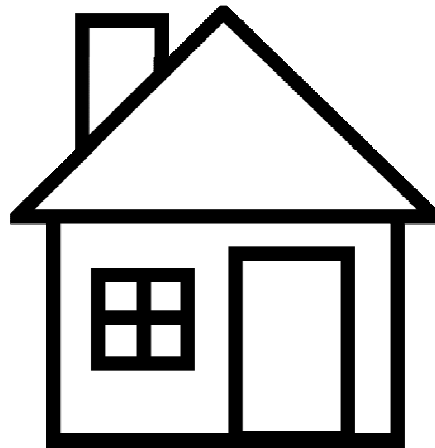


**Community Services Directorate**

**Housing Services**

**Housing Asset Management Strategy**

**2014-2020**



Last Review: <u>16/12/2013</u>	Housing Asset Management
Next Review Date: <u>14/12/2014</u>	Housing Asset Management Meeting

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## EXECUTIVE SUMMARY

The Asset Management Strategy sets out Flintshire County Council's plan for maintaining its housing stock, taking into account the investment needs of homes across the County and the money available for improvements.

The Council commissioned a comprehensive Stock Condition Survey (SCS) in 2007, updated 2011 for the ballot purposes. A 25% representative sample of the whole stock formed the basis of the survey. A new SCS is currently being undertaken over the winter months to provide an additional 10% representative sample of the whole properties and the remaining 65% of the stock will be surveyed externally. This will provide the Council with the opportunity to confirm or adjust their business plan to achieve WHQS by 2020.

Current estimates indicate that it will cost £103 million to bring all homes up to the Welsh Housing Quality Standard (WHQS). Traditional funding arrangements will give £86 million to invest leaving a current shortfall of £17 million. The Council will meet the WHQS by 2020 with either some form of prudential borrowing or further cost efficiencies and/or extended income generation.

The original strategy included a six-year plan showing how and where the available financial resources would be used to repair and improve the stock and contribute towards achieving the WHQS to ensure that the stock is effectively managed and well maintained.

The original plan will be completely overhauled after the results of the new SCS are reviewed and a new seven year plan will be formulated to achieve WHQS over the period 2014-2020. The Council will review the level of resources required to deliver the new seven year plan and will ensure that adequate resources will be made available to deliver the programme of works.

The new seven year plan will have to encompass other work streams beside the Kitchens, Bathrooms, Heating and Smoke Alarm projects currently being undertaken. Other work streams such as Window/Door replacements; Roof line works; Re-roofing; Re-pointing / Rendering; Paths and Fencing; environmental projects will have to be addressed to upgrade properties to the WHQS.

A new approach will be required to ensure coverage of all workstreams, ensuring the Council maximises the finances that are available. Items that need to be considered are; whole house approach to Internal workstreams (e.g. Kitchens and bathrooms together); Re-evaluate geographical areas for various workstreams instead of pepper potting as at present; Re-consider choice and size of Contractors, including Housing Asset Management's in house team working on some Capital Works projects. The Councils new approach will be developed after various consultation exercises have been completed with Tenants Federation and local Members.

Consideration will be given to the local labour market, through the Welsh Governments i2i initiative, ensuring where funds incurred on WHQS expenditure will be kept in the local economy wherever possible. The Council aims to produce opportunity for local SME's tendering directly for various work streams and larger contractors are encouraged to employ the local SME contractors on the larger projects. The Council aims to provide 200 local jobs and 20 apprenticeship schemes through their commitment of spending circa £100 million over all the streams of work to help achieve WHQS during 2014-2020.

The Authority has a housing stock as at December 2013 of 7,417 (including maisonettes not yet demolished), 1766 garages and 94 homes in which the Council has a leasehold interest. The Council needs to implement an Asset Management Strategy to ensure that its stock meets the WHQS, within the cost constraints available and the needs and aspirations of its tenants now and in the future.

The strategy is based on the levels of funding available through the Major Repairs Allowance (MRA), Capitalised Expenditure from the Revenue Account (CERA), contributions from sales of housing land and properties. The overall investment strategy therefore is based upon the latest projections arising from resources within the existing subsidy system.

Over 59% of the Councils housing stock is houses in the form of detached, semi-detached and terraced homes; the remaining 41% of the stock consists of bungalows, flats and maisonettes. 46% of the stock was built between the years 1945 and 1965. There are a total of 346 non traditional dwellings, of which 270 (6.4%) of the stock are concentrated in the Flint area in the form of concrete high rise flats and maisonettes.

The Flint Regeneration scheme will provide an opportunity for the Council to review its housing stock within the regeneration area. A major consideration is the structural condition of the Maisonettes, in particular the Lea's and the Walks Maisonettes. In the light of the recommendations by Adams Structural Consulting Engineers who undertook a recent structural survey, decisions have been taken to demolish the Lea's and The Walks Maisonettes and working collaboratively with Local Housing providers to redevelop the area providing a mixture of housing to meet today's demographic trends. As a consequence, there will only be 270 non traditional properties left in Flint in the high rises.

The Councils Asset Management Strategy has been re-aligned to accommodate Welsh Governments initiative, ensuring all Welsh social housing providers achieve WHQS by 2020. The strategy has also been re-aligned to accommodate the Tenants overwhelming decision in the recent Ballot, voting against stock transfer in May 2012 and retaining the stock within the Council.

There are many challenges ahead due to the unstable economic situation and constant changes in legislation. All these challenges will be addressed as they appear and the Asset Management Strategy will be constantly updated to reflect any new issues that the Council is presented with.

## 1.0 INTRODUCTION

### 1.1 What is Asset Management?

*“This is the activity that ensures that the land and buildings asset of an Authority is optimally structured in the best corporate interest of the Authority concerned”*  
(Royal Institute of Chartered Surveyors)

The Council understands asset management to be a technique for managing its stock and investment to maximise the utilisation of its land and property assets. It requires careful management of the Authority’s stock portfolio to benefit present and future tenants, including:

- Maintaining accurate and up to date information on the condition and sustainability of all properties to enable considered management decisions to be made.
- Reinvesting in dwellings and other properties in the right way and at the right time through Capital Works and routine maintenance programmes.
- Disposing of or redevelopment of dwellings/garages that are uneconomic to maintain and/or which no longer meet the Councils strategic objectives.
- The Housing Service Priorities seek to ensure that over the next 7 years, all our Houses will be refurbished to the WHQS. Working with the private sector, Central Government and the Welsh Government in embracing new initiatives and attracting the maximum available funding.

### 1.2 Why have an Asset Management Strategy

Local Authorities have a number of statutory and non statutory responsibilities in relation to housing. There is a responsibility to make sure that the Councils resources are used in the most effective way making sure they accord with their tenant’s aspirations and provide good value for money; incorporating robust yet flexible financial models and integrating these with the Housing Revenue Account (HRA) business plan.

This Asset Management Strategy is a live document and will be subject to an annual review incorporating any significant changes impacting over the previous year.

## 2.0 AIM OF THE STRATEGY

### 2.1 What are we trying to achieve

The Authority has a limited budget to reinvest into its housing stock. The Councils Housing Investment plan 2014/20 is committed to invest in a series of improvement Capital Works to meet statutory objectives and to reflect tenant expectation and aspirations.

A £103 million pound investment, spread out over 7 years, is required to provide home improvements that reflect tenant key priorities and achieving the WHQS.

### 2.2 Current Position against these objectives

Recent investment levels of approximately £10m spent annually have primarily concentrated on the original 6 year plan including packages of improvements that have included new heating installations, fitting of hard wired smoke detectors, bathroom replacements and kitchen replacements.

These packages of work have been completed over the financial years 2012/13 and 2013/14 and formed the first 2 years of the original 6 year plan.

### 2.3 How will we achieve our goals?

The remaining works from the 6 year plan will be integrated into a new 7 year plan to achieve WHQS from 2014 to 2020. This new plan will be developed from the results taken from the new Stock Condition Survey.

Procuring the works in partnership with other housing providers, local Authorities and utilising partnership procurement methods such as the North Wales Procurement Partnership, (NWPP), London Housing Consortium (LHC), Procure Plus or Fusion 21 Framework Agreements will ensure on going gains in efficiency and value for money.

### 2.4 How will we affect Local Employment?

The Council is committed to providing local jobs for the local community through its expenditure of funds spent on WHQS work. The Council aims to produce opportunity for local SME's tendering directly for various work streams and larger contractors are encouraged to employ the local SME contractors on the larger projects.

The Council aims to provide 200 local jobs and 20 apprenticeship schemes through their commitment of spending circa £100 million over all the streams of work to help achieve WHQS during 2014-2020. To help achieve this aim, the Council has adopted the i2i model within contracts for Targeted Recruitment and Training and will be monitored through the Community Benefits Toolkit supplied by WG. The

200 local jobs shall be recruited and defined as - providing 2 persons per £1 million contract value. Every vacancy on site including those with subcontractors, are to be notified to the Council during the contract. The 20 apprenticeship schemes shall be trained and defined as - 0.2 persons (or 11 person weeks) per £1 million contract value.

### 3.0 STANDARDS

Government policy and statutory responsibility is an important context for the delivery of our services. There are a variety of UK and European legislation as well as national standards and regulations which impact upon our services. Some have direct and indirect influence upon the way we manage our assets.

The Authority is legally obliged to maintain its properties up to an approved standard identified in the Appendices & Statutory Guidance listed at the end of this document. The key objective for the Council is for the housing stock to conform to the WHQS within the given timescale.

**3.1 Welsh Housing Quality Standard (WHQS)** the Welsh Government (WG) is committed to bringing all social housing up to the Welsh Housing Quality Standard by 2020 and in 2002 the National Housing Strategy for Wales “Better Homes for People in Wales” set out the Welsh Governments vision. That all households in Wales shall have the opportunity to live in good quality homes which are:

- Part 1 - In a good state of repair.
- Part 2 - Safe and secure.
- Part 3 - Adequately heated, fuel efficient and well insulated.
- Part 4 - Equipped with up-to-date kitchens and bathrooms.
- Part 5 - Well managed (for rented housing).
- Part 6 - Located in safe and attractive environments.
- Part 7 - As far as possible suited to the specific requirements of the household.

A measurement of where the Council stock currently stands in relation to achieving the WHQS. The Stock Condition Survey, which currently indicates 14 dwellings meet the standard, including 12 dwellings at Glan-Y-Morfa, Connah’s Quay and a further 10 dwellings at the same scheme that were included in 2011-2012 Capital Works programme, extends the total number of dwellings meeting the standard to 24.

### 4.0 PROMISES

The Choices Document presented to customers and subsequently supported, clearly set out comprehensive promises which are at the core of everything the Council will focus on over the forthcoming years.

The Council will ensure the promises are delivered and in many areas this document presently plans to exceed the promises laid out in the choices document, in particular our achievement of the WHQS.

Delivery of the landlord capital improvement programme has outperformed the targets set in the Choices document in 2012/13, through strong project management and improved tender prices and is projected to emulate this in 2013/14. The programme itself has been stretched from £11m per annum in 10/11 to £12m in 13/14 and this is expected to increase to £13m per annum for each of the next 7 years to achieve the WHQS by 2020.

#### HRA Capital programme 2012/13

- Heating upgrades- 600 homes planned- 1100 delivered
- Kitchen replacements- 922 planned-1100 delivered
- Smoke detectors- 884 planned- 2400 delivered
- Bathroom replacements- 56 planned- 62 delivered

#### HRA Capital programme 2013/14

- Heating upgrades- 600 homes promised- 1000 in programme
- Kitchen replacements - 922 promised- 1000 in programme
- Smoke detectors- 884 promised- 1000 in programme
- Bathroom replacements- 0 planned- 60 delivered

## 5.0 CUSTOMER INVOLVEMENT

### 5.1 Introduction

The Councils Resident Involvement Strategy and Action Plan have been developed with Residents, Officers and Members working in partnership.

The Council will build on its long standing commitment to work closely with the Flintshire Federation of Tenants and Residents Associations and will continue to develop its relationship by consulting on the delivery of its housing services with all residents and the federation.

The latest Tenants Winter Conference (2013) debated ideas around the new WHQS delivery programme and the results of this will be analysed and utilised for the new 7 year WHQS delivery programme.

In 2013 a STAR (Survey of Tenants and Residents) was carried out and asked tenants a suite of questions. Over half of the tenants and residents felt that parking was an issue in their neighbourhood. As such, it is necessary to carry out a more detailed assessment of the requirement to improve parking in the Authority's neighbourhoods.

To what extent are any of the following a problem in your neighbourhood?

	No Problem	Minor problem	Major Problem
Abandoned or burnt out Vehicle	97%	2%	1%
Racial or other harassment	93%	5%	2%
People damaging property	86%	10%	4%
Vandalism or graffiti	83%	13%	4%
Other Crime	82%	15%	3%
Drunk or Rowdy behaviour	76%	17%	6%
Drug use or Dealing	76%	14%	10%
Noise from traffic	74%	18%	7%
Noisy Neighbours	72%	18%	10%
Problems with pets / Animals	71%	20%	9%
Disruptive children / teenagers	66%	26%	8%
Rubbish or litter	54%	32%	14%
Dog Fouling / mess	46%	31%	23%
Car Parking	43%	26%	30%

- The biggest issues for residents are car parking with 56% finding this to be a problem to some degree, dog fouling/mess 54% and rubbish/litter 46%.
- There is almost no problem with abandoned or burnt out vehicles or with racial or other harassment.

## 5.2 Customer Information

The Tenant Involvement team are currently working with the Asset Management team developing systems and procedures reviewing contract specifications prior to inviting tenders. Part of this ongoing consultation process takes into account the Tenant Involvement team's comments as well as comments from the resident's satisfaction surveys from those who have had works carried out. This is done so that the Asset Management Team continuously improves its performance.

## 6.0 ASSET PROFILE

### 6.1 Introduction

Flintshire is a County in the North East of Wales. It borders the Dee Estuary to the North, Cheshire to the East, Wrexham to the South and Denbighshire to the West. Flintshire County Council was formed by the amalgamation of Delyn Borough Council and Alyn & Deeside District Council in the year 1996, covering over 168



square miles. The Council owns 7,417 (including maisonettes not yet demolished) dwellings as at December 2013.

For the purpose of managing the stock, the County is divided into area's North (2533), South (2700) and East (2022), - less Maisonettes to be demolished in Flint and Homes Shared Occupancy, with strategically located neighbourhood offices for the purpose if service delivery.

The property portfolio covers a wide geographical area across the County. The towns of Buckley, Connah's Quay, Flint, Holywell and Mold have the greater concentrations of stock, with smaller percentages located near to or within villages around the County.

## 6.2 Property Type

The three most common property types are:

- Traditional properties, comprising of detached, semi-detached, terraced bungalows and flats.
- Solid wall properties.
- Non-Traditional properties, Airey houses, Easi-form, Maisonettes and High Rise flats.

Percentage of property types are:

Property Type	No. of Properties	% of Stock
Houses	4353	58.6%
Bungalows	1489	20.5%
Flats	1304	17.2%
Maisonettes	271	3.7%
<b>Total</b>	<b>7417</b>	<b>100%</b>

## 6.3 Age

There is a varied age within the stock which has been split into bands

Age Band Width	No. of Properties	% of Stock
Pre 1919	120	1.6%
1919-1944	884	11.9%
1945-1965	3458	46.6%
1965-1974	1817	24.6%
Post-1974	1137	15.3%
<b>Total</b>	<b>7417</b>	<b>100%</b>



## 6.4 Non-Traditional Housing Stock

A key area of focus for stock investment decisions is in relation to the non-traditional stock that the Council owns and a breakdown of this stock is shown in the table below.

The non-traditional properties will have a significant impact upon the business plan due to the structural repair requirements to ensure they have a meaningful future life. In addition the properties have not always benefited from routine improvement programmes.

Some of the existing non-traditional houses have already been repaired, refurbished or their sites re-developed. A summary of these types and numbers are as follows:

Property Type	Address List Numbers	Numbers Unimproved
Airey Houses	35	1
Easiform Houses	74	74
Various Timber Houses	5	1 (11 sunnyside)
Tower Blocks	3 Blocks, 270 Properties	264

### Flint High-rise blocks and other non-traditional homes

The regeneration proposals for Flint town-centre do not include the three high-rise blocks and these homes will remain.

These three blocks require a range of external repairs as well as internal improvements to bring all three blocks and all the flats up to the WHQS. External repairs include:

- Comprehensive concrete repair programme
- Renewal of the mastic in the panel joints and roof finishes
- New insulated roof systems
- Overhaul of glazing
- Application of an over-cladding system to improve thermal performance and provide weatherproofing.

The cost of this external work for all three high-rise blocks is circa £3.5 million. In addition, other (non-energy related) improvements are required to individual flats to bring them up to standard.

The measures needed to improve the flats would be suitable for utility company funding. Estimates indicate that currently around £1.1million could be secured. It is recommended that a watching brief is maintained to review any increases in funding and if necessary insert the flats into the domestic energy efficiency work programme. Funding may increase or decrease over time but is expected to be available in some form and value for up to eight years.

It is recommended that heat metering is also introduced in each of the dwellings in the flats so that heat usage and billing can be managed more effectively. This would enable the heating costs to be removed from the current arrangement of being included within the service charge. This should dramatically reduce heating use by tenants reducing the Council's carbon footprint and creating more comfortable and affordably warm homes.

Of the remaining non-traditional homes, 76 require structural improvements to bring them up to standard and provide them with a thirty-year life. In addition, all these homes require a range of internal improvements to bring them up to the WHQS.



## 6.5 Flint Town Centre Regeneration Scheme

The plan for Flint is based around the following six strategic objectives:

1. Transform Flint's physical image
2. Reconnection of Flint's assets
3. Promote the town and its opportunities
4. To better serve the local people
5. Create economic growth through job creation
6. To embed Flint into a sub-regional tourism network



Following approval of the Masterplan and building on its work, a housing development brief was commissioned for Flint. The significant footprint of the existing maisonette blocks provides an opportunity to re-build nearly a quarter of the original medieval planned town - with new houses and streets aligning more sensitively to the original grid pattern. It is intended that the new build provision within the redevelopment will provide between 173 and 180 units dependant upon an agreed final layout. These will be made up of a mix of apartments, and 2 and 3 bedroom houses.

## **6.6 Deeside Centre Regeneration Scheme**

Housing Asset Management are currently working with other Council services in a joint initiative for WG's Vibrant and Viable Places programme. If the Council are successful with the bid then substantial programmes of work can be accelerated in the Deeside area. The Council's bid aims to tackle long standing regeneration issues associated with Deeside including aims to tackle traffic issues, regeneration of the town centre and large scale environment schemes.

## **6.7 Sheltered Accommodation**

The traditional warden support service has transformed into a Community Based Accommodation Support Service. The support service is no longer linked to tenure. There are some properties designated for the over 55 group which are not suited for this group due to design, size, location or access making them low demand properties and hard to let. There are changing expectations and lifestyles of older people will impact on the provision required. The development of a Community Based Accommodation Support Service enabling people to receive support in their own home and the development of other options for older people including Extra care may also affect demand for some sheltered properties.

Within its Housing Stock Portfolio, the Council has 55 sheltered schemes in various mixes of bungalows, flat complexes and bed-sits, which consist of approximately

40% of the total stock. Some of which are difficult to let due to there being insufficient bedroom space, lack of local services or amenities for the less mobile and inappropriately located

Unsuitable sheltered blocks could be re-designated single persons or general needs accommodation, the current occupiers being offered more suitable accommodation.

The Welfare Reform Act and the 'bedroom tax' have increased demand for one and two bed properties for the under 55 age group. Consideration around changing the designated age group for some of these properties will meet a specific housing need, increase demand for properties and make best use of housing stock.

Aspects to consider are:

- Remodelling to address design/ASB issues.
- Consultation with both present and prospective residents and implement their affordable aspirations.
- Scheme Remodelling - addition of bedrooms, Lift installation, conversion of storage areas into mobility scooter storage/charging areas.
- Compliance with the Disability and the Equality Act 2010, in particular the need to provide investment for the provision of low level access equipment, ramps and accessible taps etc.
- Ensure that the recommendations of new Fire Risk Assessments are completed.

**At this strategic level there are many other influences including:**

- Future demographic trends - Single occupation, living longer
- Rural transport availability - both present and future.
- Availability of other local services - Care and Repair Service
- Long term sustainability - *“providing homes that meet a variety of needs and lifestyles for now and into the future”*

## **6.8 Leaseholders**

The Council are currently responsible for 94 leasehold properties located within the County.

Lease holders are fully consulted on any significant issues that might impinge on their rightful use and access, as required under S20 notices. These leases have been let historically on different agreements and present challenges to the Council when refurbishing blocks. Issues such as window replacements, fire risks in communal areas are just a few of these challenges.

## **6.9 Garage Sites**

Garages are included within the Councils property portfolio. These are situated around various locations of the County. Curtins report on the condition of Concrete

structures identified maintenance costs to the garage batteries/car parks located near Bolingbrook and Castle Heights due to corrosion of the reinforcement causing spalling of the concrete and work needs to be undertaken by a specialist contractor to maintain their integrity.

Other garage sites across the County are pre-fabricated concrete panels with up and over doors with an asbestos concrete sheet roof; some garage sites have become so dilapidated that the only viable option available is demolition, as demonstrated at Glynne Street, Connah's Quay and Yowley Road, Ewloe.

The Housing Service is working in partnership with Valuation and Estates in order to carry out a thorough review of its garage sites.

Site plans are in the process of being developed for the 104 council owned garage sites. Once the plans have been produced, each site will be assessed to test its suitability for the following:

- To remain as a garage site
- For demolition
- Housing development
- For other uses such as community garden, play area, parking etc.

The review will be completed by the Spring and will result in a Member Workshop; participants will be invited to share their views on the development potential for each of the sites in their ward.

The results of the consultation will influence a final set of recommendations to Members in preparation for Scrutiny Committee in April 2014.

## 7.0 SUSTAINABILITY

### 7.0 Energy Efficiency in the Councils Stock

Significant work has been undertaken since 1997 to improve the housing stock. Whilst there has been a steady rise in the number of homes meeting the minimum WHQS heating standard of SAP 65 it has become obvious that there are big data gaps concerning properties that fall short. The focus within the team addressing energy improvements in the Housing Service shall be to develop sufficient information to clearly identify what houses need what measures and at what cost in order to comply with the WHQS standard. Improvement needs to be seen in record keeping, stock profiling and in the operation and maintenance of the technologies being introduced especially in off gas properties. The Council has been nationally recognised for its work to improve the energy efficiency of its stock and its focus on reducing tenant's energy bills. In particular it has been recognised for its work in combining owner occupied, private rented and Council stock in programmes which is recognised as the way to deliver best value programme for communities. Welfare reform has created a substantial challenge



to the Council but through providing energy efficient homes the Council has an ability to respond swiftly and protect tenants whilst in the process supporting local labour and suppliers in a developing market.

The £1.3 billion a year made available through the latest energy company obligation funding is a tool that the Council is using to achieve good value in its programmes. This funding is expected to be around for at least eight years. This provides the incentive to invest alongside the obligation of the WHQS commitment.

## 7.1 Statutory commitments

The WHQS dictates that every home must be adequately heated, fuel efficient and well insulated. In addition there are a number of energy efficiency components, including:

- Minimum SAP rating of 65 out of 100 must be achieved.
- Landlords should do whatever they reasonably can to minimise the cost of heating dwellings to a comfortable level.
- All cost effective opportunities to upgrade the thermal and ventilation performance of the dwelling must be taken.
- Heating systems must be reasonably economical to run and capable of heating the whole of the dwelling to a comfortable level in normal weather conditions.
- External doors and windows must be sufficiently well fitting so that they do not cause severe draughts.
- The main entrance door should not open directly into the living room.
- The hot water tank must be effectively insulated.
- Kitchens and bathrooms should have an adequate amount of mechanical ventilation.

## 7.2 Affordable Warmth

Affordable warmth means that a household is able to afford to heat their home to the level required for their comfort and health. Conversely, households that are unable to afford adequate heating are said to be living in “fuel poverty”.

A widely used definition of fuel poverty states that households needing to spend more than 10% of their income on fuel are classed as fuel poor and households needing to spend more than 20% of the total income on fuel are classed as severely fuel poor.

Adequate heating is generally accepted as achieving 21°C in the main living room/lounge area and 18°C in all other parts of the house. The Welsh Government remains committed to eradicating fuel poverty in all homes by 2018.

Affordable Warmth is the solution to fuel poverty. Fuel poverty occurs when Households are considered by the Government to be in ‘fuel poverty’ if they would have to spend more than 10% of their household income on fuel to keep their home

in a 'satisfactory' condition. Households needing to spend more than 20% of their total income on fuel are classified as severely fuel poor.

It is a measure which compares income with what the fuel costs 'should be' rather than what they actually are. Whether a household is in fuel poverty or not is determined by the interaction of a number of factors, but the three obvious ones are:

- The cost of energy.
- The energy efficiency of the property (and therefore, the energy required to heat and power the home)
- Household income.

### **7.3 SAP Rating**

A stock condition survey was carried out in 2007 which gave an estimated average SAP rating of 67.9. which is within the WHQS requirement, however, the installation of fuel efficient boilers and other measures such as fuel switching from electric heating to gas and increased loft and cavity insulation, will help to increase the SAP rating further.

Whilst the heating replacement programme is progressing this may not be enough in some properties to lift them above the minimum SAP rating of 65. Properties with solid walls or in off gas areas for example may need additional investment. The diversification of the programme for the next three years reflects this. However, the first step is to identify the stock that falls below the 65 level and identify the measures and respective cost that are needed for full compliance. A warm and comfortable home is a right of all tenants but a lot of tenants put up with homes that are cold or draughty. Time will be spent updating and reviewing records and proactively looking for these hard to treat homes.

For the last few years, the Corporate Energy Unit has been estimating the SAP rating of Council properties based on the numbers of properties receiving loft & cavity wall insulation and heating improvements as a key performance indicator. It is recommended that this function is brought back in to the Housing Service since, with the improved record keeping that is being recommended, understanding the current profile of the housing stock and having sufficient control to improve it should be a core activity of the Housing Service.

### **7.4 Loft and Cavity Wall Insulation**

The energy unit has had a budget since 2000 for installing loft and cavity wall insulation, and as of 2011/2012, nearly all suitable cavity walls have been insulated and nearly all suitable lofts have now been topped up to 250-300mm.) Properties where tenants have previously refused or where there was incomplete information in the database are being completed where possible. There are also a few properties where outstanding repairs work must be completed before insulation can be installed.

Funding has historically been available through the Energy Efficiency Commitment and Carbon Emission Reduction Target utility funding schemes to help subsidise this work. The priority now is to identify properties that haven't had the insulation installed properly and so aren't seeing the full benefit of the improvement. Whilst the numbers of these properties are few it is necessary to do this work since in some instances bad installation can lead to structural issues with the property including damp and mould growth.

### **7.5 Hard to treat cavities / Gas infill projects.**

These cavities are still being defined by Ofgem but currently include damp cavities or cavities that are less than 49mm thick. Whilst consultation into the definition of these cavities is still ongoing there is significant funding allocated for their remediation and whilst this funding is available it is worth the Council allocating resource to coordinate an installation programme.

Additionally, there were approximately 418 'infill' fuel switches from oil, solid fuel, and mainly electric storage heaters to gas between 1997 and 2010, and the remaining circa 900 properties should be completed in 2013/17. Gas infill refers to properties that are near to the gas main but use a more expensive and more carbon intensive fuel. CESP funding of up to £1805 per property is available during 2011/12 available for gas installation for gas infill projects, and the home energy conservation officer and capital works are taking advantage of this for current and future projects.

As energy efficiency, fuel poverty, and carbon reduction measures have been Government priorities for many years, consequently there are funding sources available to assist social landlords in making energy efficiency improvements to their stock. A significant amount of funding (exact figure has been well over £300,000) has been brought in through the Home Energy Efficiency Scheme. Understanding and obtaining the different types of funding available requires a close partnership working between the Home Energy Conservation Officer and the Asset Management team.

### **7.6 Solid Wall Insulation/Non-Traditional Housing**

Around 825 Council properties are either solid walled or must be treated as solid walled due to having cavities unsuitable for insulation. These properties, particularly the semidetached and terraced houses, and those in off-gas areas have some of the lowest SAP ratings in the stock. It is highly unlikely that a solid walled property will meet WHQS without being insulated (or achieve a SAP rating of 65).

473 of the 825 solid walled properties are the high-rise flats and maisonettes in Flint. This leaves 352 properties that are either solid walled or otherwise unsuitable for cavity wall insulation. Currently the SAP rating of these properties varies from 50 to 60. 123 of these have now been insulated in Holywell, Connahs



Quay and Dee Cottages in Flint, with the remaining properties being insulated in two phases from 2015/16 onwards.

These properties have been improved from an average SAP rating of 57, below the WHQS minimum, to an average of 67. The lowest SAP rating after installing insulation is 66 whilst the maximum is 70. All of these properties therefore now meet the WHQS minimum energy efficiency standards.

Savings to tenants' bills from these schemes average £252 annually based on current costs, with total annual savings of £24,873 and an anticipated lifetime CO2 reduction of 2,539 tonnes. As a result the tenants' risk of fuel poverty has been significantly reduced.

The Council has secured added value through the service's continued success in leveraging in grant funding through the Welsh Government and Utility Company funding.

### **7.7 Ventilation strategy**

It is important to consider ventilation alongside the installation of solid wall insulation. When solid wall insulation is applied, either internally or externally, it affects the breathability of the property and so moisture from within the property needs to be able to get out. One option of many is to install mechanical heat ventilation systems which pump out air much like an extractor fan but recycle up to 75% of the heat in that air. These products are already being installed as part of the kitchen and bathroom programme. When a property is considered for improvements ventilation is one aspect of a complex survey that is carried out but provision within programme budgets needs to be made.

### **7.8 Renewable Energy**

The following renewable micro generation systems have been installed in Council housing since 2007:

- 21 Ground Source heat pumps (Cilcain and Caerwys).
- 2 Air Source Heat Pumps (Trelawnyd and Cymau).
- 61 solar thermal hot water heating systems (Trelawnyd, Shotton).
- 182 Solar Photovoltaic (PV) Electric Panels Installed & Connected To the National Grid at Greenfield & Bagillt

The properties selected for heat pump installations and the first solar thermal installation in Trelawnyd were chosen primarily due to their position off the gas main (oil-fired central heating that is more expensive than gas and experienced significant price spikes in 2008 which left many with difficulty paying for deliveries) and their suitability for the installations.

In Higher Shotton, area-specific CESP and Arbed Phase 1 funding was secured for the installation of solar thermal systems in FCC properties to further reduce energy bills in the homes being improved.

In Greenfield, CESP funding has been secured to subsidise photovoltaic installations. In both Bagillt and Greenfield, the schemes qualify for feed in tariff income.

In the future more work will be done in areas not on the gas network. This means that other low carbon ways of heating homes will have to be considered. The energy programme reflects this move and shows increasing investment in heat pumps and other renewable technologies over the next three years.

The properties improved with these systems were selected primarily due to their position off the gas main (oil fired central heating which is more expensive than gas and the fuel subject to unpredictable price increases) and their suitability for the installations.

PV systems have an advantage to both tenant and the Council, the tenant receives a reduction of approximately £150 saving per annum on their electricity bill and the Council will receive a feed in tariff of approximately £1500 to £2000 for each registered property per annum for the next 25 years.

## 7.9 Funding Future Works

The Welsh Government estimates that over £10billion is available for investment in the Welsh Housing Stock for energy efficiency retrofitting over the next decade. Annually £1.3billion is available across the UK through the Energy Company Obligation (ECO). However, the fact that there are no geographical restrictions on how this money needs to be spent provides a threat as well as an opportunity. This is the warning issued by the WLGA who recognise that organisations in Wales will need to work hard to secure a fair share.

Accessing the funding is a complex process and carefully considered strategies are the only way to prevent higher levels of investment and benefits accumulating elsewhere in the UK.

The service has developed a strategic programme that supports both the Councils commitments and national commitments to reduce climate change, help eradicate fuel poverty and boost economic development and regeneration in Flintshire and Wales.

In 2012/13 the Council delivered energy efficiency measures to 587 homes securing sufficient external finance to exceed the Authority's invest to save ratio of £1 spent for every £5 saved. This achieved average annual heating bill savings of £308 per property or £181,080 annually over all.

Over the last 16 years over 41,079 measures have been installed in Council homes with over £7million being secured in the last few years alone to finance them. This has resulted in current heating bill savings of over £2.3million.

Over this period the average saving per measure is just over £58 reflecting the availability of lower cost installations and in particular low energy light bulbs. In the last five years the move to more expensive but more effective measures has yielded an average annual heating bill saving per measure of £244.

When considered with the work in privately owned homes and private rented sector just under £100million in energy bill savings has been achieved over the 16 year period. This is money that is now available to homeowners and tenants instead of being committed on energy bills or, in the case of the fuel poor, it is money they don't have to find to adequately heat their home.

#### Progress so far:

Measure	1997 to 2013	Average per year	Estimated lifetime carbon emission savings (tonnes)	Current estimated annual heating bill savings (£)	Income generator (FIT / RHI)
Roof Insulation	5,147	322	18,272	257,350	
Cavity Wall Insulation	4,032	252	56,448	544,320	
Hot Water Tank Insulation	381	24	777	17,145	
Solid wall insulation	123	8	5,843	60,270	
Double Glazing	2,709	170	36,842	460,530	
Door & Window Draught Stripping	782	49	3,597	43,010	
Boiler Replacement (Standard)	1,175	74	5,523	31,725	
Boiler Replacement/New Central Heating - Gas Condensing	2,241	140	23,584	504,225	
Fuel switch to gas	74	5	1776	27,750	
Low Energy Lights	23,422	1,464	60,897	351,330	
Mechanical heat	700	44	74	38,500	✓

ventilation recovery					
Ground Source Heat Pumps	21	1	672	6,090	✓
Air Source Heat Pumps	9	0	64	2,610	✓
Photo-Voltaics (PV)	187	12	5,460	37,400	✓
Solar thermal	76	4	362	4,180	✓
<b>Total</b>	<b>41,079</b>	<b>2,566</b>	<b>220,191</b>	<b>2,386,435</b>	

### What are we doing next:

Note: Only three years ahead planned reflecting the current national UK grant funding timeframe.

Measures	2013-2014	2014-2015	2015-2016	Anticipated lifetime carbon emission savings (tonnes)	Anticipated annual heating bill savings (£)	Income generator (FIT / RHI)
Roof Insulation	80	50	50	639	9,000	
Cavity Wall Insulation	20	20	20	840	8,400	
Solid wall insulation	15	150	150	14,725	147,250	
Door & Window Draught Stripping	0	200	200	1,840	22,000	
Boiler Replacement/New Central Heating - Gas Condensing	55	50	50	2,232	46,500	
Fuel switch to gas	250	50	50	8,400	131,250	
Mechanical heat ventilation recovery	700	700	700	2,520	115,500	✓
Ground Source Heat Pumps	0	0	0	0	0	✓
Air Source Heat Pumps	20	30	50	3,200	29,000	✓
Photo-Voltaics (PV)	0	30	50	2,400	16,000	✓
Solar thermal	0	20	50	403	3850	✓
<b>Total</b>	<b>1,140</b>	<b>1,300</b>	<b>1,370</b>	<b>37,199</b>	<b>528,750</b>	

## 8.0 NEIGHBOURHOODS

Demand for Council properties will have an important influence on any decision the Authority may take to invest in its stock. The demand profile obtained from analysis of the stock will form an important data source for the purpose of potential investment/non-investment decisions.

Although the majority of the Councils stock is popular, there are a number of unit types that suffer from low demand. The majority of these are in hard to let properties such as sheltered bedsits or where properties are in unpopular locations/estates.

Historically blocks such as Coppa View and Alyn Meadow have suffered from low demand, but initiatives to make the schemes more attractive have now resulted in both these blocks being fully let. Additionally the impact of Welfare Reform has increased demand for smaller properties such as bedsits which were originally in less demand.

The types of properties which now prove to be a challenge to let are 2+ bedroom flats which are above ground floor. This is because the Council avoids letting properties above ground floor to families with children. Previously the Authority would have been in a position to let these types of properties to single applicants or couples, but the impact of welfare reform has meant that many applicants now would not be able to afford these properties.

It is therefore proposed that a proportion of these properties be assessed for feasibility to re-configure the layout from two bedrooms to one bedroom, or three bedrooms to two.

Some demand issues can be addressed through consideration of amending allocations criteria such as re-designation of sheltered accommodation.

Sustainability is not just about letting properties, the rate of turnover also needs to be considered. Some works to reconfigure properties, such as Glan-Y-Morfa Court have already been carried out, and this has proven to be successful, both in terms of increasing demand, but also in reducing turnover.

The following are proposals made by the area housing teams based on their experience in managing the housing stock in recent years;

- Off street parking and pedestrian access issues.
- Security - improved lighting schemes.
- Kitchens - A number of properties have very small kitchens that would welcome extensions if funding permitted.
- Provision of Lifts - on certain blocks where access to upper floors is a problem.

- Consideration of reconfiguration of some family houses to one bed flats.
- Concerns over lack of single person accommodation.

The demand for housing can be banded into High, Medium and Low. The major conurbations being of higher demand down to the more rural areas in the low demand banding. The current data shows the demand in each category as follows:

High Demand 46.77% of the housing stock  
 Medium Demand 37.80% of the housing stock  
 Low Demand 15.42% of the housing stock

### 8.1 Built Environment for Sustainable Neighbourhoods

*“Sustainable Development is based on the idea that the quality of people’s lives, and the state of our communities, is affected by a combination of economic social and environmental factors. It challenges single-issue thinking, as people do not see their quality of life in terms of ‘a good environment’, a thriving economy’ or ‘social equality’. It is about all of these things and more. By understanding the links between the environment, the economy and equality it is possible to develop integrated lasting solutions, based on harmony”. Flintshire Housing Strategy 2012-2017*

## 9.0 FINANCIAL INVESTMENT

### 9.1 Annual Budget for WHQS works and other planned maintenance to 2020

A strict interpretation of the data arising from the current level of surveys of WHQS works and planned maintenance needs over the next 7 years indicates an annual budget requirement in the order of £15m per year including fees and VAT but excluding inflation costs.

### 9.2 Asset Management Plan 2014/2020

The financial plan looks at the resources required to meet the expenditure on our properties over the next 7 years. This includes expenditure on:

- Responsive repairs (including voids).
- Gas servicing.
- Cyclical painting and repairs.
- Reinvestment including meeting and keeping the WHQS.
- Based on stock condition information of the properties, currently 24 dwellings of the Councils stock comply with the WHQS. To meet the requirements of WHQS the financial plan will include the initial capital expenditure required to meet the standard, but will also include the required expenditure to maintain the WHQS standard.

The highest cost components requiring replacements (excluding VAT, fees and excluding inflation) over the next seven years are:

Components	Current Remedial Costs (excl VAT & Fees)
Kitchens/Bathrooms/Heating	£51.1m
Roofs	£10.5m
Doors and Windows	£ 4.2m
Building Structure	£ 5.3m
External Works	£ 8.8m
Off Gas provisions	£ 5.0m
Asbestos	£ 5.5m
Environmental	£ 7.4m
Fees	£ 5.8m
<b>Circa Total</b>	<b>£103.6</b>

#### 9.4 Financial Resources

The Council will, as part of the business planning/budget setting process, make available financial resources to deliver approved Asset Management Plans. Where a decision to divest in properties is the preferred option (sale) any financial benefit from the sale will be ring fenced (where legislation allows) for reinvestment into the remaining stock.

For the 7 year period commencing April 2014, the Authority has identified an investment need (based on stock condition information) of £103, which equates to an annual investment need of £15m including works to the high rise flats and demolition of the maisonettes in Flint and excluding £31m for responsive and void repairs.

The Council through its budget planning process will set aside sums to deliver the approved Capital Works Programme. Where there is a shortfall during any year, between resources allocated and those required, the Council will investigate other possible sources of funding.

Current spending of the housing stock includes:

- Routine repairs and general day to day maintenance. This includes reactive repairs, works to empty homes prior to reletting, annual servicing of electrical, gas equipment and other cyclical work such as external painting. Annual investment amounts to approximately £7.9 million per annum on this type of work.
- Major improvement works; Major improvement works are carried out when component parts of a dwelling need to be replaced.
- A programme of improvements is decided upon using the data extracted from the stock condition survey, Officers and Members local knowledge. The annual spending is currently approximately £12 million pounds.



The Housing Asset Management Strategy is a live document and will be updated on a regular basis to reflect changes in legislation and funding, this will usually be annually.

## 10.0 DELIVERY

The Council is currently in year 2 of the original 6 year pre-ballot WHQS delivery programme. It is the intention to continue with year 3 of this original programme while considerations are given to the information that will be gathered from the current Stock Condition Survey. The Council will then formulate a new 7 year plan (from 2014 to 2020) showing what works will be completed in each year and in which areas of the County.

To date, the Councils original 6 year plan concentrates primarily on the Internal workstreams of the delivery programme, as supported by the tenants. The Council has to complete work to the following 4 workstreams (consisting of individual elements) to comply with the WHQS;

- Internal workstreams - Kitchens, Bathrooms, Heating, Re-wires, Smoke Alarms etc.
- Envelope workstreams - Roofing, Chimney work, Roofline works (Gutters, fascias etc), Windows / Doors, Re-pointing / re-rendering etc.
- External workstreams - Fencing, Paths etc
- Environmental workstreams - Estate wide projects to include off street parking and larger environmental projects.

The Council will be looking at the potential cost savings of grouping elements together within a workstream, such as kitchens and bathrooms being completed at the same time. The advantage of this is less contractor management costs and less management costs trying to effectively administer those contracts. If the Council were to maintain all individual elements as single contracts and tried to complete all those individual elements within the 7 years, then the Councils management costs would not be viable within the business plan. Currently the business plan has an allowance of 6% management fees; if all individual element approach were adopted then fees could be as high as 15%. This could potentially cost another £9 million in management fees alone over the 7 year period.

The Council will also be formulating new ideas around geographical areas in lieu of the current system of working in almost every ward area each year and only completing one or two streets within those areas each year. It is more cost effective to group more streets together within slightly larger areas. However, it is the intention that some elemental or workstream packages will be completed in all areas in each financial year. The Geography of those areas can be divided into the following or any combination of the areas after consulting with all parties concerned;

- East and West area.
- North / South and East areas.



- Split into 5/6 large town cluster areas.
- Follow street scene areas, 13 in total.

The Council will continue to utilise existing frameworks and look for new frameworks to help procure contractors for the delivery programme. The Council will procure large PLC type contractors through this process and will continue to invite local SME's to tender for smaller schemes of work ensuring that the local labour market is involved in WHQS expenditure.

The Authority will work closely with other Local Authorities maximising our buying power through collaborative working and procuring joint contracts. The Council is working closely with WCBC in various initiatives including; collaborative Energy contracts and verification of each other housing stock for WHQS compliability.

The Council will also look at the possibility of utilising the DLO in the capital works expenditure programme, delivering smaller schemes similar in size to the SME workforce.

The Councils existing responsive repair service is carried out by an in-house workforce consisting of over 100 trade's staff. Work is completed and priced based on a Schedule of Rates. The Council aims to reduce reactive maintenance expenditure by investing in the stock through Capital Investment Programmes as part of achieving WHQS.

The voids team, disabled adaptations team and the capital works team are also working in partnership to carry out improvement works to WHQS standards. The collaboration between the newly formed in-house adaptations team and capital works ensures that adaptations are now being completed to WHQS standard and contributing towards the improvement targets.

### **10.1 Planned Maintenance**

In terms of asset management, one of the principal areas for consideration is co-ordination of materials used in improvement works to ensure long life replacement availability for ease of repair together with an evaluation of costs-in-use (i.e. life cycle costing) to ensure best long-term value.

This principle will be developed through data gathered from framework agreements and data sharing with Travis Perkins, the Councils managed stores provider. The results will inform and direct the Capital Works programme and Maintenance strategy in the use of materials.

### **10.2 Alignment of repairs with Capital Programme**

To avoid unnecessary maintenance expenditure, it is of primary importance to ensure that all maintenance works are fully co-ordinated with the capital works programme and that responsive versus planned repairs are properly categorised.

This will be achieved utilising Capita 'Open Housing' - Capital Works - Scenario planner and Service modules. The core data held on the computer system will assist in managing the capital programme. Capita Open Housing makes the necessary information available to all users as a central information sharing tool.

The Council is currently reviewing the existing software to ensure that future reporting mechanisms are substantial and robust enough to project financial data for 30 year projections on its housing stock. Other software system manufacturers are being reviewed and compared with our existing Capita IBS system to ensure that the Councils Asset Management Software systems are sustainable in the long term.

### **10.3 Cyclical Maintenance**

The cyclical maintenance programme includes:

- A seven year external painting programme to address approximately 1000 properties annually. The programme includes the painting of internal communal parts to flatted accommodation. The painting of the garages is also included under this programme.
- Gas servicing ensures that all gas appliances are serviced on an 11 month cycle to ensure that the Council meets its statutory responsibility. This work is carried out by the In-house DLO Team.
- Smoke detector servicing is carried out on an annual basis. Over the next six years it is intended to service approximately 1200 smoke detectors per annum. A ten year replacement programme runs concurrently with the servicing replacing life expired units to ensure that every property is protected up to a minimum standard of LD3 - alarms fitted in escape routes only e.g. hallways and landing/s.
- Periodic Electrical Testing - installations to all dwellings are checked for safety on a ten year cycle. This ensures that every property attains a level of safety as required by the National Inspection Council for Electrical Installation Contracting (NICEIC) and is the UK's consumer safety organisation. This testing is maintained throughout the installations expected life of forty years and subsequently informs the whole house rewiring programme.

### **10.4 Reactive Maintenance**

The Councils responsive repair works are currently carried out by the Housing Asset Management In-house DLO Team.

The introduction of a mobile working and late evening response is aimed at improving the efficiency of the reactive repair system, as operatives can receive work through hand held devices, with a wide range of benefits which includes better planning of their workload and travel time.

The Service aims to reduce reactive maintenance expenditure, by investing in the stock through capital projects, such as upgrading kitchens and bathrooms with an emphasis on quality and reliability of the materials used. This approach aims to reduce future maintenance costs as high specification materials give a greater sustainability and lifespan.

### **10.5 Vacant Properties**

The Council has a void turnover of circa 5.27% of its properties per year (560) this compares with the average void times for Welsh social Housing Providers.

To maximise rental income, void properties must be returned to the rental stream as quickly as practicable and systems are being developed to streamline the process. Properties that are included in the capital improvement programme and subsequently become void during the course of the contract will be addressed by the relevant contractor on an agreed rapid turnaround basis and completed within two weeks of being advised.

### **10.6 Out of Hours Service**

The Housing Asset Management Service currently provides an out of hour's service accessed via Care Connect, based in Conwy County Borough Council's Call Centre this service enables tenants to request/report emergency repairs or incidents 24/7 - 365 days.

### **10.7 Gas Servicing**

The Council has introduced a formal procedure for the successful management of servicing heating appliances. Housing Asset Management are currently introducing measures to improve the quality of its maintenance service that will include repairs by appointment, extended working days and Saturday morning appointments.

### **10.8 Asbestos Management.**

The 'Control of Asbestos Regulations' (CAR) April 2012 requires duty holders to:

- Take reasonable steps to find materials in premises likely to contain asbestos and check their condition.
- Presume that materials contain asbestos unless there is written evidence that they do not.
- Make a written record of the location and condition of asbestos and presumed asbestos containing materials (ACMs) and keep the record up to date.

In order to meet its statutory obligations under CAR, the Council records the existence of asbestos in dwellings on Capita 'Open Housing Asbestos module' putting effective risk management systems into place, developing a suitable program of asbestos re-inspections.

Housing Asset Management also undertake specific asbestos surveys for all capital projects, the results of which are included with the pre-construction information, in accordance with the Control of Asbestos Regulations 2012 and The Construction (Design and Management) Regulations 2007 (CDM).

### **10.9 Risk of Legionella**

The Council appointed Hertel Maintenance to manage and record all communal sites that have an associated risk of legionella. The risk of Legionella affects 3 sites that Housing Services manage.

### **10.10 Fire Risk Assessment**

The Authority is compelled by the Regulatory Reform (Fire Safety) Order 2005 to maintain the fire safety arrangements. Properties with common parts must be assessed periodically for 'fire risk' to ensure the continual compliance with the legislation. There is an ongoing budgetary commitment in the Capital Works programme to ensure all required locations meet the standard of the 'fire safety order'.

### **10.11 The Disabled Discrimination Act 1995, DDA, element of the Disability and the Equality Act 2010,**

The Disabled Discrimination Act as amended in 2005, places an obligation on the Authority to make reasonable adjustments for disabled people so that they do not face difficulties accessing buildings. Savills have undertaken a survey of all the Councils stock with common areas. Works are being actioned in line with the action plan prepared by Savills. Costs are included for the 'high priority' issues in the Capital Works programme with the medium and low priorities being addressed during the following years to enable the Council to meet its obligations under the act.

### **10.12 Communal TV Upgrades**

Many of the Councils grouped dwellings - e.g. sheltered complexes, block of flats - enjoy the provision of a communal TV distribution system fed from single aerial points.

This has been upgraded in recent years, so that all existing dwellings on a communal system have access to a digital aerial connection. The equipment used is serviced through the installer Stanley Security Solutions who are responsible for the upkeep and maintenance of 2500 homes within the County through a long term maintenance agreement with the company.

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **HEAD OF FINANCE**

**SUBJECT:** **REVENUE BUDGET MONITORING 2013/14 (MONTH 8)**

### **1.00 PURPOSE OF REPORT**

1.01 To provide Members with the most up to date revenue budget monitoring information (Month 8) for the Council Fund and the Housing Revenue Account for 2013/14.

### **1.02 INDEX OF CONTENTS**

Section 2	Executive Summary
Paragraph 3.01	Council Fund Summary Table
Section 4	Inflation
Section 5	Monitoring Budget Assumptions & New Risks
Section 6	Unearmarked Reserves
Section 7	Housing Revenue Account
Appendix 1	Council Fund - Movement in Variances from Month 7
Appendix 2	Community Services -Variances Summary
Appendix 3	Environment -Variances Summary
Appendix 4	Lifelong Learning -Variances Summary
Appendix 5	Corporate Services -Variances Summary
Appendix 6	Central & Corporate Finance -Variances Summary
Appendix 7	Council Fund Unearmarked Reserves Summary
Appendix 8	Housing Revenue Account -Variances Summary
Appendix 9	Council Fund - Achievement of Efficiencies

### **2.00 EXECUTIVE SUMMARY**

2.01 The projected year end position, as estimated at Month 8, is as follows:

#### **Council Fund**

- Net in year expenditure forecast to be £1.068m less than budget. (An increase of £0.124m on the £0.944m reported at Month 7).
- Projected contingency reserve balance at 31 March 2014 of £3.709m

## Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.212m less than budget (£0.117m as at Month 7)
- Projected HRA balances at 31 March 2014 of £1.646m

### 3.00 COUNCIL FUND LATEST IN YEAR FORECAST

3.01 The table below shows a projected positive variation of expenditure against budget of £1.068m

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	In-Year Over / (Under) spend	
			Month 7	Month 8
	£m	£m	£m	£m
<b><u>DIRECTORATES (Service Groups)</u></b>				
Services for Adults	45.642	44.302	(0.610)	(0.664)
Services for Children	11.906	12.172	0.569	0.827
Housing Services	1.800	1.835	(0.296)	(0.319)
Development & Resources	1.688	1.659	(0.051)	(0.018)
<b>TOTAL : COMMUNITY SERVICES</b>	<b>61.036</b>	<b>59.968</b>	<b>(0.388)</b>	<b>(0.174)</b>
Assets and Transportation	6.015	6.091	0.065	0.031
Planning	1.708	1.717	(0.039)	(0.068)
Public Protection	3.455	3.464	(0.056)	(0.055)
Regeneration	0.715	0.704	0.011	0.007
Streetscene	19.320	19.210	0.333	0.352
Management, Support & Performance	1.088	1.094	(0.060)	(0.009)
<b>TOTAL : ENVIRONMENT</b>	<b>32.301</b>	<b>32.280</b>	<b>0.254</b>	<b>0.258</b>
Culture & Leisure	6.876	6.378	0.384	0.409
Inclusion Services	14.058	13.245	(0.011)	(0.059)
Primary School Services	43.374	43.334	(0.045)	(0.037)
Secondary School Services	36.638	37.472	0.002	(0.016)
Development & Resources	12.118	12.428	(0.179)	(0.223)
<b>TOTAL : LIFELONG LEARNING</b>	<b>113.064</b>	<b>112.857</b>	<b>0.151</b>	<b>0.074</b>
Chief Executive	2.356	2.301	(0.055)	(0.053)
Finance	14.265	14.235	(0.600)	(1.019)
HR & OD	2.427	2.479	(0.032)	(0.013)
ICT & Customer Services	4.922	5.037	0.010	0.001
Legal & Democratic Services	3.145	3.136	(0.046)	(0.135)
<b>TOTAL : CORPORATE SERVICES</b>	<b>27.115</b>	<b>27.188</b>	<b>(0.723)</b>	<b>(1.219)</b>
<b>TOTAL DIRECTORATES</b>	<b>233.516</b>	<b>232.293</b>	<b>(0.706)</b>	<b>(1.061)</b>
Central and Corporate Finance	26.236	27.459	(0.238)	(0.007)
Total	<b>259.752</b>	<b>259.752</b>	<b>(0.944)</b>	<b>(1.068)</b>

3.02 The original budget column reflects the budget approved by Council on 1 March 2013. The revised budget column reflects in-year virements which have been approved in compliance with Financial Procedure Rules.

3.03 From the table in 3.01 it can be seen that there is an increase of £0.124m on the under spend of £0.944m reported at Month 7. The key variances to note include:

3.04 Community Services – Out of County Placements (Children’s Services)

The projected overspend for Month 8 is £0.452m, which represents an increase of £0.203m on the Month 7 amount of £0.249m. The main reasons for the movement relate to new high cost placements (£0.082m), an unexpected continuation of an existing placement (£0.082m) and required changes to an existing placement with a client being moved to a high cost secure unit placement (£0.049m)

3.05 Corporate Services – Housing Benefit Subsidy and Discretionary Housing Payments

Following a review of the Housing Benefit Subsidy profile and the level of funding required to meet Discretionary Housing Payment need, it has been identified that there will be an in year efficiency of £0.381m. The Council has been proactive in supporting eligible claimants with temporary financial assistance through discretionary housing payments. At the same time, the Council has also been very successful, through interventions by the Welfare Response Team, in assisting households to better manage the financial changes imposed upon them by welfare reforms and economic impacts. As a result of this positive action, the need for discretionary housing payments has been less than had been anticipated. This position will continue to be kept under review alongside the funding provided for this purpose by the Department of Works and Pensions.

3.06 Flintshire Futures – Customer Programme

It is now projected that £0.286m of the efficiencies included in the budget in relation to the Flintshire Futures Customer Programme will not now be realised in 2013/14 although it is anticipated that they will be achievable in subsequent years when the project has advanced and the wider network of Flintshire Connects sites are in place.

3.07 All of the movements from Month 7 are summarised in Appendix 1 with the detailed reasons for all variances by Directorate summarised within Appendices 2 to 8.

3.08 **Programme of Efficiencies**

The 2013/14 budget contains £5.331m of specific efficiencies and the table below summarises the current position in relation to the achievement of these items. This analysis shows that it is currently projected that £4.146m

(78%) will be achieved, resulting in a net underachievement of £1.185m. This is lower than the agreed efficiency target of 85% as detailed in the Improvement Plan. The main reason for the underachievement reported in this period relates to delays in the Flintshire Futures Programme as detailed in 3.06 above.

Status of Efficiency	Value of Budgeted Efficiency £m	Value of Projected Efficiency £m	(Under) Over Achievement £m
ALREADY ACHIEVED	1.973	1.973	0.000
EXPECTED TO BE ACHIEVED IN FULL	1.877	1.877	0.000
ACHIEVABLE IN PART	0.631	0.296	(0.335)
NOT ACHIEVABLE	0.850	0.000	(0.850)
<b>Total</b>	<b>5.331</b>	<b>4.146</b>	<b>(1.185)</b>

3.09 Appendix 9 provides further details of the assumptions behind the efficiency projections, and where relevant the actions required to address items not currently expected to be achieved in full. It is important to note that the impact of this analysis has already been included in the overall Month 8 projected outturn position.

3.10 **Request for Carry Forward – Community Services**

Welfare Reform – in 2012/13 an amount of £80k was carried forward to 2013/14 for two additional posts in the Response Team. Due to delays in recruiting to these posts it is requested that £0.029m is carried forward for the continuation of two fixed term posts in the Welfare Response Team.

3.11 **Request for Carry Forward – Corporate Services (Finance)**

Internal Audit – due to a delay in the procurement of software it is requested that £0.030m be carried forward into 2014/15 to fund audit management software upgrade costs. This software is needed to replace the current provision following the ending of the contract with RSM Tenon.

3.12 **Request for Carry Forward – Corporate Services (ICT and Customer Services)**

ICT and Customer Services – It is requested to carry forward £0.046m into 2014/15 in respect of Event and Log Management due to project delays which mean the system cannot be implemented until 2014/15.

3.13 **Impacts for the 2014/15 Budget**

Any projections relating to in year budget pressures or efficiencies which have an actual or potential ongoing impact have been taken into account in considering the budget proposals for 2014/15 which is also reported on this agenda.



#### **4.00 INFLATION**

4.01 **Pay inflation** of £0.734m is included within service budgets to reflect the national pay award agreed earlier in the year.

4.02 **Non Standard price inflation** – amounts for energy, fuel and food costs are included in the budget and held centrally. The Service budgets which incur these costs are monitored closely and funds released on a full assessment of evidenced need. To date only the food cost allocation of £0.141m has been allocated (month 6) although the report currently assumes that all of the non standard allocation will be required by the end of March.

#### **5.00 MONITORING BUDGET ASSUMPTIONS AND NEW RISKS**

5.01 Along with its strategic partners, the Council has intervened in relation to the former chemical plant in Sandycroft (Euticals Ltd), and continues to be in discussion with the Welsh Government about solutions, roles and responsibilities. Estimated costs have been reviewed and are reflected within current projections and continue to be monitored monthly.

5.02 Out of County Placements – This area of Children's Services is known to be a highly volatile area of expenditure with potential for significant changes month on month. This is a challenging area of service to monitor accurately and efforts are continuing to improve the timeliness and flow of information to enable the most accurate position to be projected at any given point in time. However, the very nature of the service is such that there will always be a potential for major swings in the projection between specific reporting periods.

#### **6.00 UNEARMARKED RESERVES**

6.01 The 2012/13 final outturn reported to Cabinet on 16 July showed unearmarked reserves at 31 July 2013 (above the base level of £5.564m) of £3.409m after taking into account a commitment in 2013/14 for use of £0.297m to meet one-off time limited costs. In July, Cabinet allocated £0.250m to the Winter maintenance reserve, bringing the level in the reserve to £3.159m.

6.02 After taking into account an allocation of £0.518m for recovery costs following the severe weather in March 2013, and bringing in the impact of the projected in year budget position the current projected level of the contingency reserve at the end of March 2014 is £3.709.

#### **7.00 HOUSING REVENUE ACCOUNT**

7.01 On 19 February 2013, the Council approved a Housing Revenue Account (HRA) budget for 2013/14 of £28.259m. The budget provided for a closing balance of £0.903m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.

- 7.02 The 2012/13 final outturn reported to Cabinet on 16 July 2013 showed a closing balance at the end of 2012/13 of £1.931m which was £0.861m more than when the 2013/14 budget was set. This had the effect of increasing the opening balance for 2013/14 by the same amount.
- 7.03 For 2013/14 there is an overall projected under spend of £0.212 and a projected closing balance at month 8 of £1.646, which at 5.76% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%
- 7.04 Appendix 7 details the reasons for significant variances occurring to date and the actions planned to deal with them.

## **8.00 RECOMMENDATIONS**

- 8.01 Members are recommended to:
- a) Note the overall report
  - b) Note the projected Council Fund contingency sum as at 31<sup>st</sup> March 2014 (paragraph 6.02)
  - c) Approve the carry forwards detailed in 3.10 – 3.12
  - d) Note the projected final level of balances on the Housing Revenue Account (paragraph 7.03)

## **9.00 FINANCIAL IMPLICATIONS**

- 9.01 The financial implications are as set out in Sections 3.00 - 7.00 of the report.

## **10.00 ANTI-POVERTY IMPACT**

- 10.01 None.

## **11.00 ENVIRONMENTAL IMPACT**

- 11.01 None.

## **12.00 EQUALITIES IMPACT**

- 12.01 None.

## **13.00 PERSONNEL IMPLICATIONS**

- 13.01 None.

## **14.00 CONSULTATION REQUIRED**

- 14.01 None.

**15.00 CONSULTATION UNDERTAKEN**

15.01 None.

**16.00 APPENDICES**

Council Fund - Movement in Variances from Month 7 - Appendix 1

Council Fund Significant Variances - Appendices 2 - 6

Council Fund - Movements on unearmarked reserves - Appendix 7

Housing Revenue Account Variances - Appendix 8

Council Fund - Achievement of Efficiencies - Appendix 9

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

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**COUNCIL FUND - REVENUE BUDGET 2013/14  
FLINTSHIRE COUNTY COUNCIL**

**Budget Monitoring (Month 8)  
Summary of Movement from Month 7**

	£m	£m
<b>Month 7</b>		
Service Directorates	(0.706)	
Central and Corporate Finance	(0.238)	
<b>Variance as per Cabinet Report</b>		<b>(0.944)</b>
<b>Month 8</b>		
Service Directorates	(1.061)	
Central and Corporate Finance	(0.007)	
<b>Variance as per Directorate Returns</b>		<b>(1.068)</b>
<b>Change Requiring Explanation</b>		<b>(0.124)</b>
<b><u>Community Services</u></b>		
<b>Services For Adults</b>		
• Resource and Regulated Service (Intake & Reablement) - Impact of vacancy savings for 2 admin. posts previously reflected within Community Services - now transferred to meet budgeted efficiency for Flintshire Futures (Cross-Organisational admin. review)	0.026	
• Localities (Locality Teams) - Minor adaptations (-£0.050m) reduced expenditure this year following budget uplift, cessation of OT referrals to private service provider as our own OT's are able to meet current demand (-£0.037m), and staffing saving due to maternity leave not backfilled (-£0.014m)	(0.101)	
• Other minor changes of less than £0.025m for Services for Adults	0.021	
<b>Development &amp; Resources</b>		
• Training - premises costs to be recharged at end of year	0.032	
• Other minor changes of less than £0.025m	0.002	
<b>Services For Childrens</b>		
• Out of County Placements - new client placements (+£0.082m), continuation of existing placements (+£0.082m), changes to placement costs (+£0.049m) - offset by a placement ending (-£0.010m)	0.203	
• Professional Support - one-off pension fund strain costs for a former employee (£0.023m), minor variances (£0.005m)	0.028	
• Other minor changes of less than £0.025m	0.026	
<b>Housing Services</b>		
• Accommodation Support Team - impact of completion & implementation of restructure	(0.031)	
• Other minor changes of less than £0.025m	0.008	
		<b>0.214</b>
<b><u>Environment</u></b>		
<b>Assets &amp; Transportation</b>		
• Highways Network & Transportation - Actual income received in excess of expected for Road Closures and Fixed Penalty Notices ; Bus Subsidies reduced due to re-negotiated contract prices and cross-boundary recharge increases applied to neighbouring authorities	(0.057)	
• Other minor changes of less than £0.010m	0.023	
<b>Planning</b>		
• Planning Control - increased Planning Fee application income	(0.016)	
• Other minor changes of less than £0.010m	(0.011)	
<b>Public Protection</b>		
• Other minor changes of less than £0.010m	0.002	
<b>Regeneration</b>		
• Other minor changes of less than £0.010m	(0.004)	
<b>Streetscene</b>		
• Transportation & Logistics - additional running costs not able to be reflected in recharges to service users	0.025	
• Other minor changes of less than £0.010m	(0.006)	
<b>Management Support &amp; Performance</b>		
• Corporate Admin Review	0.051	
• Other minor changes of less than £0.010m	(0.003)	
		<b>0.004</b>

**Lifelong Learning****Culture & Leisure**

- Leisure Services - £0.020m relates to admin vacancy savings. The remainder relates to minor variances. 0.017
- Libraries, Culture & Heritage - minor variances. 0.007

**Inclusion Services**

- Inclusion Services - the position has improved on Inclusion Services since month 7 by £0.035m. The majority of this improvement relates to a reduction in the projected costs for Teaching Assistants in the Special Units. A minor variance of £0.004m relates to maximisation of grant claims in terms of admin charges. £0.012m relates to additional grant income. (0.035)
- Out of County - A saving of £0.029m relates to a placement which was anticipated to be funded by Lifelong Learning and is now a joint arrangement with Children's Services. This has been reduced by minor net increased costs on four other placements of £0.009m. A small saving of £0.004m is also expected on one Post 16 placement. (0.013)

**Primary School Services**

- Minor variances in the projection for Primary School Services relate to School Service Level Agreement income, supplies and services efficiencies and maximisation of grant income. 0.008

**Secondary School Services**

- Minor Variances in the projection for Secondary School Services relate to the Music Service and maximisation of grant income. (0.018)

**Development & Resources**

- Children, Youth & Community - minor variances. 0.005
- Pupil/Student Transport - minor variances relating to transport contracts. 0.010
- Business Units - the projected outturn on Business Units has improved by £0.035m since month 7. £0.025m relates to controls on expenditure in the Schools Management Information Team. The remainder relates to minor savings. (0.035)
- Facilities - minor variances 0.001
- Management & Business Support - savings of £0.038m relate to Governor Training, adjustments to the allocation of the School Effectiveness Grant allocation to maximise the admin charge allowable and supplies and services budgets across the directorate. Savings have been reduced by £0.014m for admin vacancy savings to be reported under Flintshire Futures (0.024)

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**(0.077)****Corporate Services**

- Legal and Democratic Services - vacancy savings £0.017m, Members Services savings (£0.013m), Members Allowances underspend (£0.086m), Legal Subscriptions expenditure (£0.011m), minor variances £0.004m (0.089)
- HR and Organisational Development - Disclosure & Barring Service expenditure £0.009m, vacancy savings £0.016m, loss of income £0.007m, minor variances (£0.013m) 0.019
- ICT and Customer Services - vacancy savings £0.013m, registrars income £0.003m, postage spend £0.014m, ICT Strategy underspend (£0.025m), minor variances (£0.014m) (0.009)
- Finance - Housing Benefit Subsidy efficiency (£0.381m), reduced shortfall on CTRS (£0.019m), minor variances (£0.019m) (0.419)
- Chief Executives Department - vacancy savings (£0.002m), minor variances £0.004m 0.002

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**(0.496)****Central & Corporate Finance**

- Pension Fund Contributor - projected budgeted surplus on recovery of FCC share of pension fund deficit (0.116)
- Mass / Matrix Contract - decrease in rebate due to less use of Agency workers 0.115
- Organisation Review - vacancy savings in Flintshire Futures programmes (0.022)
- Minimum Revenue provision - the calculation has been reviewed within the CLIA Account (0.021)
- Flintshire Futures - Customer Programme requires further advancement - wider network of connect sites 0.286
- Minor Variances (0.011)

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**0.231****Total Changes**

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**(0.124)**

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COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
<b>Services for Adults</b>						
Hospital Social Work (Intake and Reablement)	0.405	0.353	(0.052)	(0.056)	The underspend is due to a Hospital Social Worker covering in the Crisis Intervention Team. These costs (£0.038m) are recovered from Health. The balance (£0.014m) is due to a staff vacancy.	One-off.
Resources and Regulated Services (Intake and Reablement)	5.348	5.102	(0.246)	(0.272)	<p><u>Extra Care</u> Projected underspend on Llys Jasmine (£0.310m) is due to an initial delay in opening the facility.</p> <p><u>In-house Domiciliary Care</u> underspend (£0.061m) due to greater use of reablement and independent sector care providers.</p> <p><u>Client Transportation Service</u> underspend (£0.041m) relates to staff vacancies.</p> <p><u>Day Services</u> underspend (£0.033m) mostly due to vacancies (£0.026m). These underspends are offset by a projected overspend within <u>In-house Residential Service</u> (£0.204m) due to the need to ensure staff cover (£0.228m) additional premises costs (£0.049m) and additional supplies and service (£0.045) offset by client (£0.070m) and Health (£0.048m) income.</p>	<p><u>Extra Care</u>The underspend against is one-off and non recurring and has arisen due to the opening of the facility being part way through the current year.</p> <p><u>Client Transportation Service</u> Underspend adjusted in budget rationalisation.</p> <p><u>Residential Service</u> further work required to determine the most appropriate way to address the overspend.</p>

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Locality Teams (Localities)	13.881	13.843	(0.038)	0.063	<p><u>Older People Services</u></p> <ul style="list-style-type: none"> <li>&gt; Locality Teams are together expected to underspend (£0.200m) mostly due to vacant posts.</li> <li>&gt; Purchased domicilliary costs are projected to overspend (£0.030) due to additional service user costs.</li> <li>&gt; Purchased residential costs are projected to overspend (£0.094) due to additional service user costs.</li> <li>&gt; Early Onset Dementia is projected to overspend (£0.074m) due to purchased domiciliary care costs.</li> <li>&gt; Minor adaptations underspend (£0.047m) due to reduced demand following uplift to budget based on 2012/13 activity levels</li> </ul>	<p>Keep under review.</p> <p>Most of the PDSI elements previously included as part of the locality team budgets are now shown within the Disability Services Heading with only the Occupational Therapy service remaining as part of the locality teams.</p>
Resource and Regulated Services (Disability Services)	15.243	15.115	(0.128)	(0.104)	<p>Learning Disabilities - As previously noted this service includes a budget to help offset the expected impact of a review of joint funded packages between FCC and Health. This accounts for a saving of £0.140m within the net underspend projection, and remains unchanged from month 3. There are some other compensating variances across this large service which reflect the changes in client demand.</p>	<p>The underspend in relation to the negotiations with Health on jointly funded packages is based on current assumptions. These will be kept under review and adjusted if proven necessary.</p>



COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Transition and Disability Services (Disability Services)	0.658	0.765	0.107	0.080	This is mostly due to overspends against staff pay costs (£0.040m), third party payments (£0.030m), transport (£0.017m, and a shortfall of grant income of £0.028m. (Supporting People)	Keep under review.
Disability Services (Disability Services)	1.941	2.016	0.075	0.070	The overspend is due to additional transition service user costs.	Keep under review.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Administrative Support (Disability Services)	0.407	0.457	0.050	0.053	This is mostly due to an overspend against staff pay costs (£0.041m).	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.703	0.617	(0.086)	(0.120)	This underspend is based on current care packages. An additional £0.0259m budget has been added to this area in 2013 to reflect the expectation of the transfer from Health of an individual with a high cost transition package, there has been a delay in transferring this client into the service. The current underspend would therefore be higher but reflects the cost of current care packages including some other new clients.	Keep under review.
Professional Support (Mental Health & Substance Misuse Service)	0.828	0.728	(0.100)	(0.084)	This is mostly (£0.050m) due to a one-off pay cost reduction following an agreed absence with no pay.	One-off.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Forensic Budget (Mental Health & Substance Misuse Service)	0.305	0.156	(0.149)	(0.136)	Reflects current care packages for 2013/14.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts. The possibility of re-aligning budget between the two services has been considered and dismissed for now as there are early indications of additional Mental Health clients although at this stage potential costs or start dates are unknown.
Forensic Budget (Learning Disability)	0.482	0.429	(0.053)	(0.055)	Reflects current care packages for 2013/14.	
Other Services for Adults variances (aggregate)	4.101	4.057	(0.044)	(0.049)	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Subtotal:</b>	<b>44.302</b>	<b>43.638</b>	<b>(0.664)</b>	<b>(0.610)</b>		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
<b>Development &amp; Resources</b>						
Vacancy Control	(0.100)	0.000	0.100	0.100		Realignment of vacant posts
Other Development & Resources variances (aggregate)	1.759	1.641	(0.118)	(0.151)	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Subtotal:</b>	<b>1.659</b>	<b>1.641</b>	<b>(0.018)</b>	<b>(0.051)</b>		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
<b>Services for Children</b>						
Family Placement (Children's Services)	1.977	2.342	0.365	0.354	The overspend is mainly as a result of an increase in the number of foster care placements within the service. It 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.
Youth Offending Team (Children's Services)	0.308	0.263	(0.045)	(0.052)	The underspend within this area is mostly due to vacant posts.	One-off.
Out of County Pooled Budget (Children's Services)	3.178	3.630	0.452	0.249	Costs reflect existing placements up until March 2014. The increase in overspend (£0.203m) is due to additional placements (£0.082m), continuing placements (£0.082m), changes to existing placements (£0.049m), offset by a placement ending (£0.010m).	The focus of high cost placements is now a North Wales project and will continued to be reviewed.
Other Services for Children variances (aggregate)	6.709	6.764	0.055	0.018	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Subtotal:</b>	<b>12.172</b>	<b>12.999</b>	<b>0.827</b>	<b>0.569</b>		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
<b>Housing Services</b>						
Homelessness Accommodation (Housing Services)	0.360	0.157	(0.203)	(0.206)	Variance is due to improvements in the service where methods have been put in place to reduce the cost of temporary accommodation. Quay House project has been delayed until 2014/15.	Keep under review. Variance is due to improvements in the service where methods have been put in place to reduce the cost of temporary accommodation.
Accommodation Support Team (Housing Services)	1.213	1.130	(0.083)	(0.052)	Service recently undergone a restructure now fully reflected within projection.	Restructure now implemented.
Other variances (aggregate)	0.262	0.229	(0.033)	(0.038)	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Subtotal:</b>	<b>1.835</b>	<b>1.516</b>	<b>(0.319)</b>	<b>(0.296)</b>		
<b>Total :</b>	<b>59.968</b>	<b>59.794</b>	<b>(0.174)</b>	<b>(0.388)</b>		

## Budget Monitoring 2013/14 (Month 8)

Service		Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 7 (£m)	Cause of Variance	Action Required
<b>Assets &amp; Transportation</b>		<b>6.091</b>	<b>6.122</b>	<b>0.031</b>	<b>0.065</b>		
	Industrial Units	(1.256)	(1.148)	0.108	0.101	Estimated net income shortfalls across the Industrial Estate portfolio which have increased at Period 8 by a further £7k.	Keep Unit rental income closely monitored throughout 2013/14.
	Property Holdings	0.083	0.040	(0.043)	(0.032)	NNDR costs lower than anticipated	Review of site budgets necessary in line with asset management programme
	Property Asset & Development	0.528	0.429	(0.099)	(0.100)	Net Vacancy Savings	
	Highways Development Control & Regulatory Services	0.813	0.910	0.097	0.108	Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures. A commitment of £60k is included for the potential excess payment to be made to the Council's Insurers in relation to a claim.	
	Transportation	1.466	1.402	(0.064)	(0.016)	Period 8 reflects the Bus Subsidy payments to Bus Operators that have reduced due to re-negotiated contract prices, together with increased cross-boundary recharges to neighbouring authorities.	
	Aggregate of other Variances	4.457	4.489	0.032	0.004		
<b>Planning</b>		<b>1.717</b>	<b>1.649</b>	<b>(0.068)</b>	<b>(0.041)</b>		
	Planning Control	0.363	0.328	(0.035)	(0.019)	Favourable move in planning fee income at Period 8, subject to further application levels up to financial year end.	Further potential for increased planning fee income which will be closely monitored
	Aggregate of other Variances	1.354	1.321	(0.033)	(0.022)	Net Vacancy Savings and staff recharge income for specialist planning advice to neighbouring authorities	

## Budget Monitoring 2013/14 (Month 8)

Service		Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 7 (£m)	Cause of Variance	Action Required
<b>Public Protection</b>		<b>3.464</b>	<b>3.409</b>	<b>(0.055)</b>	<b>(0.057)</b>		
	Community Protection	1.243	1.199	(0.044)	(0.051)	Includes a Court Costs award of £22k following the successful prosecution of Talacre Park Holiday Park by the Health & Safety Enforcement Team	
	Aggregate of other Variances	2.221	2.210	(0.011)	(0.006)		
<b>Regeneration</b>		<b>0.704</b>	<b>0.711</b>	<b>0.007</b>	<b>0.011</b>		
<b>Streetscene</b>		<b>19.210</b>	<b>19.562</b>	<b>0.352</b>	<b>0.333</b>		
	Waste Disposal & Waste Collection	9.266	9.602	0.336	0.334	Plastic Recycling prices reduced by £100 per tonne between July and September resulting in an estimated income reduction of £50k.  Staff backfilling costs as a result of the on-going investigation within waste.  The Sustainable Waste Management Grant (SWMG) has been reduced in-year by up to 5% resulting in a funding shortfall of at least £150k	Consider potential impact on MTFP going forward  Consider impact on MTFP going forward
	Aggregate of other Variances	9.944	9.960	0.016	(0.001)		
<b>Management Support &amp; Performance</b>		<b>1.094</b>	<b>1.035</b>	<b>(0.059)</b>	<b>(0.057)</b>		
	Management Support & Performance	1.094	1.035	(0.059)	(0.057)	Net Vacancy Savings ahead of service review implementation and reduced commitments on supplies and services budgets.	
<b>Total :</b>		<b>32.280</b>	<b>32.488</b>	<b>0.208</b>	<b>0.254</b>		



Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Culture & Leisure	6.378	6.787	0.409	0.384	<p><b>School Library Service (£0.100m saving)</b> Following an agreement at DMT, to mitigate the Directorate overspend and to contribute towards the value for money programme, a number of measures will be taken to reduce expenditure in the School Library Service.</p> <p><b>Libraries, Culture &amp; Heritage (£0.001m pressure)</b> Minor variances</p> <p><b>Leisure Services (£0.508m pressure)</b> There are a number of pieces of work being completed to explore solutions to the remaining deficit. £0.023m relates to the final costs for Swim Flintshire. This programme ceased in August. £0.054m relates to employee costs. £0.301m relates to pressures on income across centres. £0.065m relates to pressures on premises budgets, £0.045m to security costs, £0.007m to credit/debit card fees and £0.013m to other minor variances.</p>	<p>Service Manager to place a hold on £0.100m of the Flintshire subsidy.</p> <p>As part of the Leisure Action Plan a number of solutions are being explored and implemented including cessation of Swim Flintshire, Leisure Service Review, Leisure Contact Centre and Asset Review.</p>

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Inclusion Services & Special Schools	13.245	13.186	(0.059)	(0.011)	<b>Inclusion Services &amp; Special Schools (£0.059m saving)</b> £0.038m relates to a projected saving on Out Of County. £0.024m to minor savings in Inclusion Services and £0.003m to a minor pressure on Special School SLA income.	
Primary School Services	43.334	43.297	(0.037)	(0.045)	<b>Primary School Services (£0.037m saving)</b> Minor Variances	Service Manager to review and reduce planned expenditure by £0.025m. Awaiting further information on planned usage of the Foundation Phase grant.
Secondary School Services	37.472	37.456	(0.016)	0.002	<b>Secondary School Services (£0.016m saving)</b>	
Development & Resources	12.428	12.205	(0.223)	(0.179)	<b>Children, Youth &amp; Community (£0.001m saving)</b> Minor variances  <b>Schools ICT (£0.150m saving)</b> In an effort to reduce the Directorate overspend and to contribute towards the value for money programme, DMT have made the decision to place a hold on all uncommitted expenditure in Schools ICT.  <b>Transport (£0.023m pressure)</b> Minor Variances	Service Manager to place a hold on £0.150m of the budget within Schools ICT.  Work is ongoing to revise contract information.

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					<p><b>Service Units (£0.031m saving)</b>            Pressures of £0.085m on Pupil Support (Free School Meals, School Trips and Music Remissions) and £0.028m on Regional Capital One have been offset by estimated savings on Mobile Classrooms (£0.065m), Insurance (£0.036m), SMIT (£0.028m) and other minor variances of £0.015m.</p> <p><b>Facilities Services (£0.042m saving)</b>            Minor Variances</p> <p><b>Management &amp; Business Support (£0.022m saving)</b>            Minor Variances</p>	We are awaiting information from the Schools relating to Music remissions which is likely to affect the estimated costs.
<b>Total :</b>	<b>112.857</b>	<b>112.931</b>	<b>0.074</b>	<b>0.151</b>		

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Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Chief Executive	2.301	2.248	(0.053)	(0.055)	<b>£0.018m</b> Corporate voluntary sector contribution to Dangerpoint <b>(£0.060m)</b> Vacancy savings <b>(£0.011m)</b> minor variances	
Finance	14.235	13.216	(1.019)	(0.600)	<b>(£0.138m)</b> net Vacancy savings following realignment of budget <b>(£0.381m)</b> in year efficiency following review of the level of funding required to meet Discretionary Housing Payment (DHP) need and review of Housing Benefit Subsidy profile. <b>(£0.894m)</b> net surplus on the Council Tax Collection Fund after meeting the £0.305m costs allocated in 2013/14 budget (£0.115m allocated to Software will remain unspent) <b>£0.394m</b> CTRS shortfall in funding compared to estimated in year cost	Request to carry forward £0.030m to fund Software upgrade costs in Internal Audit. This is due to a delay in procurement of the Software.  Demand led service but subject to ongoing monitoring. Contributing to national discussion on CTRS funding for 2014/15.

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Legal & Democratic Services	3.136	3.001	(0.135)	(0.046)	(£0.004m) net Vacancy savings including the use of Agency/Locums and recharges (£0.028m) Members Services underspend (£0.086m) Members Allowances underspend (inc. training, travel etc.) (£0.011m) reduced Legal Subscriptions expenditure (£0.006m) minor variances	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Human Resources & Organisational Development	2.479	2.466	(0.013)	(0.032)	(£0.021m) reduced DBS Check expenditure (£0.016m) Vacancy savings £0.034m loss of income from external organisations (£0.010m) minor variances	
ICT & Customer Services	5.037	5.038	0.001	0.010	£0.074m postage costs (£0.013m) Vacancy savings (£0.024m) additional Registrars Income. (£0.025m) ICT Strategy underspend. (£0.011m) minor variances	Postage contract under review. Request to carry forward £0.046m in respect of Event & Log Management due to project delays.
<b>Total :</b>	<b>27.188</b>	<b>25.969</b>	<b>(1.219)</b>	<b>(0.723)</b>		

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Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Central Loans & Investment Account	15.283	15.020	(0.263)	(0.242)	Review of the Minimum Revenue Provision (MRP) calculation to include MRP on Local Government Borrowing Initiative.	Continue to monitor in line with Treasury Management Strategy.
Coroners	0.193	0.248	0.055	0.055	Due to a change in the lead authority for Coroners service provision (effective from May 2013), it has been brought to our attention that Wrexham CBC are continuing to process a significant number of invoices pertaining to financial year 2012/13 (currently value circa £0.110m) for which the Flintshire share is 50%, resulting in a current year budget pressure.	Overspend is non recurring. Regular monitoring with Denbighshire County Council undertaken on in year spend
Centrally Held Provisions	4.645	3.733	(0.912)	(0.772)	Net budget adjustments of (£0.680m) as approved in the Month 3 report (Community Services £1.185m, Leisure Management (-£0.505m) Surplus on recovery of FCC share of budgeted pension fund deficit - final year of three year strategy (-£0.244m), under recovery of corporate windfall income £0.046m. ( other minor variances (-£0.034m).	Budgets are considered as part of 2014/15 Council Budget
Central Service Recharges	(1.931)	(1.620)	0.311	0.311	Shortfall of £0.311m of internal income recovered from trading accounts and the HRA.	Subject to an overall review of Support Services
Former Euticals Ltd - Sandycroft site	0.000	0.400	0.400	0.400	Potential costs for six months at £0.060m per month plus some specific one-off costs relating to site related costs in view of the public protection risk.	Ongoing monthly monitoring

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Mass Matrix Contract	(0.315)	(0.200)	0.115	0.000	A review of the rebate on the Matrix Contract has been undertaken. Agency usage has decreased in 2013/4 and the variance projection reflects the up to date position.	Further analysis to be undertaken to consider the impact in 2014/15
Flintshire Futures	(0.469)	(0.183)	0.286	0.000	Assets Programme - £0.060m will not be achieved due to delays in the full review of hard and soft facilities management across the Council. Customer Programme - £0.300m of efficiencies will not be realised until the programme has advanced and the wider network of Flintshire Connects sites are in place. Back to Basics spend review - £0.074m additional efficiency as a result of an in year initiative to challenge spend on stationery and furniture, putting category management arrangements in place to support spend challenge going forward.	A Workshop is due to take place shortly to review progress and assess the methodology for realising efficiencies. Continued challenge of spend categories will support further efficiencies in 2014/15.
Other variances - aggregate	10.053	10.054	0.001	0.010		
<b>Total :</b>	<b>27.459</b>	<b>27.452</b>	<b>(0.007)</b>	<b>(0.238)</b>		

APPENDIX 7

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2013	9.540	
Less - Base Level (inclusive of total increase of £0.270m agreed as part of the 2013/14 budget)	(5.834)	
Total Reserves above base level		<b>3.706</b>
Less - Amount approved by Council on 1 <sup>st</sup> March for funding of one-off costs in the 2013/14 budget proposals		(0.297)
Less - Amount approved by Cabinet on 16 <sup>th</sup> July for reinstatement of funding within the Winter Maintenance reserve following utilisation of funding during 2012/13 (late March severe weather event)		(0.250)
Amount available for delegation to Cabinet		<b>3.159</b>
Add projected underspend as at 31 <sup>st</sup> March 2014		£1.068
Less - Estimate of severe weather recovery costs		(0.518)
<b>Projected Level of Total Contingency Reserve as at 31<sup>st</sup> March 2014</b>		<b>3.709</b>

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Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
HRA Subsidy	6,167	6,356	189	189	Capital Financing charges amended after budget rounds completed. Further amendments to Capital figures for inclusion in 2nd HRAS return. Under payment on 2012/13 of £31k calculated on Advance Final return.	Review timings of figures with Capital Financing team.
Rents	(26,946)	(27,169)	(224)	(223)	Bad Debt provision reviewed based on the first quarter impact of "bedroom tax", resulting in a saving of £258k	Monitor impact of "Bedroom Tax" and review expected costs
Repairs and Maintenance	8,393	8,635	242	277	£224k net under spend variance on salaries due to restructure not being in place and recruitment freeze in place. £234k over spend on materials and £76k overspend on equipment due to increase in the number of high cost jobs. Travis Perkins is to review pricing. Subcontractor agreed overspend on guttering of £127k due to bad weather early in year.  Carry forward request for £70k due to hardware costs not materialising in 2013/14 but will be purchased in 2014/15.	Restructure to be implemented. Housing Asset Team is working closely with Travis Perkins to try and mitigate some of the overspend in the second half of the year.

## HOUSING REVENUE ACCOUNT

APPENDIX 8

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Finance & Support	2,656	2,413	(243)	(213)	Support Recharges reflected at 2012/13 actuals, saving £106k. Information on 2013/14 has been requested. Pension Fund Strain costs £80k lower than anticipated creating saving. Insurance claim non-reimbursement reviewed and reflected at 2012/13 figures, saving £21k  Carry forward request for £85k due to software costs not materialising in 2013/14 but will be purchased in 2014/15. Carry forward request for £15k due to Maisonette budget not being fully spent in year.	
Housing Estates	1,852	1,692	(160)	(130)	Procurement reimbursement for screening received in amount of £58k. Void clearance recharges generating a further £13.5k income. Water commission generated a further £34k of income due to early bird discount scheme. Cancellation of cleaning contract saving £5k on maisonette blocks.	
Other variances (aggregate)	8,375	8,358	(17)	(17)		
<b>Total :</b>	<b>497</b>	<b>285</b>	<b>(212)</b>	<b>(117)</b>		

**Month 8**

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
<b>Fees &amp; Charges (APPENDIX 7a)</b>					
<i>Community Services</i>					
Residential Charging - Increased Income From Demand	0.100		✓		It will not be known for sure until the end of the financial year if this efficiency has been met.
Mental Health Service Users	0.018	✓			
<b>TOTAL</b>	<b>0.118</b>				
<b>Service Change (APPENDIX 7b)</b>					
<i>Community Services</i>					
Reablement in the level of extra care	0.100	✓			
Preserved Rights - reduced activity levels	0.053	✓			
External Funding for Existing Post - Children's Services	0.043	✓			
Family Placement Team - revision of existing practices	0.040	✓			
Early Retirement - Non replacement of staff - CSA	0.015	✓			
General Office Administration Review	0.021	✓			
Housing Efficiency Savings	0.028	✓			
Homelessness - Timing of presentations	0.106	✓			

Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Youth Justice - Appropriate adult service	0.010	✓				
Legal Fees - Use of solicitors / barristers	0.010		✓			Due to the unpredictable nature of Legal Fees it will not be known if this efficiency has been achieved until later in the financial year.
Children's Services - Transport costs efficiency	0.015	✓				
Children's Services - FAST team budget reduction	0.010		✓			The FAST team is currently showing an overspend of £0.032.
Preventative foster care service - day care	0.005	✓				
<b>TOTAL</b>	<b>0.456</b>					
<b>Procurement (APPENDIX 7c)</b>						
<i>Community Services</i>						
PARIS - post implementation expenditure review	0.030	✓				
Housing Services - Supplies and Services	0.003	✓				
Social Care - Supplies and Services	0.075	✓				
Procurement Hub - regional procurement of high cost low volume placements	0.020	✓				
Children's Services - out of county placements - improved procurement practice	0.533	✓				As at month 3 this budget was showing an underspend of £(0.344). However due to change in service user circumstances this budget is now showing an overspend of £0.248



Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Transport Review - revised contracts	0.025	✓				
<b>TOTAL</b>	<b>0.686</b>					
<b>Organisational Design (APPENDIX 7d)</b>						
<i>Community Services</i>						
Review of Supported Living Service	0.350			✓		The efficiency has been partly achieved in 2013/14 (£0.086m) and is expected to be fully achieved in 2014/15. It should be noted that the non-achievement of this efficiency is being offset with underspends elsewhere within the Directorate.
Service Review of Warden Service	0.018	✓				
Children's Services - Removal of one team manager post	0.040	✓				
Development and Resources - Rationalisation of Management Team	0.050	✓				
<b>TOTAL</b>	<b>0.458</b>					



Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
<b>Fees &amp; Charges (APPENDIX 7a)</b>						
<i>Environment</i>						
Agricultural Estate rentals	0.008		✓			Agricultural Estates currently reporting a surplus income position.
Public Protection - increase to market rates	0.025		✓			Fees for both Licensing and Bereavement Services were increased from 1st June 2013
Markets Service - increased lettable space	0.019		✓			Markets currently reporting a surplus income position.
Traffic Regulation order Notices	0.013		✓			Budget Reduction met from within Highways Policy Budget
Streetscene - leachate processing	0.075		✓			It is anticipated that the new income target will be met in 2013/14
<b>TOTAL</b>	<b>0.140</b>					
<b>Service Change (APPENDIX 7b)</b>						
<i>Environment</i>						
Street Lighting - non-residential areas post midnight turn-off	0.050		✓			The new Street Lighting policy has been adopted and this efficiency will be achieved in full
Highways Asset Management Plan (HAMPS) -rephasing of full implementation	0.225		✓			Previous approved pressure that was not required in 2013/14 and 2014/15 due to Local Government Borrowing Initiative (LGBI)

Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Public Conveniences - revisit of strategy	0.050			✓		Tower Gardens, Holywell didn't close until 30th April 2013 and Cilcain and Caerwyns have been further delayed with ongoing consultation necessary and under achievement on the efficiency by £21k is likely.
Streetscene - implementation of Part III agreement	0.300				✓	The achievement of this efficiency is dependant on the implementation of Single Status so is anticipated to be achieved in 2014/15. The 2013/14 shortfall is being met from the Single Status reserve.
Waste Services - vehicle savings from full roll out of Saturday collection	0.140				✓	The achievement of this efficiency is dependant on the implementation of Single Status so is anticipated to be achieved in 2014/15. The 2013/14 shortfall is being met from the Single Status reserve.
Business Development team - agile working	0.004		✓			Budget Monitoring Position at Period 4 indicates achievement of this efficiency.
Staff travel - reduced mileage payments	0.003		✓			Budget Monitoring Position at Period 4 indicates achievement of this efficiency.
Directorate Support & Performance - Supplies and Stationery - Streamline current processes	0.008		✓			Budget Monitoring Position at Period 4 indicates achievement of this efficiency.
<b>TOTAL</b>	<b>0.760</b>					
<b>Procurement (APPENDIX 7c)</b>						
<i>Environment</i>						
Waste Services - Tender Transport arrangements for waste disposal	0.050		✓			New Transport arrangements have been awarded as part of a tender process and are now in place.
Transportation Services - Review of subsidised Bus Service Contracts and re-tender	0.036		✓			Efficiency absorbed within service budget

Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Reduction in use of consultants	0.013		✓			Efficiency absorbed within service budget
Reduction in influencable spend	0.025		✓			Efficiency absorbed within service budget
Streamline current processes within Directorate Support	0.020		✓			Efficiency absorbed within service budget
<b>TOTAL</b>	<b>0.144</b>					
<b>Organisational Design (APPENDIX 7d)</b>						
<i>Environment</i>						
Review Management Recharge to the Communities First Programme	0.020		✓			It is anticipated that this will be achieved as part of the Communities First Grant Claim for 2013/14
<b>TOTAL</b>	<b>0.020</b>					
<b>Other Efficiencies (APPENDIX 7e)</b>						
<i>Environment</i>						
Agricultural Estates - balance not required	0.025	✓				Specific Directorate Balance in the Environment Balance Sheet
Licensing / Health & Safety - balance not required	0.025		✓			Specific Directorate Balance in the Environment Balance Sheet
<b>TOTAL</b>	<b>0.050</b>					



Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
<b>Fees &amp; Charges (APPENDIX 7a)</b>						
<i>Lifelong Learning</i>						
Library Service - Fines	0.001		✓			
Library - Hire charges increase	0.001		✓			
Leisure Services - increased charges	0.175			✓		Tariffs were increased on the 1st January as agreed but as income targets are not expected to be met, the efficiency is also not likely to be fully achieved. Estimated amount achievable £0.164m.
Review of post 16 distance limit	0.030			✓		The amendment to the proposal to continue to provide transport to Colleg Cambria means that only £0.010m of the efficiency can be achieved. Work is ongoing to confirm this. However, we do not anticipate a pressure on the Transport budget at this time.
<b>TOTAL</b>	<b>0.207</b>					
<b>Service Change (APPENDIX 7b)</b>						
<i>Lifelong Learning</i>						
Operational efficiencies	0.025		✓			
Youth Service - reduction of senior area workers	0.032		✓			The budget for area workers had previously been reduced. This efficiency created a budget flow which has been addressed as part of the Youth Strategy by retaining part of the £0.050m below on a recurring basis. We do not anticipate a pressure on Youth S



Month 8

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Youth Service - term time only contracts	0.026			✓		This change is being introduced as part of the Youth Strategy and has not yet been implemented though negotiations have started. At this stage it is anticipated that a saving of £0.007m will be made in this financial year.
Youth Service - Service reconfiguration	0.012		✓			
Youth Service - Building costs savings	0.011		✓			
Youth Service - Building rationalisation	0.005		✓			
Youth Service - Holding back £50K (CC 1/3/13)	(0.050)	✓				This additional contribution is expected to be fully utilised.
Facilities - Management / Central Office - structure review	0.015		✓			
Facilities - County Hall revised opening hours - reduced energy / overtime costs	0.025				✓	Although we do not expect a pressure on the Facilities budget this year, the decision to revise the County Hall opening hours has not yet been made.
LL ICT - Interim Service review - post reduction	0.025				✓	The Schools ICT Service Review has now been combined with the Corporate ICT Review. We do not anticipate a pressure on the schools ICT budget at this time.
Leisure Services - removal of swimming subsidy	0.023		✓			
Directorate Management Team Restructure	0.043	✓				
<b>TOTAL</b>	<b>0.192</b>					



**Month 8**

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
<b>Procurement (APPENDIX 7c)</b>						
<i>Lifelong Learning</i>						
Reduction of Postage within the Library Service	0.001		✓			
Out of County - Improved procurement through framework agreements and monitoring of placements.	0.385		✓			
School Transport Service - Operational efficiencies	0.080		✓			
<b>TOTAL</b>	<b>0.466</b>					

<b>Organisational Design (APPENDIX 7d)</b>						
<i>Lifelong Learning</i>						
Libraries - Flexible retirement	0.015	✓				
Libraries - Library Service Review	0.037	✓				
<b>TOTAL</b>	<b>0.052</b>					

<b>Other Efficiencies (APPENDIX 7e)</b>						
Demographic Change in Schools (pupil numbers)	0.132	✓				
<b>TOTAL</b>	<b>0.132</b>					



Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
<b>Fees &amp; Charges (APPENDIX 7a)</b>					
<i>FINANCE - Corporate Services</i>					
Revenues - increased number of Council Tax fines	0.027		✓		
<i>ICT &amp; CUSTOMER SERVICES - Corporate Services</i>					
Registrars - increased fees	0.019		✓		
Network Services - income from hosting PSBA equipment	0.004	✓			
<i>LEGAL &amp; DEMOCRATIC - Corporate Services</i>					
External Fees - conveyancing / S106 agreements	0.015		✓		
<b>TOTAL</b>	<b>0.065</b>				
<b>Service Change (APPENDIX 7b)</b>					
<i>Chief Executive - Corporate Services</i>					
Corporate Comms - reduced workforce bulletins	0.003		✓		
<i>HR &amp; OD - Corporate Services</i>					
CRB checks - review of options	0.035		✓		
<i>LEGAL &amp; DEMOCRATIC - Corporate Services</i>					
Democratic Services - reduced paper usage	0.010		✓		
Members Allowances (Basic Allowance) - no inflationary increase	0.010		✓		
Members Allowances - Special Responsibility Allowances - reduction of number allocated	0.070		✓		
Members Allowances - NI contributions reduction linked to reduced number of Special Responsibility allowances	0.010		✓		
<b>TOTAL</b>	<b>0.138</b>				

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
<b>Procurement (APPENDIX 7c)</b>					
<i>Chief Executive - Corporate Services</i>					
Employee / Residents Consultations - reduction in number	0.003		✓		
Supplies and Services	0.010		✓		
Joint Working - costs reduction	0.002		✓		
Alterations / Improvements reductions - future agile working	0.002		✓		
Employee Safety Measures - reduced demand on budget	0.010		✓		
Conferences/Seminars/Lectures - reduced attendance	0.001		✓		
<b>ICT &amp; CUSTOMER SERVICES - Corporate Services</b>					
Training Budget - Procurement via new solutions	0.001		✓		
Reduced maintenance costs due to new security equipment	0.025		✓		
Networking Hardware - reduced procurement	0.002		✓		
ICT Cabling - reduction enabled by IPT solution	0.002		✓		
Leasing - budget adjustment	0.006		✓		
Software Licensing - Microsoft licences procured through other agreements	0.010		✓		
Hardware Maintenance - letting of MFD contracts	0.001		✓		



Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Reduce influencable spend by 3%	0.004		✓			
Reduced ICT Expenditure	0.003		✓			
Rationalisation of third party software costs	0.013		✓			
Avoidance of inflationary rises - software maintenance costs	0.020		✓			
Reduced licence costs - via renegotiation	0.018		✓			
Supplies and Services	0.061		✓			
Training budget reduction - build around training solutions	0.001		✓			
Alterations & Improvements - Datacentres	0.004		✓			
Other Consumables - reduction in expenditure	0.001		✓			
Hardware Maintenance - new technology with warranty	0.015		✓			
Listing Paper - More use of electronic means	0.002		✓			
Enterprise Servers - hardware	0.003		✓			
Services work and Consultancy	0.004		✓			
Supplies & Services	0.009		✓			
FINANCE - Corporate Services						



Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Supplies & Services	0.012		✓			
<b>TOTAL</b>	<b>0.245</b>					
<b>Organisational Design (APPENDIX 7d)</b>						
<i>Chief Executive - Corporate Services</i>						
Reduction in mileage travelled - Emergency Planning	0.001		✓			
<b>TOTAL</b>	<b>0.001</b>					

**Month 8**

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
<b>Service Change (APPENDIX 7b)</b>						
<i>Central &amp; Corporate Finance</i>						
Clwyd Theatr Cymru - agreed reduction to contribution	0.015	✓				
<b>TOTAL</b>	<b>0.015</b>					
<b>Procurement (APPENDIX 7c)</b>						
<i>Central &amp; Corporate Finance</i>						
Flintshire Futures - E-procurement and improved processes	0.102		✓			
Flintshire Futures - Internal Fleet Review	0.160	✓				
<b>TOTAL</b>	<b>0.262</b>					
<b>Other Efficiencies (APPENDIX 7e)</b>						
<i>Central &amp; Corporate Finance</i>						
Reduced contingencies - one-off investment costs	0.240	✓				
Reduced contingencies - NDR	0.077	✓				
Reduction in Fire Levy due to formula changes	0.027	✓				
Flintshire Futures Assets Workstream - Facilities Management	0.060					✓

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Flintshire Futures - Customer Workstream Contact Centre	0.100				✓	Detailed work being undertaken to assess the timing of efficiency
Flintshire Futures - Customer Workstream face to face customer contact	0.100				✓	Detailed work being undertaken to assess the timing of efficiency
Flintshire Futures - Customer Workstream Channel Shift	0.100				✓	Detailed work being undertaken to assess the timing of efficiency
<b>TOTAL</b>	<b>0.704</b>					



## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**

**DATE:**                   **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:**           **HEAD OF FINANCE**

**SUBJECT:**               **COUNCIL TAX REDUCTION SCHEME  
CONSULTATION**

### **1.00 PURPOSE OF REPORT**

- 1.01 To provide Cabinet Members with information on a Welsh Government Consultation seeking views on the review of options for the future of Council Tax support in Wales. The closing date is 5<sup>th</sup> March 2014.
- 1.02 To provide Members with a series of recommended responses, as drafted by officers, on the proposals as set out in Appendix 2 to this report, and seek members support to them.

### **2.00 BACKGROUND**

- 2.01 In October 2010, the UK Government announced its intention to abolish Council Tax Benefit (CTB) and cut funding for replacement schemes. CTB was abolished on 31<sup>st</sup> March 2013 and the responsibility for developing a replacement scheme for Wales was taken up by the Welsh Government. The Welsh Government introduced a system for Council Tax Support for 2013-14, and the regulations governing the system for 2014-15 and 2015-16 have recently been approved by the Assembly.
- 2.02 The UK Government has transferred £222 million to the Welsh Government for 2013-14, and will transfer a further £222 million in each of 2014-15 and 2015-16. Thereafter, funding will be included in the overall Welsh budget. The reduction in funding for replacement schemes means this transfer is insufficient on its own to continue to maintain the same level of support as was provided under CTB. The Welsh Government is therefore providing an additional £22 million in 2013-14, 2014-15 and 2015-16 to support local authorities in maintaining entitlements, with authorities meeting the remaining costs.
- 2.03 However, whilst the funding from the UK Government is not increasing, the cost of maintaining entitlements will rise year on year if council tax rises, or the number of eligible applicants increases, placing an increasing financial pressure on the Welsh Government and local authorities, which will become more and more difficult to sustain.

2.04 The Welsh Government are therefore reviewing the options for the future of Council Tax Support (CTS) in Wales, with a view to provide a scheme which is equitable, sustainable, and delivers the maximum protection for low income and vulnerable households within the financial constraints.

### **3.00 CONSIDERATIONS**

3.01 The Welsh Government is supplementing the UK Government funding transfer with an additional £22 million to support Local Authorities in maintaining existing entitlements. However if Council Taxes continue to rise at current rates, by 2015-16 the estimated total cost of maintaining existing levels of CTS could increase to over £260million, around £40 million more than the provision from the UK Government.

3.02 Removal of all support would expose low income households to the full impact of Council Tax. In Flintshire there are currently 12,800 households in receipt of £10.2 million CTS; as a result, the impact of removing support would be significant for local residents and for the Council's ability to collect Council Tax

3.03 The impact of maintaining entitlements through a CTS scheme, in terms of the revenue lost to authorities from households receiving CTS, is likely to fall on local services, which may themselves also be providing support to some of the low income and vulnerable households who benefit from CTS. Equally, reducing entitlement to CTS will have a direct impact on the income of Flintshire's poorest and most vulnerable households at the same time as they are facing reductions in income through the welfare reforms.

3.04 The Welsh Government has identified a range of options for reducing entitlement (Appendix 1). The options will impact in different ways on households currently in receipt of CTS and on local authority revenue. As the cost of maintaining entitlements increases year on year, some of the options presented will not be sufficient to fully offset the shortfall in funding.

### **4.00 RECOMMENDATIONS**

4.01 For Members to note the consultation.

4.02 For Members to consider the recommended responses, as prepared by senior officers within the Revenue and Benefits services, as detailed in Appendix 2 to this report.

## **5.00 FINANCIAL IMPLICATIONS**

- 5.01 Although the Welsh Government funds a significant element of the CTS scheme through the Revenue Support Grant, the Authority is required to fund subsequent increases in Council Tax and any fluctuations in the number of claimants. As such the cost of the current scheme will increasingly become a budget pressure impacting on service provision or requiring significant increases in Council Tax. The expected additional cost to Flintshire in 2014/15 is £0.633m.

## **6.00 ANTI POVERTY IMPACT**

- 6.01 A change to the current scheme will expose low income and vulnerable households to a liability to pay Council Tax, in many cases for the first time due to their financial circumstances. This change is at a time when many are struggling to cope with the impact of other changes to the welfare system.

## **7.00 ENVIRONMENTAL IMPACT**

- 7.01 None.

## **8.00 EQUALITIES IMPACT**

- 8.01 The Welsh Government have completed an equalities Impact assessment of potential options, which will reflect the impact in Flintshire.

## **9.00 PERSONNEL IMPLICATIONS**

- 9.01 None.

## **10.00 CONSULTATION REQUIRED**

- 10.01 The purpose of the report is to provide Members with the opportunity to comment on the consultation proposals.

## **11.00 CONSULTATION UNDERTAKEN**

- 11.01 Feedback from a report to Corporate Resources Overview and Scrutiny Committee on 13<sup>th</sup> February 2014 will be made verbally to Cabinet.

## **12.00 APPENDICES**

- 12.01 Appendix 1 to this report contains the Options being considered by WG
- 12.02 Appendix 2 to this report contains the recommended responses to the latest consultation.

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

*2013 Review of Council Tax Support Consultation*

*2012 Council Tax Support in Wales: Equality Impact Assessment*

*2012 Reforming Council Tax Benefit: options for Wales*

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## Appendix 1

### **Option 1 – CTRS is based on a fixed percentage of council tax liability**

Under this option, all households have to pay a percentage of their Council Tax liability, regardless of their personal circumstances or the band of property in which they live. They then receive CTRS to help them pay for the remaining percentage.

**Impact on recipients:** Band D Council Tax levels in Wales in 2013-14 range from £974.36 to £1,525.87. Band D households currently in receipt of full CTRS, would pay, for example, 10% of their bill, which would range from £97 to £153, depending on the Authority in which they live. The average annual household loss by Authority (ie. across all CTRS households) in 2013-14 would range from £72 to £102, with at least 96% of CTRS-entitled households in each Authority affected. This option withdraws more support from those in partial CTRS than option 2 below.

**Impact on LA revenues:** Across all 22 Authorities the total 'saving' (in terms of additional revenue collected) would be around £28 million, with the proportionate impact on revenues broadly equal across Authorities (at between 10.9% and 11.5% of their CTRS expenditure).

### **Option 2 - Council Tax Support is cut by a fixed percentage across-the-board**

Entitlement is calculated as normal, but all reductions are then reduced by the percentage.

**Impact on recipients:** The impact on those currently in receipt of full CTRS is the same as for the previous option but, because of the way in which the reduction is calculated, this option is slightly more beneficial for those in receipt of a partial reduction of CTRS. The average annual household loss by Authority ranges from £64 to £89, again with at least 96% of households affected in every Authority.

**Impact on LA revenues:** Across all 22 Authorities the total 'saving' (in terms of additional revenue collected) would be around £25 million, with the proportionate impact on revenues equal across Authorities.

### **Option 3 - Capping CTRS entitlement at the Council Tax liability for the band below the one in which the recipient lives**

The maximum reduction in Council Tax liability is capped at the Council Tax rate for the tax band below that for the dwelling. So a Band B household's CTRS reduction would be equal to that for a Band A dwelling in their Authority, a Band C reduction would be capped at the Band B level and so on.

**Impact on recipients:** The impact would depend on the band of the property in which they live and on their Authority. The annual average household loss by Authority would range from £101 to £152, and at least 96% of CTRS-entitled households would be affected in all areas.

**Impact on LA revenues:** Across all Authorities the total 'saving' would be £40 million, and in contrast to the other property band-based options above, the impact would be broadly the same across individual Authorities (ranging from 14.9% to 18.7%).

#### **Option 4 - Reducing entitlement by capping CTRS entitlement at the Council Tax liability for a Band B property**

Entitlement to CTRS is calculated as normal, but the maximum reduction in Council Tax liability is capped at the level of Council Tax for a Band B property. Full entitlement is maintained for Bands A and B, but all other households have to pay part of their Council Tax, with those in higher band properties paying more.

**Impact on recipients:** The Band B council tax charge 2013-14 ranges from £758 to £1,187. A band D household currently receiving full CTRS would face a bill of between £217 and £339, which is the difference between the Band B and Band D rates in their area. Residents in Bands A and B would be protected, but those in higher bands would pay more than under the previous options. The average annual loss for households affected is therefore higher than for the previous options, ranging from £160 to £291. The proportions of CTRS-entitled households affected would vary widely between Authorities (from 5% to almost 70%), because of the variation in the numbers of Band A and B properties.

**Impact on LA revenues:** Across all Authorities the total 'saving' would be £27 million, but the impact would vary between Authorities from only 1.6% of CTRS income to over 23%, with the more deprived areas generating less additional revenue and those with larger numbers of higher band properties generating more. Without a mechanism to redistribute the funding released, some Authorities would still face a substantial shortfall.

#### **Option 5 - Reducing entitlement by removing entitlement entirely from residents in Band E and above**

Residents in Band E or above are automatically disallowed from any entitlement to CTRS. Residents of Bands A to D are unaffected: their entitlements are protected, and are determined in the same way as now.

**Impact on recipients:** The CTRS entitlements for those in Bands A to D are unaffected, and these residents account for around 93% of the total caseload. However, the rise in Council Tax liability for residents in higher property bands who currently receive CTRS would be very steep. The average CTRS reduction paid to Band E households is £1084, but under this option, they would receive no reduction, and would be liable for their full Council Tax bill.

The proportion of CTRS households affected in each Authority would vary from less than 1% to over 17%.

**Impact on LA revenues:** Across all Authorities the total 'saving' would be £26 million (or around 10.6% of CTRS expenditure) but again the impact would vary between Authorities because of the variation in the numbers of properties in each band.

**Option 6 – Increase the income taper to 30%**

For CTRS recipients subject to the means test, if their income exceeds their applicable amount, their weekly entitlement is reduced by 20p for each £1 of excess weekly income (the taper), until entitlement is fully withdrawn. This option would increase the reduction to 30p for each £1, leading to a steeper fall in entitlement as income increases.

**Impact on recipients:** Those in receipt of full CTRS would be unaffected, but those on partial reductions would see their entitlement reduced. This is likely to affect between 19% and 25% of CTRS households, with an average loss ranging between £114 and £189. An increase in the taper rate will erode any additional income generated from working, reducing the incentive for those receiving welfare benefits to find work or increase earnings.

**Impact on LA revenues:** Across all Authorities the total 'saving' would be approximately £9.2 million, and the impact would be broadly the same across individual Authorities.

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## APPENDIX 2

### **Draft Responses to the Welsh Government Consultation Document**

#### **Question 1: Do you agree the Welsh Government should maintain a system of Council Tax Support?**

Agreed that a system of Council tax support needs to be maintained, failure to maintain a system would lead to many vulnerable and low income households being liable to pay Council Tax in full, with the consequence of increasing levels of poverty and the subsequent impacts of social dependency.

#### **Question 2a: Given the financial pressures and the likely impact on local services, should entitlements be maintained at current levels from 2015-16? Or should entitlements be reduced, exposing low income and vulnerable families to increases in the Council Tax they have to pay?**

Unfortunately the financial cost of the scheme cannot be sustained in the current economic climate, without significant increases in Council Tax levels to fund the scheme which would have a detrimental impact on households where levels of income are marginally above benefit entitlements. Therefore entitlements must be reduced to sustainable levels.

#### **Question 2b: If entitlements are maintained, how should the gap be funded? Should the Welsh Government pay, should Local Government pay, or should the cost be shared?**

If entitlements are to be maintained, it would require an examination as to the drivers for maintenance e.g. if WG commit to anti poverty policies which include maintenance for specified groups, such as ensuring families with children have an income of at least 60% of the average household income, then WG should be responsible for funding.

#### **Question 2c: If some of the costs continue to be met by Local Authorities, what might be the implications for the communities for whom they provide services?**

Maintenance of entitlements will increase pressures on budgets with only available solutions of either increasing Council Tax or reducing services both of which will have a detrimental effect on Communities.

#### **Question 3a: Should some of the costs of maintaining entitlement be offset by changes to the Council Tax system itself, to enable Local Authorities to generate additional revenue? If so, how? What are the implications of making changes to the Council Tax system itself? What would be the administrative implications for Local Authorities?**

It must be recognised that any changes to the Council Tax system would impact on the Tax payer, particularly in the instances of discounts and exemptions. For example, reduction of 25% Single person discount (SPD)

would increase the liability to the Tax payer, in many cases SPD claimants are pensioners or single parent households with limited budgets, additional tax burdens may have a detrimental impact on their finances and for SPD working households may mean that work no longer pays more than unemployment.

If changes were to be implicated there would be additional administrative burdens for Authorities with the cost of software changes and the potential higher levels of recovery action required.

**Question 3b: Should any such changes be prescribed nationally or should there be local flexibility?**

Changes to the Council Tax system should be prescribed nationally with limited local flexibility which would allow the consideration of local issues, however this may set a precedent allowing further changes to the Council Tax system to an extent that Council Tax itself would no longer be a national scheme.

**Question 4a: If entitlements have to be reduced, should everyone pay a proportion of their Council Tax, or should some groups be protected?**

To protect some groups would increase the burden on other vulnerable groups as evidenced in England where pensioners have been protected with the consequence that a non-Pensioner household in receipt of means-tested Welfare benefits can be liable for 40% of Council Tax.

**Question 4b: If you think any groups should be protected, which groups and on what grounds?**

See question 4a.

**Question 4c: What are the equality implications and potential impacts on those with protected characteristics of making everyone pay a proportion of their Council Tax, or of protecting particular groups?**

The removal of full CTRS will impact on all groups who have in previous years been identified by a process of means testing as unable to pay, therefore the removal will have significant impact on available income for basic needs, for this reason there is a requirement to limit impact as far as possible which indicates that the burden should be equitable for all groups.

**Question 5a: If entitlements have to be reduced, should this be through a single national framework scheme proposed by Welsh Ministers and approved by the Assembly or should Local Authorities have flexibility to devise local solutions?**

To prevent a "post code lottery" there should be a single national scheme.

**Question 5b: If a localised approach is introduced, should Local**

**Authorities have full flexibility or should some national prescription be maintained? What aspects of a CTRS scheme would it be appropriate to determine locally?**

If there is to be a localised approach then LA's should have full flexibility to devise a scheme which adapts to local conditions.

**Question 6a: If entitlement has to be reduced, what is the most equitable and sustainable option (or combination of options) for doing so? What are the implications for groups with protected characteristics under the Equality Act? What would be the impact on the rights of children and young people?**

To achieve an equitable solution the options must have equal impact on all groups, as previously stated the protection of any group effectively is at the detriment of another group. Therefore Options 1, 2 & 3 fulfil these criteria.

**Question 6b: Are there other options which should be considered? If so, how would they work and what advantages would they offer? What would be the equality impacts?**

All effective options are considered

**Question 6c: What are the relative administrative implications for Local Authorities of the different options?**

All options will require software change which could be achieved by current suppliers at the cost of upgrades. The major administrative implication would be the resources required to collect / recover relatively small amounts of Council Tax, from Tax payers who are on low incomes. This has already been evidenced in the significant increase in effort and resources that social housing landlords have had to employ in order to try and collect rent from (a smaller number of residents) impacted by the spare room subsidy.

**Question 6d: The impact of some property band based options on revenues will vary widely from Authority to Authority. How might these variations be mitigated if such options are implemented?**

It would require an examination of each Authorities tax base compared with required savings to calculate band changes required. This process would be cumbersome and would lose the uniformity of a one Wales scheme.

**Question 7a: In the longer term, it may be desirable or necessary to make changes to the system of means testing, as UC is fully rolled out, but our proposal is to retain the existing means testing approach in the medium term. What are your views on this?**

Although there is an increased administrative burden on LA's to means test, this does ensure that CTRS recipients receive the correct entitlement, non means testing would produce a "winners and losers" scenario and potentially the scheme would be open to abuse, which could result in a higher cost whilst potentially not supporting vulnerable groups.

**Question 7b: What are the main implications of wider welfare reforms for CTRS, and how should these be addressed?**

The impacts of Welfare Reform are in many cases reducing benefit entitlement within a context of "making work pay", at a time of economic uncertainty. The reduction in income for these groups effectively increases the impacts on CTRS where there will become a liability for payment.

To reduce the impacts requires a long-term commitment to provide / promote employment, with a demand to increase the skills and education to produce a workforce which would enhance the potential for employment

**Question 8: What are the implications of the Commission's findings for the future of CTRS?**

The Commission has correctly identified the unsustainable of funding for the future of CTRS, this consultation addresses the current issues but in the future further decisions will have to be made to reflect increasing costs. To ensure a seamless approach the decision as to options available within this paper should also reflect potential for future change, which will remove banding based options.

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**  
**DATE:**               **TUESDAY, 18 FEBRUARY 2014**  
**REPORT BY:**       **DIRECTOR OF COMMUNITY SERVICES**  
**SUBJECT:**           **INTERMEDIATE CARE FUND**

### **1.00 PURPOSE OF REPORT**

- 1.01 To advise Cabinet of the purpose of the Intermediate Care Fund, the application process, and outline proposals for Flintshire's bid. As we are at the initial planning and development stage of the bidding process the report is presented for information.
- 1.02 Members may wish to consider arrangements for securing political endorsement of the final bid which needs to be made within very tight timescales.

### **2.00 BACKGROUND**

- 2.01 Intermediate Care describes a wide range of services which focus on prevention, rehabilitation, reablement and recovery. These services can help avoid unnecessary hospital admissions, inappropriate admission to residential care, as well as preventing delayed discharge from hospital.
- 2.02 Welsh Government have developed an Intermediate Care Fund to encourage integrated working between local authorities, (including Housing and Social Care), Health and other partners The Fund is only available for 2014-2015.
- 2.03 Funding is targeted at supporting older people, particularly the frail elderly, to maintain their independence and remain in their own home.
- 2.04 The Fund can be used to build on existing good practice and increase the scale of provision of integrated services. It can also be used to pump-prime funding to assist transformation and change and to test new models of delivery. The fund can not be used to substitute existing funding streams, it must be used to support new or additional provision of services and ways of working
- 2.05 The indicative allocation for Flintshire is £1,926m consisting of £642k capital and £1,284m revenue funding.

### **3.00 CONSIDERATIONS**

3.01 We are in the process of developing outline proposals for our application to the Fund. Whilst local authorities have been given the lead for the development of proposals we are required to develop our bid in close partnership with Local Health Boards, and with third and independent sector partners. These partners will have a critical role in delivering services associated with the fund. The fund has also been allocated on a regional footprint and we will need to have both regional and partner endorsement of our bid.

3.02 We do not yet have definitive proposals or costed models but our initial areas for dialogue with partners include:

#### Capital Funding

3.03 Our aspiration is to use a significant proportion (£550k) of the capital allocation to support the development of additional Extra Care Facilities. Capital funding would provide leverage for investment in the cost and delivery of Extra Care and enable us to realise the commitment in our Corporate Improvement Plan to develop a further 2 Extra Care provisions. Our intention is to develop Extra Care in Holywell and Flint.

3.04 We are also exploring the potential of reconfiguring a small number of existing sheltered housing flats (potentially one per locality) to provide a resource for short term support in the community. The accommodation could be used for a range of purposes including a step-up or step-down beds, the provision of respite for carers to prevent carer break down and admission to care homes, and to provide an alternative setting for older people who can not either return home from hospital, or remain at home, until major adaptations are completed at their home. The accommodation would make good use of telecare and telehealth equipment and we can explore potential links to enhanced care service models where health and social care support is required. We anticipate that we would allocated £90k for this work.

3.05 Both Extra Care and proposals for sheltered housing would operate a rehabilitation and reablement culture to support independence and avoid either hospital or long-term residential care admissions.

#### Revenue

3.06 From the revenue funding we are looking at proposals that will develop and enhance our capacity and ability to deliver existing strategic intentions for service modernisation. Examples of our developing proposals include:

### 3.06.1 Supporting Integration

- Support locality working to increase capacity of care coordination and the delivery of integrated services. This will include costs associated with establishing co-location as well as providing additional capacity to develop integrated approaches to assessing and managing frailty and exploring the potential for joint health and social care posts
- Working closely with Health to develop and deliver joint commissioning strategies for people with dementia leading to more market capacity to deliver good quality dementia care. This would involve funding a 1 year fixed post to work across Health and social care to expand the Living Well service model to the independent sector with funding to provide specific training on good dementia care and approaches for the independent and third sector. Funding will also be sought to enable mentoring arrangements from in House services and block contracting of hours to pilot and test a service model. The aim of the service will be to support a larger cohort of people with dementia who may otherwise need Residential Care. We would also look for the post holder to develop a market position statement for Care Home placements for people with dementia with a view to supporting the development of an appropriate level of EMI nursing capacity so that Flintshire residents can have their needs met within the County.

### 3.06.2 Avoiding hospital admission and minimising stays

- Provide additional capacity to support the roll out of Enhanced Care and to review service models to ensure effective take up, good outcomes and value for money. This could include providing, and assessing the impact of additional CPN capacity which can not be met within existing Enhanced Care resources
- Procure research with Health to develop a targeted risk stratification of people who are at risk of hospital admission, or who are regularly admitted into hospital, and associated interventions to manage and minimise hospital admission for this cohort
- Develop respite/convalescence facilities to help ensure that people are able to access services in their local community as part of their recovery process
- Increase the capacity of reablement and rapid response services to better meet demand

### 3.06.3 Investing in prevention and wellbeing

- Fund the development of self assessment systems for people to

access equipment to help them live at home

- Provide additional investment in telecare
- Target investment to make preventative and wellbeing services sustainable and integrated e.g. expand the provision of Falls prevention in the East and South locality for people who are identified as high risk of falls by their GP, and the development of approaches enable increased access to the National Exercise Referral Scheme

These proposals should be viewed as initial considerations. They are not an exhaustive or definitive list and are subject to dialogue with partners and work to ensure that proposals can be delivered and are financially sustainable.

#### Governance arrangements

- 3.07 Funding has been allocated across regional footprint areas to ensure change is driven at a strategic level and to improve the consistency of service provision and uniformity of outcomes. Flintshire's bid will need to be submitted as part of regional collaborative proposal.
- 3.08 The development of a regional proposal will be overseen by the newly formed North Wales Integrated Services Programme Board. The Board has representation from all 6 local authorities, Health and Housing with arrangements to co-op independent and 3<sup>rd</sup> sectors where appropriate. The Board forms part of the governance arrangements that fed into the North Wales Regional Leadership Board. The Board is chaired by Flintshire's Director of Community Services and the Fund will be brokered by Flintshire on behalf of the Region. This forms part of reciprocal arrangements across North Wales for leading on regional initiatives.
- 3.09 There is a North Wales Regional meeting with Welsh Government on 12 February 2014 to discuss and clarify application processes for the regional bid and developing local proposals. Bids will then be submitted for regional co-ordination and Health endorsement on the 24 February 2014. The final bid will need to be submitted on behalf of the region on the 7 March 2104.

#### **4.00 RECOMMENDATIONS**

- 4.01 Cabinet are asked to note the availability of the Fund, initial proposals, and asked to consider arrangements for securing political endorsement of the final bid, through delegated powers.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The Fund provides an opportunity to pump prime and extend the



range of services that help people to maintain their independence and reduce/delay the need for long term statutory support. As the funding is for one year only, any proposals for work extending beyond 31 March 2015 will need to clearly state how sustainability will be achieved and where any future funding will come from within significant budgetary constraints.

**6.00 ANTI POVERTY IMPACT**

6.01 NA

**7.00 ENVIRONMENTAL IMPACT**

7.01 NA

**8.00 EQUALITIES IMPACT**

8.01 The Fund provides an opportunity to benefit older people. An equality impact will be undertaken on our final bid to identify and where necessary address any equality issues.

**9.00 PERSONNEL IMPLICATIONS**

9.01 Funding may enable fixed term opportunities for staff.

**10.00 CONSULTATION REQUIRED**

10.01 We are required to develop our bid in close partnership with Local Health Boards, and with the Third and Independent Sectors. This will take place at a local level and regionally through the North Wales Integrated Services Programme Board.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Initial discussions have taken place with key partners at the North Wales Integrated Services Programme Board.

**12.00 APPENDICES**

None

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

None

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY 18<sup>TH</sup> FEBRUARY, 2014**

**REPORT BY:** **HEAD OF LEGAL & DEMOCRATIC SERVICES**

**SUBJECT:** **PLAY PROVISION: SUMMER PLAYScheme 2014**

### **1.00 PURPOSE OF REPORT**

1.01 To present to Cabinet the recommendations of the Lifelong Learning Overview & Scrutiny Committee in order to provide sustainable play provision from April 2014 with reference to the summer play scheme programme.

### **2.00 BACKGROUND**

2.01 A Playscheme Task & Finish Group was set up in January 2013 in order to consider arrangements for Playschemes for 2013 and beyond.

2.02 At its meeting held on the 5 September, 2013, the Lifelong Learning Overview & Scrutiny Committee considered a report titled 'Play Development: Summer Play Schemes'. Following consideration of this report, the Committee recommended that the item be deferred to allow the Playscheme Task & Finish Group to meet and consider feedback from users of the 2013 Summer Playscheme and that the recommendations to provide sustainable play provision from April 2014 with reference to the summer play scheme programme be presented to a future meeting of the Committee.

### **3.00 CONSIDERATIONS**

3.01 The Playscheme Task & Finish Group met on the 18 November, 2013 to consider the feedback from users of the 2013 Summer Playscheme. During the meeting the Group all agreed that the Playschemes provided invaluable facilities for children during the summer holidays and emphasised the importance of the schemes for families who could not afford to take their children on holidays. The group also emphasised the importance of the scheme in developing children's play, co-ordination and social skills.

3.02 The recommendations of the Task & Finish Group were presented to the Lifelong Learning Overview & Scrutiny Committee at its meeting on the 19 December, 2013 where they were supported to be recommended to the Cabinet.

#### **4.00 RECOMMENDATIONS**

4.01 To consider the following recommendations of the Lifelong Learning Overview & Scrutiny Committee:-

- Subject to confirmation of *Families First* funding, the Head of Leisure and Culture write to all Town and Community Councils advising them that the number of Playschemes available to them during the summer of 2014 and beyond be limited to a maximum of two each and that summer Playscheme provision be reduced from five weeks to three weeks at locations previously agreed through local consultation.
- Town and Community Councils who are keen to increase the complement of Playscheme sites in their area above the 2 offered are given the opportunity to increase the provision through match funding.
- A pressure bid of up to £12,000 be allocated to support match funding for Town and Community Councils.
- If confirmation was received that there would be a reduction in *Families First* funding: the Playscheme Task & Finish Group should meet again to consider how best to provide sustainable play provision from April 2014 with reference to the summer play scheme programme.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The recommendations include a pressure bid of £12,000 which is not within budget. The recommendations were also subject to confirmation of grant funding from *Families First* and continued match funding support from Town and Community Councils. Families First funding has been confirmed for 2014. Town and Community Councils are confirming their commitment to the 2014 programme. The core 2014 programme (with no growth in provision) can be delivered without the additional £12,000 pressure bid.

#### **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 Ongoing consultation with Town and Community Councils.

**11.00 CONSULTATION UNDERTAKEN**

11.01 The Head of Culture and Leisure has been consulted.

**12.00 APPENDICES**

12.01 None.

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

Minutes of the Lifelong Learning Overview & Scrutiny Committee 19  
December, 2013.

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **HEAD OF HUMAN RESOURCES AND  
ORGANISATIONAL DEVELOPMENT**

**SUBJECT:** **WORKFORCE INFORMATION QUARTER 3  
OCTOBER - DECEMBER 2013**

### **1.00 PURPOSE OF REPORT**

1.01 To provide Members with an update for the third quarter 2013/14. This report provides details of the following:

Establishment  
Headcount  
Agency  
Early Retirements (First and third quarter reports only)  
Turnover  
Diversity  
Absence

### **2.00 BACKGROUND**

2.01 The format of the detailed Workforce Information report was approved by Scrutiny on 9 March 2009 and agreed by Corporate Management Team on 26 March 2009.

2.02 This report now includes additional details on agency workers, including number of placements, level of spend and the savings which have been achieved through the Matrix contract and information on Early Retirements, the latter being reported bi-annually (first and third quarter reports).

2.03 The format of this accompanying report has been adapted to provide commentary on changes and trends that have occurred during the quarter on an exceptional basis.

### **3.00 CONSIDERATIONS**

#### **Establishment**

3.01 As a result of Service Reviews across the Council, the iTrent system is reporting an increase in vacancies of 135 which does not reflect the current position. The Council is undertaking a thorough review exercise to establish the 'true' vacancies and funding arrangements (e.g. grant funded, base

budget etc). The iTrent system will be updated accordingly to reflect the actual position on vacancies when this exercise has been completed.

### Headcount

- 3.02 The headcount report figures continue to reflect the removal of relief and school supply workers. The headcount figure in quarter 3 is 7,176 compared to the comparative figure of 8,485 last year.

### Agency

- 3.03 The statistics below provide a breakdown of spend and net savings per month during quarter 3.

Month	Spend £	Net Savings £	Net Savings %
Oct	£247,036.74	£21,402.70	8.66%
Nov	£241,626.11	£21,001.60	8.69%
Dec	£247,213.41	£21,067.15	8.52%

- 3.04 Snapshot figures taken from Matrix on 31<sup>st</sup> December indicate 150 placements were active. When compared to the previous financial year, it is evident that the reliance on temporary workers has reduced.

Year	2012	2013
Oct	200	185
Nov	175	158
Dec	184	150

- 3.05 The table below indicates the overall number of hours completed by workers during quarter 3 of the current financial year and the previous two years. These figures support the findings in 3.04 and indicate that the overall usage of the temporary agency workforce has decreased year on year.

Q3	Total Hours Worked
2011/12	54,849
2012/13	38,890
2013/14	38,238

- 3.06 In line with the AWR (Agency Workers Regulations), temporary workers are entitled to equal treatment after 12 weeks in the job; this relates to basic employment/working conditions and has an impact in the overall cost. The Council monitors the number of placements exceeding 12 weeks and where appropriate have taken steps to reduce those that exceed this duration. Figures taken from the Matrix placement report at the end of December 2013 indicate that there were 20 fewer placements with duration of over 12 weeks when compared with figures for December 2012. Further work must be carried out to identify and reduce the number of long term temporary



workers.

3.07 The Agency net savings for quarter 3 is £47,887.63, compared to £95,938.84 savings for the same quarter in the financial year 2012/13. This is due to an overall reduction in the volume of agency workers used.

3.08 In October 2013, a new contract between Flintshire County Council and neutral vendor, Matrix SCM, was agreed for a period of three years. This was in agreement with collaborative partners, Denbighshire County Council and Wrexham County Borough Council.

### Early Retirements

3.09 There were 10 Early Retirements for the period July to December 2013. The total cost of pension strain for this period is £127,126.71.

### Turnover

3.10 The turnover report figure continues to reflect the removal of relief and school supply workers. The turnover figure in quarter 3 is 14.10% compared to the comparative figure of 15.03% for quarter 3 last year.

### Diversity

3.11 Further to the statement made in quarter 2, the increase in the quality and quantity of data continues to be identified in this quarter with the comparison from quarter 3 last year.

### Absence

3.12 The number of days lost due to absence in quarter 3 has decreased significantly from the comparative quarter 3 last year. There is an improved trend for absence levels when compared to last year for quarters 2 and 3 and the annual forecast figure for the whole year is currently 10.03 FTE days.

Average FTE Days Lost							
	All Wales Avg Whole Year 2010/11	2011/12 Actual FCC	All Wales Avg Whole Year 2011/12	2012/13 Actual FCC	All Wales Avg Whole Year 2013/14	2013/14 Actual FCC	2013/14 Target FCC
Qtr 1		2.27		2.52		2.53	2.25
Qtr 2		2.17		2.13		2.07	1.95
Qtr 3		2.89		3.18		2.93	2.45
Qtr 4		3.21		3.26			2.95
Whole Year	10.34	10.54	10.90	11.10		7.53	9.60

- 3.13 An additional absence report is included that shows the breakdown of absence reasons by long and short term periods. This report has been extended to show the breakdown by Directorate.

This report aligns to the breakdown developed as part of our benchmarking work across Wales. This means that each service area can now compare its long and short term absence at each level of the organisation, throughout Wales.

There is a continued programme of attendance management reporting and action planning across each Directorate. Absences reporting, containing trigger reports, produced on a monthly basis are issued to managers. With the support of the HR team focus is made on frequent, short term absences, long term absences and return to work interviews, with employees, to understand any underlying issues affecting attendance at work.

#### **100% Attendance – Flintshire**

- 3.14 When looking at the quarter 3 data, 72% of all employees have had 100% attendance. This represents an increase of 5% when compared to the same quarter last year.

<b>100 % Attendance</b>				
	<b>2010/11 Actual</b>	<b>2011/12 Actual</b>	<b>2012/13 Actual</b>	<b>2013/14 Actual</b>
<b>Quarter 1</b>	78	77	75	75
<b>Quarter 2</b>	78	84	80	81
<b>Quarter 3</b>	65	75	67	72
<b>Quarter 4</b>	69	67	70	
<b>Whole Year</b>	40	42	41	

### 100% Attendance by Directorate

- 3.15 When looking at each Directorate, the rate for the same quarter last year has increased in every Directorate area and in Schools.

	2012/13					2013/14				
	Q1	Q2	Q3	Q4	Whole Year	Q1	Q2	Q3	Q4	Whole Year
<b>Community Services</b>	69	71	63	65	30	76	75	68		
<b>Corporate Services</b>	81	83	74	76	45	82	82	76		
<b>Environment</b>	76	74	66	68	37	76	76	69		
<b>Lifelong Learning</b>	78	79	72	71	44	77	79	75		
<b>Schools</b>	76	85	65	70	44	73	85	72		

### Community Services

- 3.16 The workforce information for quarter 3 presents a mixed picture for Community Services. The information represents positive news for Children's Social Services and Development & Resources as their absence rates have reduced and shows an increase in absence levels in both Adult Social Services and Housing Services.

When compared to quarter 3 last year there has been an improvement in attendance across all services which is a positive indication of a downward trend across the Directorate. This means that if the Directorate absence levels remain unchanged in quarter 4, the predicted absence rates for the full year 2013/14 will be 14.07 day's lost per full time equivalent (FTE) when compared to actual 17.57 day's lost last year.

The Directorate is hoping to improve on this figure as a number of long term absences have been brought to an end during quarter 3 as a result of managers and HR have progressing cases through the Capability procedure. The impact of this will be reflected in quarter 4. Frequent absences continue to be managed in line with Council's policy.

The Cross Directorate Attendance Management working group continues to meet each month to discuss strategies to improve attendance such as providing attendance management updates in the Community Services Bulletin and Health & Well-being promotions. Managers continue to take a proactive approach by developing opportunities for employees to return to work as quickly as possible which improves attendance and thereby reduces the overall absence levels across the Directorate.

	2012/13			2013/14		
	Qtr 3	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3
Development and Resources	2.84	2.35	11.24	1.21	2.59	2.38
Housing Services	4.02	3.06	13.25	2.47	2.07	3.55
Social Services for Adults	5.56	6.35	20.92	4.01	3.18	4.10
Social Services for Children	3.98	5.11	14.91	2.97	3.78	2.93
Senior Management and Support	0.41	0.00	1.02	0.26	0.00	0.23
Community Services	4.78	5.16	17.57	3.33	2.87	3.70

### Corporate Services

- 3.17 The targeted approach to supporting services with individual and group briefings has resulted in an increase in the number of Attendance Management Reviews and capability meetings held and in referrals to Occupational Health. This can be linked and has directly led to the return to work of a number of employees across the services from long term sickness. Positive quarterly impact is evident in HR & OD, Chief Executives and Finance service areas, but small increases in other areas have resulted in a slight increase in day's lost and the absence rate for Corporate Services as a whole - but it remains at a tolerable level. Continued review of 'trigger' activity and ensuring timely action takes place will retain the focus to further reduce absence levels.

	2012/13			2013/14		
	Qtr 3	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3
Chief Executive's Dept	2.44	2.71	11.25	3.87	4.50	3.86
Clwyd Theatr Cymru	0.80	0.95	2.51	0.53	0.22	2.18
Finance	1.62	6.01	10.75	1.56	1.35	1.46
HR & OD	2.26	2.71	7.29	6.30	2.78	1.99
ICT & Customer Services	1.17	1.06	3.97	0.98	0.50	1.91
Legal and Democratic Services	2.45	1.04	10.80	2.01	1.09	0.78
Corporate Services	1.65	1.75	6.44	1.61	1.43	1.80

## Environment

- 3.18 Managing attendance at work remains a priority for the Directorate; when compared to quarter 3 last year, there has been an improvement across the services. However, absence levels have increased in three out of the six service areas in quarter 3 this year compared to quarter 3 last year, due largely to the long term sickness absence of a small number of employees. Short-term, recurring absences continue to be a priority with interventions including dismissal taking place across the respective service areas. Long-term absences have increased in some of the service areas and SMT's are working with HR and OH colleagues to establish the long-term prognosis of those cases in order to expedite ill-health dismissals, where appropriate.

	2012/13			2013/14		
	Qtr 3	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3
<b>Assets and Trans</b>	<b>2.50</b>	2.23	<b>8.35</b>	2.28	<b>1.93</b>	2.96
<b>Mgt, Supp and Perf</b>	<b>1.26</b>	4.37	<b>8.92</b>	0.74	<b>1.40</b>	0.94
<b>Planning Services</b>	<b>2.97</b>	4.02	<b>10.27</b>	4.23	<b>2.36</b>	1.46
<b>Public Protection</b>	<b>1.83</b>	1.30	<b>6.83</b>	1.79	<b>1.27</b>	2.20
<b>Regeneration Division</b>	<b>2.38</b>	4.90	<b>13.44</b>	3.46	<b>0.78</b>	0.80
<b>Streetscene Services</b>	<b>4.39</b>	4.34	<b>15.61</b>	3.68	<b>4.31</b>	4.73
<b>Senior Management and Support</b>	<b>0.00</b>	0.00	<b>2.67</b>	0.00	<b>0.00</b>	0.00
<b>Environment</b>	<b>3.40</b>	<b>3.55</b>	<b>12.34</b>	<b>3.14</b>	<b>3.09</b>	<b>3.56</b>

## Lifelong Learning

- 3.19 Lifelong Learning Services continue to use Council Policies and Procedures to support attendance management. In particular Leisure Services are now seeing the benefits of a proactive approach through consistent review of the small number of individual cases where there are regular patterns or long term absence. As a result, Leisure lost days for quarter 3 are now at 2.16 days per full time equivalent (FTE) which is within the quarter 3 target of 2.45 per FTE. The Service Managers have regular planned meetings with Occupational Health to discuss how managers can maximise the impact of the support and advice they receive. Development & Resources have seen a decrease in days lost for quarter 3 (2.87 days per FTE) compared to quarter 2 (3.58 days per FTE) which is encouraging. However Libraries, Culture & Heritage & Schools Services, who had been within the quarterly target for quarter 2 have now experienced an increase at quarter 3, albeit an increase in absence is not an unusual trend at this time of year.

	2012/13			2013/14		
	Qtr 3	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3
Culture and Leisure	2.39	2.34	8.30	1.92	2.19	2.16
Resources and Dev	3.34	3.90	13.77	3.27	3.48	2.87
Lib, Culture and Heritage	3.40	2.98	10.99	0.69	1.39	2.44
School Services	3.54	3.44	10.86	2.40	1.51	3.19
Senior Management and Support	0.00	0.00	7.14	0.00	0.57	0.00
Lifelong Learning	3.11	3.13	11.12	2.22	2.22	2.65

#### **4.00 RECOMMENDATIONS**

4.01 Members note Workforce Information Report for quarter three for 2013/14.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 Increased accuracy of 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 ANTI POVERTY IMPACT**

6.01 None.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 None.

#### **8.00 EQUALITIES IMPACT**

8.01 This increased reporting and monitoring within this area will result in more informed analysis of the impact our policies and procedures have across these groups.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 None.

#### **10.00 CONSULTATION REQUIRED**

10.01 None.

#### **11.00 CONSULTATION UNDERTAKEN**

11.01 Already undertaken with Corporate Management Team and Equalities Unit.

**12.00 APPENDICES**

12.01 Available in Members' Services.

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

**Contact Officer:** Helen Stappleton, Head of HR & OD  
**Telephone:** 01352 702720  
**Email:** [helen.stappleton@flintshire.gov.uk](mailto:helen.stappleton@flintshire.gov.uk)

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## FOR INFORMATION

### FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **CABINET**

**DATE:** **TUESDAY, 18 FEBRUARY 2014**

**REPORT BY:** **CHIEF EXECUTIVE**

**SUBJECT:** **EXERCISE OF DELEGATED POWERS**

#### **1.00 PURPOSE OF REPORT**

1.01 To inform Members of action taken under delegated powers.

#### **2.00 BACKGROUND**

2.01 At the Executive Meeting held on 31<sup>st</sup> October, 2000 it was agreed that one of the standard agenda items at each Executive should be a report on the "Exercise of Delegated Powers".

#### **3.00 RECOMMENDATION**

3.01 Members note the details of actions taken under the "Exercise of Delegated Powers".

#### **4.00 FINANCIAL IMPLICATIONS**

4.01 As detailed in each report.

#### **5.00 ANTI-POVERTY IMPACT**

5.01 As detailed in each report.

#### **6.00 ENVIRONMENTAL IMPACT**

6.01 As detailed in each report.

#### **7.00 EQUALITIES IMPACT**

7.01 As detailed in each report.

#### **8.00 PERSONNEL IMPLICATIONS**

8.01 As detailed in each report

#### **9.00 CONSULTATION REQUIRED**

9.01 Not applicable

#### **10.00 CONSULTATION UNDERTAKEN**

10.01 Not applicable

## **11.00 APPENDICES**

11.01 Summary of Decisions taken under Delegated Powers.

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

Background documents: See individual report.

Contact Officer: Detailed on the individual reports.

**APPENDIX 1**

**EXERCISE OF DELEGATED POWERS – DECISIONS TAKEN**

**Directorate**

**Subject**

**Lifelong Learning**

Greenfield Valley Heritage Park - Charges  
for 2014 season

Copies of the Delegated Powers reports are on deposit in the Team Manager's room, Committee Services

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**FLINTSHIRE COUNTY COUNCIL FORWARD WORK PROGRAMME ITEMS  
COUNCIL, CABINET, AUDIT AND OVERVIEW & SCRUTINY  
JANUARY 2014 TO JUNE 2014**

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
January					
Housing Overview & Scrutiny Committee	8 January 2014	Housing	<b>Housing Asset Management Strategy</b> To consider stock investment and proposals to provide high quality sustainable housing stock to meeting the Welsh Housing Quality Standard (WHQS).		
Housing Overview & Scrutiny Committee	8 January 2014	Housing	<b>Tenant Satisfaction Survey Results and Action Plan</b> To consider the tenant satisfaction survey results and benchmark them with the last independent survey and agree an action plan to address any issues identified.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Housing Overview & Scrutiny Committee	8 January 2014	Housing	<b>Anti-Social Behaviour and Neighbourhood Management</b> To consider progress in delivering the revised Anti-Social Behaviour Strategy.		
Housing Overview & Scrutiny Committee	8 January 2014	Overview and Scrutiny	<b>Forward Work Programme</b> To consider the Forward Work Programme of the Housing Overview & Scrutiny Committee.		
Social & Health Care Overview & Scrutiny Committee	9 January 2014	Community Services	<b>Home Enhanced Care Scheme</b> To receive an update regarding the implementation of HECS in Flintshire		
Social & Health Care Overview & Scrutiny Committee	9 January 2014	Community Services	<b>Integrated Family Support Service</b> To receive a progress report post implementation of the Integrated Family Support Service across Flintshire and Wrexham.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Social & Health Care Overview & Scrutiny Committee	9 January 2014	Community Services	<b>Collaborative Projects update</b> To receive a progress report on projects and services running collaboratively across North Wales		
Social & Health Care Overview & Scrutiny Committee	9 January 2014	Overview and Scrutiny	<b>Social &amp; Health Care Forward Work Programme</b> To consider the Forward Work Programme of the Social and Health Care Overview & Scrutiny Committee		
Corporate Resources Overview & Scrutiny Committee	16 January 2014	Finance	<b>Revenue Budget Monitoring 2013/14 (Month 7)</b> To provide Members with the Revenue Budget Monitoring 2013/14 (Month 7) report.		
Corporate Resources Overview & Scrutiny Committee	16 January 2014	Finance	<b>Council Tax Reduction Scheme</b> Approval of a Council Tax Reduction Scheme within prescribed requirements and local discretions for 2014/15		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	16 January 2014	Chief Executive's	<b>Improvement Assessment Letter from the Auditor General for Wales</b> To receive the Improvement Assessment Letter from the Auditor General for Wales and note the Council's Response		
Corporate Resources Overview & Scrutiny Committee	16 January 2014	Overview and Scrutiny	<b>Feedback from consideration of Improvement and Performance Plans Consultation</b>		
Corporate Resources Overview & Scrutiny Committee	16 January 2014	Finance	<b>Council Tax and Business Rate Policies 2014-15</b> For Overview and Scrutiny members to review various policies for the administration of Council Tax and Business Rates for the financial year 2014-15		



COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	16 January 2014	Overview and Scrutiny	<b>Corporate Resources Forward Work Programme</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.		
Community Profile & Partnerships Overview & Scrutiny Committee	20 January 2014	Overview and Scrutiny	<b>Presentation by the Red Cross</b> To receive a presentation by the Red Cross		
Community Profile & Partnerships Overview & Scrutiny Committee	20 January 2014	Overview and Scrutiny	<b>Community Profile &amp; Partnerships Forward Work Programme</b> To consider the Forward Work Programme of the Community Profile and Partnerships Overview & Scrutiny Committee		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Finance	<p><b>Council Fund Revenue Budget 2014/15</b> To present the draft revenue budget proposals for the Council Fund.</p> <p>To advise of the ongoing work to close the current remaining budget gap in 2014/15.</p> <p>To propose that the draft revenue budget proposals be referred to Overview and Scrutiny for feedback to Cabinet in February.</p>	Strategic	Leader of the Council and Cabinet Member for Finance

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Finance	<p><b>Housing Revenue Account 2014/15 &amp; Capital Programme 2014/15</b> To consider the Housing Revenue Accounts (HRA) budget as set out in 1.02 and 1.03.</p> <p>Revenue budget proposals for the 2014/15 financial year, including proposed rent and service charge changes, key areas of income and expenditure, and the level of closing balance at the year end.</p> <p>Budget proposals for the HRA Capital programme 2014/15, which is year three of a six year improvement programme.</p> <p>To note the impact of the proposed revenue budget and capital programme on the HRA 30 year Business Plan.</p> <p>To propose that the HRA revenue and capital proposals be referred to Housing Overview and Scrutiny Committee on 21<sup>st</sup> January for feedback to Cabinet in</p>	Strategic	Leader of the Council and Cabinet Member for Finance

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Chief Executive's	<p><b>Improvement Assessment letter from Wales Audit Office</b></p> <p>To advise Members of the Council's recent Improvement Assessment Letter from the Auditor General for Wales for noting and to agree an Executive response.</p>	Strategic	Cabinet Member for Corporate Management

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Finance	<p><b>Council Fund Capital Programme 2014/15 and Indicative to 2017/18</b></p> <p>The purpose of the report is to –</p> <ul style="list-style-type: none"> <li>(a) Propose the allocation of funding to the core capital programme in 2014/15 (with indicative funding estimates for future years), including the allocation of minor amounts to two schemes to meet contractual and essential health and safety works.</li> <li>(b) Provide information on the estimated total capital programme, based on current available information, including schemes financed from other sources such as Government grants, Prudential and other borrowing.</li> <li>(c) Propose that the capital proposals be referred to Overview and Scrutiny for feedback to Cabinet</li> </ul>	Strategic	Leader of the Council and Cabinet Member for Finance

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Community Services	<p><b>Double Click &amp; the case to progress to a social enterprise</b></p> <p>This report has been developed to seek Cabinet approval to progress Double Click to a Social Enterprise in 2014.</p> <p>The report aims to provide information which indicates the benefits of this proposal for Service Users supported at Double Click, and the benefits to the council in terms of short and long term efficiencies.</p>	Strategic	Cabinet Member for Social Services
Cabinet	21 January 2014	Finance	<p><b>Revenue Budget Monitoring 2013/14 (Month 7)</b></p> <p>To provide Members with the most up to date revenue budget monitoring information (Month 7) for the Council Fund and the Housing Revenue Account in 2013/14.</p>	Operational	Leader of the Council and Cabinet Member for Finance

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Finance	<p><b>Council Tax and Business Rate Policies 2014-15</b> Members are asked to approve various policies for the administration of Council Tax and Business Rates for the financial year 2014-15.</p> <p>The policies required by statute to be approved each year are:-</p> <ul style="list-style-type: none"> <li>• Council Tax Discounts on second and long term empty homes (section 2)</li> <li>• Council Tax Discretionary discounts (section 3)</li> <li>• Business Rates Discretionary Rate Relief (section 4)</li> <li>• Business Rates Discretionary Rate Relief for Small Businesses (section 5)</li> </ul> <p>Some policies are detailed for information purposes only, these are:-</p> <ul style="list-style-type: none"> <li>• Payment dates for Precepting/Levying Bodies (section 6)</li> </ul>	Operational	Cabinet Member for Corporate Management

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Finance	<p><b>Council Tax Reduction Scheme</b> The report is to explain the requirement for the Council to adopt the Council Tax Reduction Scheme for 2014/15 by 31<sup>st</sup> January 2014.</p> <p>To recommend to Council to adopt the Council Tax Reduction Scheme for 2014/15 subject to any input from Corporate Resources Overview and Scrutiny Committee.</p>	Operational	Cabinet Member for Corporate Management
Cabinet	21 January 2014	Finance	<p><b>Treasury Management Mid Year Report 2013/14</b> To present to Members the draft Treasury Management Mid Year Report for 2013/14 for recommendation to Council.</p>	Operational	Leader of the Council and Cabinet Member for Finance
Cabinet	21 January 2014	ICT and Customer Services	<p><b>Customer Services Strategy Update</b> To update Members on the progress made with the implementation of the Customer Services Strategy.</p>	Strategic	Cabinet Member for Corporate Management



COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Legal and Democratic Services	<p><b>Eleventh Annual Report of the Flintshire Local Access Forum</b></p> <p>For Cabinet, on behalf of the County Council, to note and approve the eleventh annual report of the Flintshire Local Access Forum, prepared in accordance with Regulation 16 of the Countryside Access (Local Access Forums) (Wales) Regulations 2001</p>	Operational	Leader of the Council and Cabinet Member for Finance
Cabinet	21 January 2014	Environment	<p><b>Rural Development Plan Local Action Groups 2014-2020</b></p> <p>To seek support in principle for Cadwyn Clwyd to act as the Local Action Group for Flintshire for the next Rural Development Plan (RDP) Programme.</p>	Strategic	Cabinet Member for Economic Development

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Environment	<p><b>Local Development Plan Delivery Agreement: Finalising the Delivery Agreement following Consultation</b></p> <p>To seek the agreement of Cabinet for revisions to the draft Local Development Plan (LDP) Delivery Agreement following consultation feedback, in order to submit the Delivery Agreement to the Welsh Government for their formal approval. Once the Welsh Government has approved the Delivery Agreement, it can be formally published and substantive work on the preparation of the LDP can begin.</p>	Strategic	Deputy Leader of the Council and Cabinet Member for Environment

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	21 January 2014	Environment	<b>Charging for Re-rating Inspections Carried Out Under the Food Hygiene Rating (Wales) Act 2013</b> To provide details of the new legislation and to seek approval for the delegation of powers and the setting of fees.	Operational	Cabinet Member for Waste Strategy, Public Protection and Leisure
Cabinet	21 January 2014	Community Services	<b>SARTH</b> This report seeks approval to implement the Single Access Route to Housing Project locally, to the development of a Housing solutions service; and to continue to engage with the project across the North East Wales sub region.	Strategic	Cabinet Member for Housing
Housing Overview & Scrutiny Committee	21 January 2014	Overview and Scrutiny	<b>Budget Consultation for 2014/15</b> To set out the consultation arrangements with Overview & Scrutiny for 2014/15.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment Overview & Scrutiny Committee	22 January 2014	Environment	<b>The Council's Household Waste Collection Policy</b> To seek Scrutiny comments on the revised waste collection policy		
Environment Overview & Scrutiny Committee	22 January 2014	Environment	<b>Town Centres, High Streets and Retail Areas</b>		
Environment Overview & Scrutiny Committee	22 January 2014	Overview and Scrutiny	<b>Environment Forward Work Programme</b> To consider the Forward Work Programme of the Environment Overview & Scrutiny Committee		
Joint Housing and Social and Health Care Overview & Scrutiny Committee	28 January 2014	Overview and Scrutiny	<b>Joint Housing and Social &amp; Health Care Budget Consultation for 2014/15</b> To set out the consultation arrangements with Overview & Scrutiny for 2014/15		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment Overview & Scrutiny Committee	28 January 2014	Overview and Scrutiny	<b>Environment Budget Consultation for 2014/15</b> To set out the consultation arrangements with Overview & Scrutiny for 2014/15		
Corporate Resources Overview & Scrutiny Committee	28 January 2014	Overview and Scrutiny	<b>Corporate Resources Budget Consultation for 2014/15</b> To set out the consultation arrangements with Overview & Scrutiny for 2014/15.		
Flintshire County Council	28 January 2014	Finance	<b>Treasury Management Mid Year Report 2013/14</b> To present the 2013/14 mid year report on the Council's Treasury Management Strategy.		
Flintshire County Council	28 January 2014	Finance	<b>Council Tax Reduction Scheme</b> To approve a Council Tax Reduction scheme within prescribed requirements and local discretions for 2014/15.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Audit Committee	29 January 2014	Finance	<p><b>Treasury Management Strategy 2014/15 and Treasury Management Update 2013/14</b>            To present the 2014/15 Treasury Management Strategy and provide an update on the 2013/14 Treasury Management activity.</p>		
Audit Committee	29 January 2014	Chief Executive's	<p><b>Improvement Assessment Letter from the Auditor General for Wales</b>            To receive the Improvement Assessment Letter from the Auditor General for Wales and note the Council's Response</p>		
Audit Committee	29 January 2014	Finance	<p><b>Council Banking Arrangements</b>            To provide an update on the arrangements for the letting of the Council's banking contract.</p>		

<b>COMMITTEE</b>	<b>MEETING DATE</b>	<b>DIRECTORATE</b>	<b>AGENDA ITEM &amp; PURPOSE OF REPORT</b>	<b>REPORT TYPE (Strategic or Operational) (Cabinet only)</b>	<b>PORTFOLIO (Cabinet only)</b>
Audit Committee	29 January 2014	Finance	<b>Action Tracking</b> To inform the Committee of the actions resulting from points raised at previous Audit Committee meetings.		
Audit Committee	29 January 2014	Finance	<b>Audit Charter Update</b> To report back to the Audit Committee following the meeting of the Constitution Committee on 16th October 2013.		
Audit Committee	29 January 2014	Chief Executive's	<b>Protocol on Collaboration</b> To note the updated protocol on collaboration.		
Audit Committee	29 January 2014	Legal and Democratic Services	<b>Annual Report on External Inspections</b>	Operational	

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Audit Committee	29 January 2014	Chief Executive's	<p><b>Risk Management update</b> To provide members with an update on the improved risk management approach as part of streamlining and integrating the business planning arrangements.</p> <p>To provide an overview of the key risks of the Improvement priorities of the Council.</p>	Strategic	
Audit Committee	29 January 2014	Finance	<p><b>Forward Work Programme</b> To consider the Forward Work Programme for the Audit Committee.</p>		
Lifelong Learning Overview & Scrutiny Committee	30 January 2014	Overview and Scrutiny	<p><b>Lifelong Learning Budget Consultation for 2014/15</b> To set out the consultation arrangements with Overview &amp; Scrutiny for 2014/15</p>		



COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Lifelong Learning Overview & Scrutiny Committee	30 January 2014	Lifelong Learning	<b>School Funding Formula Review</b> To provide an update on the recommendations arising from the Formula Review and Consultation Process.		
Lifelong Learning Overview & Scrutiny Committee	30 January 2014	Overview and Scrutiny	<b>Lifelong Learning Forward Work Programme</b> To consider the Forward Work Programme of the Lifelong Learning Overview & Scrutiny Committee.		
February					
Corporate Resources Overview & Scrutiny Committee	3 February 2014	Overview and Scrutiny	<b>Corporate Resources Budget Consultation for 2014/15</b> To set out the consultation arrangements with Overview & Scrutiny for 2014/15.		
Housing Overview & Scrutiny Committee	5 February 2014	Housing	<b>Update on the delivery of the Choices Document</b> To receive an update report on the delivery of the Choices Document.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Housing Overview & Scrutiny Committee	5 February 2014	Housing	<b>Collaborative Working in Housing</b> To receive and consider current and future collaborative initiatives		
Housing Overview & Scrutiny Committee	5 February 2014	Housing	<b>Sheltered Housing Improvement Project</b> To consider progress following the review of sheltered accommodation.		
Housing Overview & Scrutiny Committee	5 February 2014	Housing	<b>Forward Work Programme</b> To consider the Forward Work Programme of the Housing Overview & Scrutiny Committee.		
Joint Housing and Social and Health Care Overview & Scrutiny Committee	6 February 2014	Housing	<b>Supporting People</b> To update Members on the Supporting People Programme in Flintshire.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Joint Housing and Social and Health Care Overview & Scrutiny Committee	6 February 2014	Housing	<b>Extra Care Provision in Flintshire</b> To update Members on the development of further Extra Care schemes in Flintshire.		
Joint Housing and Social and Health Care Overview & Scrutiny Committee	6 February 2014	Housing	<b>Telecare</b> To update Members on the regional plan for Telecare / Telehealth.		
Joint Housing and Social and Health Care Overview & Scrutiny Committee	6 February 2014	Housing	<b>Delivering Home Adaptations</b> To inform Members of current performance in relation the administration of Disabled Facilities Grants		
Corporate Resources Overview & Scrutiny Committee	13 February 2014	Finance	<b>Revenue Budget Monitoring 2013/14 (Month 8)</b> To provide Members with the Revenue Budget Monitoring 2013/14 (Month 8) report.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	13 February 2014	Environment	<b>Assets as an Organisational Change strategy workstream (6 monthly update, as per the resolution of the committee on 17/1/13)</b> To provide a update		
Corporate Resources Overview & Scrutiny Committee	13 February 2014	Finance	<b>Council Tax Reduction Scheme Consultation</b> To seek the views of Scrutiny on the proposed response to the Council Tax Reduction Scheme consultation.		
Corporate Resources Overview & Scrutiny Committee	13 February 2014	Overview and Scrutiny	<b>Corporate Resources Forward Work Programme</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee		
Social & Health Care Overview & Scrutiny Committee	13 February 2014	Overview and Scrutiny	<b>Social &amp; Health Care Forward Work Programme</b> To consider the Forward Work Programme of the Social and Health Care Overview & Scrutiny Committee		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Community Profile & Partnerships Overview & Scrutiny Committee	17 February 2014	Overview and Scrutiny	<b>Community Profile &amp; Partnerships Forward Work Programme</b> To consider the Forward Work Programme of the Community Profile and Partnerships Overview & Scrutiny Committee		
Cabinet	18 February 2014	Chief Executive's	<b>Outcome Agreement 2013-2016</b> To provide (i) an update of the new arrangements for the Successor Outcome Agreement from 2013-2016; and (ii) to endorse the outline of a new Successor Outcome Agreement for 2013-2016 based on draft Welsh Government guidance.	Strategic	Cabinet Member for Corporate Management

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 February 2014	Lifelong Learning	<p><b>National Model for Regional Working on School Improvement</b></p> <p>The Hill Review set out a number of options for improving the delivery and structure of education services in Wales. One of the key options was that there needed to be greater consistency in the delivery of school improvement services via the regional education consortia. This view was endorsed by local government through the WLGA response to the Hill Review in September 2013.</p>	Strategic	Cabinet Member for Education
Cabinet	18 February 2014	Lifelong Learning	<p><b>School Funding Formula Review</b></p> <p>School Funding Formula Review</p>	Strategic	Cabinet Member for Education
Cabinet	18 February 2014	Finance	<p><b>Council Fund Revenue Budget 2014/15</b></p> <p>To present the revenue budget proposals for the Council Fund.</p>	Strategic	Leader of the Council and Cabinet Member for Finance

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 February 2014	Finance	<p><b>Council Fund Capital Programme 2014/15 and Indicative to 2017/18</b></p> <p>To propose the allocation of funding to the core capital programme in 2014/15 (with indicative allocations for future years). Provide information on the total capital programme, including schemes financed from other sources such as Government grants, Prudential and other borrowing.</p>	Strategic	Leader of the Council and Cabinet Member for Finance
Cabinet	18 February 2014	Finance	<p><b>Housing Revenue Account 2014/15 &amp; Capital Programme 2014/15</b></p> <p>To consider the Housing Revenue Account and Capital Programme 2014/15.</p>	Strategic	Leader of the Council and Cabinet Member for Finance
Cabinet	18 February 2014	Finance	<p><b>Treasury Management Strategy 2014/15</b></p> <p>To present the 2014/15 Treasury Management Strategy.</p>	Strategic	Leader of the Council and Cabinet Member for Finance

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 February 2014	Finance	<b>Minimum Revenue Provision 2014/15</b> To present the Council's Minimum Revenue Provision policy for approval.	Strategic	Leader of the Council and Cabinet Member for Finance
Cabinet	18 February 2014	Finance	<b>Prudential Indicators 2014/15</b> To present the 2014/15-2016/17 Prudential Indicators for approval.	Strategic	Leader of the Council and Cabinet Member for Finance
Cabinet	18 February 2014	Environment	<b>Review of the Council's Household Waste Collection Policy and HRC/Bring Site Arrangements</b> To seek Cabinet approval for the revised waste collection policy	Strategic	Cabinet Member for Waste Strategy, Public Protection and Leisure
Cabinet	18 February 2014	Community Services	<b>Housing Asset Management Strategy</b>	Strategic	Cabinet Member for Housing



COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 February 2014	Finance	<b>Revenue Budget Monitoring 2013/14 (Month 8)</b> To provide Members with the most up to date revenue budget monitoring information (Month 8) for the Council Fund and the Housing Revenue Account 2013/14.	Operational	Leader of the Council and Cabinet Member for Finance
Cabinet	18 February 2014	Finance	<b>Council Tax Reduction Scheme Consultation</b> To advise Members and approve responses to the Council Tax Reduction Scheme Consultation.	Operational	Cabinet Member for Corporate Management
Cabinet	18 February 2014	Lifelong Learning	<b>Play Provision: Summer Playscheme 2014</b> To present to Cabinet the recommendations of the Lifelong Learning Overview & Scrutiny Committee in order to provide sustainable play provision from April 2014 with reference to the summer play scheme programme.	Operational	Cabinet Member for Education

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 February 2014	Lifelong Learning	<b>North Wales Capital Procurement Framework</b> The purpose of this report is to present the outcome of the North Wales Schools and Public Buildings Contractor Framework (NWSPBCF) procurement process.	Operational	Cabinet Member for Education
Cabinet	18 February 2014	Community Services	<b>Intermediate Care fund</b> To advise Cabinet of the purpose of the Intermediate Care Fund, the application process, and outline proposals for Flintshire's bid.	Operational	Cabinet Member for Social Services
Cabinet	18 February 2014	Human Resources and Organisational Development	<b>Workforce Information Quarter 3 (Oct - Dec 2013)</b> To provide Members with an update for the third quarter 2013/14.	Operational	Cabinet Member for Corporate Management

COMMITTEE		MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Flintshire Council	County	18 February 2014	Finance	<b>Prudential Indicators 2014/15 - 2016/17</b> To present to Council the recommendations of the Cabinet in relation to the setting of a range of prudential indicators.		
Flintshire Council	County	18 February 2014	Finance	<b>Minimum Revenue Provision 2014/15</b> To present to Council the recommendations of the Cabinet in relation to the setting of a prudent minimum revenue provision for the repayment of debt.		
Flintshire Council	County	18 February 2014	Finance	<b>Treasury Management Strategy 2014/15</b> To present the 2014/15 Treasury Management Strategy.		

COMMITTEE		MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Flintshire Council	County	18 February 2014	Finance	<b>Council Fund Capital Programme 2014/15 and Indicative Funding to 2017/18</b> To present the Council Fund Capital Programme for 2014/15 and indicative Capital Programme to 2017/18.		
Flintshire Council	County	18 February 2014	Finance	<b>Council Fund Revenue Budget 2014/15</b> To present the revenue budget proposals for the Council Fund.		
Flintshire Council	County	18 February 2014	Finance	<b>Housing Revenue Account 2014/15 &amp; Capital Programme 2014/15</b> To present the Housing Revenue Account and Capital Programme for 2014/15.		
Flintshire Council	County	18 February 2014	Finance	<b>Council Tax Setting 2014-15</b> For Council to set the Council Tax levels for 2014-15 and agree all statutory resolutions for the purposes of administering local taxes.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment Overview & Scrutiny Committee	26 February 2014	Environment	<b>North Wales Residual Waste Partnership</b> To consider the final bidder submission		
Environment Overview & Scrutiny Committee	26 February 2014	Overview and Scrutiny	<b>Environment Forward Work Programme</b> To consider the Forward Work Programme of the Environment Overview & Scrutiny Committee		
March					
Housing Overview & Scrutiny Committee	5 March 2014	Overview and Scrutiny	<b>Housing Forward Work Programme</b> To consider the Forward Work Programme of the Housing Overview & Scrutiny Committee.		
Lifelong Learning Overview & Scrutiny Committee	6 March 2014	Lifelong Learning	<b>School Performance Report</b> To provide Members with details of overall School Performance and Inspection outcomes		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Social & Health Care Overview & Scrutiny Committee	20 March 2014	Overview and Scrutiny	<b>Social &amp; Health Care Forward Work Programme</b> To consider the Forward Work Programme of the Social & Health Care Overview & Scrutiny Committee		
Corporate Resources Overview & Scrutiny Committee	13 March 2014	Overview and Scrutiny	<b>Revenue Budget Monitoring 2013/14 (Month 9) and Capital Programme 2013/14 (Quarter 3)</b> To provide Members with the Revenue Budget Monitoring 2013/14 (Month 9) and Capital Programme 2013/14 (Quarter 3) report.		
Corporate Resources Overview & Scrutiny Committee	13 March 2014	Chief Executive's	<b>Annual Improvement Report from Wales Audit Office</b> Receive Annual Improvement Report from the Auditor General for Wales and note the Council's response		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	13 March 2014	Chief Executive's	<b>Workforce Information Quarter 3 October - December 2013</b> To provide Scrutiny Members with an update for the third quarter 2013/14		
Corporate Resources Overview & Scrutiny Committee	13 March 2014	Overview and Scrutiny	<b>Corporate Resources Forward Work Programme</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee		
Cabinet	18 March 2014	Chief Executive's	<b>Improvement Plan Quarterly Monitoring</b> Quarterly assessment of performance against the Improvement Plan	Operational	Cabinet Member for Corporate Management
Cabinet	18 March 2014	Chief Executive's	<b>Annual Improvement Report from Wales Audit Office</b> Receive Annual Improvement Report from the Auditor General for Wales and endorse the Council's response	Strategic	Cabinet Member for Corporate Management

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 March 2014	Chief Executive's	<b>Single Integrated Plan 2012 - 2017</b> To receive and support the Single Integrated Plan 2012 - 2017	Strategic	Cabinet Member for Corporate Management
Cabinet	18 March 2014	Environment	<b>Agricultural Estate Management</b> To seek approval for the disposal of part of the estate.	Strategic	Deputy Leader of the Council and Cabinet Member for Environment
Cabinet	18 March 2014	Finance	<b>Revenue Budget Monitoring 2013/14 (Month 9)</b> To provide Members with the most up to date revenue budget monitoring information (Month 9) for the Council Fund and the Housing Revenue Account 2013/14.	Operational	Leader of the Council and Cabinet Member for Finance
Cabinet	18 March 2014	Finance	<b>Capital Programme 2013/14 (Month 9)</b> To provide Members with the Month 9 (end of December) capital programme information for 2013/14.	Operational	Leader of the Council and Cabinet Member for Finance



COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 March 2014	Finance	<b>Business Rate Debt - Write Off</b> To request Member authorisation to write off a large number of business rate debts relating to Public Safety Charitable Trust.	Operational	Cabinet Member for Corporate Management
Cabinet	18 March 2014	Finance	<b>Clwyd Pension Fund - Funding Strategy Statement and Impact for Flintshire County Council</b> To provide an update on the Clwyd Pension Fund Strategy Statement and the budget implications for Flintshire County council as an employer within the Fund following the triennial Actuary Valuation.	Operational	Leader of the Council and Cabinet Member for Finance
Cabinet	18 March 2014	Finance	<b>Universal Credit Delivery Partnership Agreement</b> To seek approval of Members to agree the Universal Credit Delivery Partnership Agreement.	Operational	Cabinet Member for Corporate Management

<b>COMMITTEE</b>	<b>MEETING DATE</b>	<b>DIRECTORATE</b>	<b>AGENDA ITEM &amp; PURPOSE OF REPORT</b>	<b>REPORT TYPE (Strategic or Operational) (Cabinet only)</b>	<b>PORTFOLIO (Cabinet only)</b>
Cabinet	18 March 2014	Lifelong Learning	<b>School Admission Arrangements 2014</b> School Admission Arrangements 2014	Operational	Cabinet Member for Education
Cabinet	18 March 2014	Chief Executive's	<b>North Wales Residual Waste Treatment Project</b>	Strategic	Cabinet Member for Corporate Management
Cabinet	18 March 2014	ICT and Customer Services	<b>Update on Collaborative Procurement Projects</b> To provide an update on progress with the previously agreed collaboration projects.	Operational	Cabinet Member for Corporate Management
Cabinet	18 March 2014	ICT and Customer Services	<b>ICT Strategy Update</b> To provide an update on progress with the implementation of the Corporate Information and Communications Technology [ICT] Strategy.	Strategic	Cllr Billy Mullin

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 March 2014	Environment	<b>Setting up of a Joint Committee for the Area of Outstanding Natural Beauty</b> To advise on new arrangements for the management of the Clwydian Range and Dee Valley Area of Outstanding Natural Beauty.	Strategic	Deputy Leader of the Council and Cabinet Member for Environment
Cabinet	18 March 2014	Community Services	<b>Flying Start Update</b> To provide Cabinet with an update regarding the progress of expanding the Flying Start Programme.	Operational	Cabinet Member for Social Services
Cabinet	18 March 2014	Lifelong Learning	<b>Outcome of consultation of lowering the age range of Queensferry Primary School from 4-11 to 3-11</b> Outcome of consultation of lowering the age range of Queensferry Primary School from 4-11 to 3-11	Operational	Cabinet Member for Education

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	18 March 2014	Lifelong Learning	<p><b>Responses to the consultations on 6th form provision at St Richard Gwyn Catholic High School and Flint High School</b></p> <p>Responses to the consultations on 6th form provision at St Richard Gwyn Catholic High School and Flint High School</p>	Operational	Cabinet Member for Education
Environment Overview & Scrutiny Committee	19 March 2014	Overview and Scrutiny	<p><b>Improvement Plan Monitoring Report</b></p> <p>To note and consider elements of the 2013/14 Mid Year Improvement Plan Monitoring Report relevant to the Environment Overview and Scrutiny Committee. The report covers the period October – December 2013.</p>		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment Overview & Scrutiny Committee	19 March 2014	Overview and Scrutiny	<b>Environment Forward Work Programme</b> To consider the Forward Work Programme of the Environment Overview & Scrutiny Committee		
Social & Health Care Overview & Scrutiny Committee	20 March 2014	Overview and Scrutiny	<b>Improvement Plan Monitoring Report</b> To note and consider elements of the 2013/14 Mid Year Improvement Plan Monitoring Report relevant to the Social & Health Care Overview and Scrutiny Committee. The report covers the period October – December 2013.		
Social & Health Care Overview & Scrutiny Committee	20 March 2014	Community Services	<b>Annual Fostering Inspection</b> To inform members of the outcome of the Annual Fostering Inspection		
Social & Health Care Overview & Scrutiny Committee	20 March 2014	Community Services	<b>CSSIW Inspection Report – Commissioning Dementia</b> To inform members of the outcome of the Dementia Inspection		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Audit Committee	26 March 2014	Chief Executive's	<b>Annual Improvement Report from Wales Audit Office</b> Receive Annual Improvement Report from the Auditor General for Wales and note the Council's response	Strategic	
Audit Committee	26 March 2014	Finance	<b>Treasury Management Update 2013/14</b> To provide an update on the 2013/14 Treasury Management activity.		Leader of the Council and Cabinet Member for Finance
Audit Committee	26 March 2014	Legal and Democratic Services	<b>ICO Audit</b> Update on ICO Data Protection Audit	All Report Types	
Audit Committee	26 March 2014	Finance	<b>Action Tracking</b> To inform the Committee of the actions resulting from points raised at previous Audit committee meetings.		
Audit Committee	26 March 2014	Finance	<b>Internal Audit Progress Report</b> To present to Members an update on the progress of the Internal Audit Department.		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Audit Committee	26 March 2014	Finance	<b>Internal Audit Strategic Plan</b> To present the Internal Audit Strategic Plan for 2014/15 to 2016/17.		
Audit Committee	26 March 2014	Finance	<b>Forward Work Programme</b> To consider the Forward Work Programme for the Audit Committee for the next year.		
April					
Flintshire Council	County	8 April 2014	Finance	<b>Clwyd Pension Fund Update</b> To update Members on issues relating to the Clwyd Pension Fund.	
Flintshire Council	County	8 April 2014	Legal and Democratic Services	<b>Community Review Update</b> To update the County Council on the Community Review Progress.	
Flintshire Council	County	8 April 2014	Legal and Democratic Services	<b>Independent Remuneration Panel Annual Report</b> To inform the County Council of the annual report by the Independent Remuneration Panel for Wales for 2014/2015	

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	10 April 2014	Finance	<b>Revenue Budget Monitoring 2013/14 (Month 10)</b> To provide Members with the Revenue Budget Monitoring 2013/14 (Month 10) report.		
Corporate Resources Overview & Scrutiny Committee	10 April 2014	Overview and Scrutiny	<b>Improvement Plan Monitoring Report</b> To note and consider elements of the 2013/14 Mid Year Improvement Plan Monitoring Report relevant to the Corporate Resources Overview and Scrutiny Committee. The report covers the period October – December 2013.		
Lifelong Learning Overview & Scrutiny Committee	10 April 2014	Overview and Scrutiny	<b>Improvement Plan Monitoring Report</b> To note and consider elements of the 2013/14 Mid Year Improvement Plan Monitoring Report relevant to the Lifelong Learning Overview and Scrutiny Committee. The report covers the period October – December 2013.		



COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	15 April 2014	Chief Executive's	<b>Local Service Board and Strategic Partnerships end of year report</b> Local Service Board and Strategic Partnerships end of year report	Operational	Cabinet Member for Corporate Management
Cabinet	15 April 2014	Finance	<b>Revenue Budget Monitoring 2013/14 (Month 10)</b> To provide Members with the most up to date revenue budget monitoring information (Month 10) for the Council Fund and the Housing Revenue Account 2013/14.	Operational	
Cabinet	15 April 2014	Finance	<b>Pensioner Discount Scheme</b> To agree a Pensioner Discount Scheme for 2014/15.	Operational	Cabinet Member for Corporate Management
Cabinet	15 April 2014	Human Resources and Organisational Development	<b>PEOPLE STRATEGY 2014 - 2017</b> To report to Cabinet on the People Strategy 2014 - 2017	Operational	Cabinet Member for Corporate Management

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	15 April 2014	Chief Executive's	<p><b>Clwyd Theatr Cymru Business Plan</b> Members are requested to endorse the Business Plan as recommended by the Theatre Board of Governors.</p> <p>A full copy of the Business Plan is available in the Members Library and each of the group rooms.</p>	Operational	Cabinet Member for Corporate Management
Cabinet	15 April 2014	Finance	<p><b>Business Rate Debt - Write Off</b> To request Member authorisation to write off a number of business rate debts relating to the Life Foundation Trust.</p>	Operational	Cabinet Member for Corporate Management

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Housing Overview & Scrutiny Committee	16 April 2014	Overview and Scrutiny	<b>Improvement Plan Monitoring Report</b> To note and consider elements of the 2013/14 Mid Year Improvement Plan Monitoring Report relevant to the Community Profile & Partnerships Overview and Scrutiny Committee. The report covers the period October to December 2013		
May Page 45					
Cabinet	13 May 2014	Community Services	<b>Flintshire Childcare Sufficiency Assessment 2014 - 2017</b> To report the main findings of the most recent Childcare Sufficiency Assessment.	Strategic	Cabinet Member for Social Services

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	13 May 2014	Finance	<p><b>Revenue Budget Monitoring 2013/14 (Month 11)</b> To provide Members with the most up to date revenue budget monitoring information (Month 11) for the Council Fund and the Housing Revenue Account 2013/14.</p>	Operational	Leader of the Council and Cabinet Member for Finance
Flintshire Council	20 May 2014	Legal and Democratic Services	<p><b>Constitutional Matters: Committees and Outside Bodies</b> To deal with those matters which require decisions at the Annual Meeting of the County Council in accordance with Council Procedure Rule 1.1(vii)-(xiv). Those matters are set out in separate paragraphs.</p>		
Flintshire Council	20 May 2014	Legal and Democratic Services	<p><b>Schedule of Member Remuneration</b> The purpose of the report is to approve the Council's Schedule of Member Remuneration for 2014/2015.</p>		

COMMITTEE	MEETING DATE	DIRECTORATE	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
June					
Cabinet	17 June 2014	Chief Executive's	<b>2014/15 Improvement Plan</b> 2014/15 Improvement Plan	Strategic	Cabinet Member for Corporate Management
Cabinet	17 June 2014	Chief Executive's	<b>2013/14 Performance reports</b> Assessment of performance for 2013/14 from Heads of Service	Operational	Cabinet Member for Corporate Management
Cabinet	17 June 2014	Environment	<b>Public Rights of Way Annual Report</b> For the Cabinet to endorse a hierarchical approach to public rights of way maintenance, definitive map and public path orders and handling complaints.	Operational	Deputy Leader of the Council and Cabinet Member for Environment
Audit Committee	25 June 2014	Finance	<b>Treasury Management Annual Report 2013/14</b> To present the 2013/14 annual report on the Council's Treasury Management Policy, Strategy and Practices.		

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By virtue of paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972.

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