

Public Document Pack

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Pennaeth Gwasanaethau Cyfreithiol a Democraataidd



To:

CS/NG

Councillors: Marion Bateman, Clive Carver,
Paul Cunningham, Peter Curtis, Ian Dunbar,
Andy Dunbobbin, Robin Guest, Ron Hampson,
Joe Johnson, Richard Jones, Richard Lloyd,
Tim Newhouse, Paul Shotton, Carolyn Thomas
and Arnold Woolley

26 June 2014

Tracy Waters 01352 702331
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Dear Sir / Madam

A meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **WEDNESDAY, 2ND JULY, 2014** at **10.00 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

A G E N D A

- 1 **APPOINTMENT OF CHAIRMAN**
To appoint a Chairman for the Committee.
- 2 **APPOINTMENT OF VICE-CHAIRMAN**
To appoint a Vice-Chairman for the Committee.
- 3 **APOLOGIES**
- 4 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

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

- 5 **MINUTES** (Pages 1 - 8)
To confirm as a correct record the minutes of the meeting held on 8 May 2014.

- 6 **ANNUAL IMPROVEMENT REPORT FROM WALES AUDIT OFFICE** (Pages 9 - 50)
Report of Chief Executive enclosed.

- 7 **WAO PERFORMANCE AUDIT REGULATORY PROGRAMME 2014-15**
(Pages 51 - 60)
Report of Chief Executive enclosed.

- 8 **IMPROVEMENT PLAN 2014/15** (Pages 61 - 88)
Report of Chief Executive enclosed.

- 9 **REVENUE BUDGET MONITORING 2013/14 (MONTH 12)** (Pages 89 - 156)
Report of Corporate Finance Manager enclosed.

- 10 **WORKFORCE INFORMATION REPORT** (Pages 157 - 164)
Report of Chief Officer, People and Resources enclosed.

- 11 **FORWARD WORK PROGRAMME** (Pages 165 - 168)
Report of Member Engagement Manager enclosed.

Agenda Item 5

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

8 MAY 2014

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold CH7 6NA on Thursday, 8 May 2014

PRESENT: Councillor Tim Newhouse (Chairman)

Councillors: Haydn Bateman, Marion Bateman, Peter Curtis, Ian Dunbar, Andy Dunbobbin, Ron Hampson, Richard Jones, Richard Lloyd, Mike Lowe, Paul Shotton, Ian Smith and Arnold Woolley

SUBSTITUTES:

Councillors: Adele Davies-Cooke for Clive Carver and Carolyn Thomas for Ray Hughes

CONTRIBUTORS:

Leader of the Council, Cabinet Member for Corporate Management, Chief Executive, Head of Human Resources and Organisational Development and Corporate Finance Manager

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

95. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

96. MINUTES

The minutes of the meeting of the Committee held on 16 April, 2014 had been circulated to Members with the agenda.

In referring to page 2 of the minutes, the Chief Executive confirmed that a new version of the Improvement Plan would be submitted to the Committee in June 2014 before being considered by County Council later that month.

RESOLVED:

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

97. REVENUE BUDGET MONITORING 2013/14 (MONTH 11)

The Corporate Finance Manager introduced a report to provide Members with the Revenue Budget Monitoring 2013/14 (Month 11) information for the Council Fund and Housing Revenue Account (HRA) which was being submitted to Cabinet on 13 May 2014.

For the Council Fund, the projected net in-year expenditure was reported to be £2.215m less than budget, which was an increase of £0.064m on the £2.151m reported at Month 10. This was reflected in the table at paragraph 3.01 and the movements from Month 10 in Community Services, Environment,

Lifelong Learning, Corporate Services and Central & Corporate Finance were summarised in Appendix 1.

Progress on the efficiencies included in the 2013/14 budget was detailed in paragraph 3.05, which currently indicated that £4.270m of the £5.331m (80%) would be achieved, resulting in a net under-achievement of £1.061m; the full details were provided in appendix 9.

On the issue of inflation, the Corporate Finance Manager explained that to date only the amounts in respect of the pay award and food costs had been allocated out to service areas. With regard to energy costs these would continue to be closely monitored, although at this stage it appeared that all of the allocation would be required and was reflected in the projected outturn. Section 6 and appendix 7 provided details of the unearmarked reserves and indicated that the current projected level of the contingency reserve at the end of March 2014 was £4.901m.

The HRA was projected to have an overall underspend of £0.171m for 2013/14 and a projected closing balance at Month 11 of £1.605m, which at 5.61% of the total expenditure, satisfied the prudent approach of ensuring a maximum level of 3%; full details on the significant variances in the HRA were included in appendix 8.

One carry forward request had been received for £0.085m for costs that had been scheduled for 2013/14 but would now fall into 2014/15.

In response to a question from Councillor Haydn Bateman about the write offs in Central Services due to the higher than anticipated presentation of out of date cheques, the Corporate Finance Manager explained that when cheques that had been raised against a specific service area had not been cashed after six months they became invalid and the relevant amount written back into the accounts within Central and Corporate. If a reissue of the cheque was subsequently required, the expenditure would be re input against the Central & Corporate Finance area.

Following a further question the Corporate Finance Manager advised that the word 'demand' had been omitted from the third bullet point under the Community Services Section on appendix 1.

Councillor Ian Dunbar queried whether the amount for the works undertaken on the former Euticals site in Sandycroft was the final cost and asked whether there would be any benefit to the Council once the issue had been concluded. He also queried what percentage of monies had been lost by the Council due to the issue of obtaining a refund from Landsbanki. The Chief Executive explained that the Council was looking to recover as much of the cost of the works on the former Euticals site from the sale of the site. It was now in the ownership of the Council and the approximate value was £0.400m. The figures reported for the works were not final and a timetable had been identified but it would be a period of a few months before the site was completely cleared. However, most of the dangerous items had now been removed and updates on the progress being made would be reported to Members in the future. On the issue of Landsbanki, the Corporate Finance Manager advised that details had

recently been provided to Member and that although he did not have the details with him today he would respond direct to Councillor Dunbar. He also referred to paragraph 5.03 and advised that a final accounting adjustment would be undertaken in Month 12 and would be reported accordingly.

Councillor Haydn Bateman sought clarification on the amount of £0.058m for screening which was reported in appendix 8; the Corporate Finance Manager advised that he would provide the details following the meeting.

Councillor Peter Curtis requested that the text on some of the appendices be larger to make it easier to read. In referring to residents who required permits to allow them to take their vans to the Council's Waste and Recycling sites, he asked why there was a need for them to take the vehicle to Alltami depot for inspection after they had produced their log book at the Flintshire Connects office. The Chief Executive advised that he would make enquiries and would report back.

In response to a query from Councillor Haydn Bateman about an expected reduction in the costs for the leachate treatment plant, the Corporate Finance Manager advised that he would provide an update to Councillor Bateman following the meeting.

Councillor Paul Shotton asked about the review of the rebate on the Matrix Contract which had been undertaken and requested further information on the decrease in Agency staff usage. The Head of Human Resources and Organisational Development explained that when the contract commenced four years ago, the costs for agency usage had been significantly higher. However, through collaboration, the numbers of agency staff required had reduced and therefore the procurement savings had also reduced.

On the issue of licences for van permits to allow usage of waste sites, Councillor Richard Lloyd raised concern about fly tipping in the Saltney area following the closure of the sites at Saltney and Queensferry and asked that consideration be given to find another waste site that could be used by owners of vans that was closer to Saltney.

The Chief Executive advised Members that following the decision taken at the County Council meeting on 25 March 2014 about the new Senior Management Structure, the Head of Finance would be leaving the authority at the end of June 2014. The Corporate Finance Manager would become the Chief Finance Officer and Section 151 Officer and would be line managed by the Head of Human Resources and Organisational Development in her new role as Chief Officer (People and Resources), and he would work closely with the Chief Executive, Chief Officer Team and Cabinet on Strategic Finance issues.

RESOLVED:

That the report be noted.

98. PEOPLE STRATEGY UPDATE

The Head of Human Resources and Organisational Development introduced a report to provide Members with a progress report on the delivery of the People Strategy for 2009-12 (extended to 2014) to conclude the current strategy as at March 2014. The report also advised Members of the key themes and priorities for the next People Strategy for 2014-2017 prior to the full review and development of the new strategy.

The strategy was currently structured under the following five key themes:-

- Customer
- Change
- Capacity
- Consolidation
- Collaboration

The Head of Human Resources and Organisational Development provided details of some of the successes within each of the five themes and explained that the main priorities for 2014 and the priorities for the next three years were detailed in the report.

The Chief Executive commented on the work that had been undertaken and spoke of the success of the different apprenticeship and training schemes in partnership with Coleg Cambria. He also indicated that appraisals for the new Chief Officers would be held between October and December 2014. On the issue of Single Status, the Chief Executive explained that the formal agreement had been signed the previous day ready for implementation on 1 June 2014.

In response to a question from Councillor Paul Shotton about training undertaken with Coleg Cambria, the Head of Human Resources and Organisational Development said that a range of training programmes were in place in partnership with Coleg Cambria. She provided details of the Management Development Programme which was based on a number of modules, some of which were undertaken as study days at Northop Campus and others in the form of assignments. She explained that the programmes were designed around the ILM qualification framework and Flintshire's requirements and competencies. Other programmes delivered in partnership with the college included the Team Leader programme and Transitional Team Leader programme.

The Chief Executive said that Coleg Cambria had been enormously flexible to accommodate the components required by the Council. The college had been able to attract funding which meant that the training courses could be run at no cost to the Council. In response to a query about agile working, the Chief Executive explained the differences between agile working and home working and spoke of the areas such as Planning, and Social Services where agile working had been undertaken. The policy on agile working had recently been discussed and Helen Grant (Neighbourhood Housing Manager) and David Barnes (Revenue Manager) had been able to provide an insight into how agile working had been undertaken in their areas. The Leader of the Council said that agile working was not a new concept but had not previously been undertaken by

Flintshire County Council. He felt that there was a need for a better understanding but welcomed the successes achieved in the pilot areas and suggested that the Committee could consider the issue in more depth at a future meeting.

In response to a question from Councillor Ian Dunbar about Health & Wellbeing referred to in paragraph 3.05, the Head of Human Resources and Organisational Development commented on the Occupational Health partnership which Flintshire County Council took the lead on, and spoke of the work of the Occupational Health Team at the Council. Proactive interventions of the Team included the Physiotherapy scheme and work was also being undertaken to encourage employees to look after their own health and well-being such as smoking cessation programmes. It was important that managers worked with employees to provide support and to ensure that problems relating to employees health and wellbeing were identified early.

Councillor Peter Curtis asked whether any employees of Flintshire County Council were on zero hours contracts. The Head of Human Resources and Organisational Development confirmed that there were some workers who were used to cover as relief during periods of sickness or annual leave. Contractual arrangements were reviewed on a regular basis and a further review was to be undertaken of relief/zero hours contracts across services. The Head of Human Resources and Organisational Development explained that where workers were engaged on zero hours contracts, they were still paid the appropriate rate of pay for the job they were undertaking whereas some organisations would pay a lower rate. The Leader of the Council welcomed the assurance provided by the Head of Human Resources and Organisational Development but raised concern about exclusivity clauses in contracts which meant that employees could not undertake work for another company though he did not think that this applied to Flintshire County Council contracts. On the issue of contracts for relief workers, he said that they were advantageous for some workers but added that it was important to ensure that they were reviewed and monitored regularly.

Following a question from Councillor Ron Hampson about the appeals submitted as a result of Single Status, the Head of Human Resources and Organisational Development provided details of the maintenance and appeals process that had been available to employees and added that 330 appeals and maintenance requests had been submitted, which was fewer than had been anticipated. Excellent progress was being made and the appeals had been completed but the maintenance requests were yet to be completed. Before the results were made available, there was a need to ensure that the results were consistent across the workforce compared to comparative roles within the Council. The target date for completion of this work and to notify the workforce of their results was 31 August 2014; a workforce communication would be circulated later that day to advise the employees of this date. The Head of Human Resources and Organisational Development welcomed the short turnaround from submission of the appeals to completing the process and added that it was very favourable compared to other Councils. The Chief Executive explained that moderation had been introduced to ensure that the results were consistent and fair across the authority.

Councillor Richard Jones expressed his disappointment at the themes that were being included under the new People Strategy in particular that the theme of 'customer' was no longer included. He also suggested that the main priorities for 2014 and the priorities for the next three years should not have been separated as some overlapped between the two areas. The Chief Executive responded that some of the priorities identified in paragraph 3.04 were continuing and those identified in paragraph 3.05 were areas where development was needed. He added that the 'customer' theme had not been dropped. The Head of Human Resources and Organisational Development said that the three new themes were part of the bigger strategy and that the customer would always be at the centre of it. Work would now need to be undertaken to develop the draft strategy and the next stage was to set the timeframe and she added that the Committee would be included in the development of the strategy.

The Leader of the Council said that Members could have a different view on what they felt should be included as a priority in the strategy but it was important to ensure that those priorities that were included were appropriate. The Cabinet Member for Corporate Management took on board the comments of Councillor Jones but said that the 'customer' was paramount but did not necessarily need to be included as a theme in the strategy.

In response to a question from Councillor Marion Bateman about whether employees who worked from home were able to claim a tax allowance for working at home instead of in the office, the Head of Human Resources and Organisational Development said that no employees of Flintshire County Council worked from home on a permanent basis. On the issue of agile working, she said that the Leader had earlier suggested that an update report be submitted to a future meeting of the Committee. She felt that it would also be appropriate to invite officers such as Helen Grant and David Barnes to the meeting as their teams had been involved in the pilot project for agile working.

Councillor Richard Lloyd asked whether there had been a reduction in sickness absence. The Head of Human Resources and Organisational Development advised that there had been an improvement in the number of days sickness being taken and that a report on the issue was being submitted to the next meeting of Cabinet. Progress was being made based on the statistics in the quarterly reports. She added that there was a need to ensure that managers were continuing to work with employees on sickness issues to reduce levels and to encourage an early return to work.

RESOLVED:

- (a) That the achievements made in relation to delivery of the current People Strategy be noted;
- (b) That the immediate priorities for 2014 be noted and endorsed; and
- (c) That the intention to draft a new People Strategy 2014 to 2017, following the leadership restructure in May 2014 be noted.

99. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to consider the Forward Work Programme for the Committee.

He detailed the items reported for consideration at the 12 June and 10 July 2014 meetings but added that following earlier discussions, updates on Agile Working, Health & Wellbeing and the People Strategy had been requested. The Member Engagement Manager suggested that he liaise with the Chairman and the Head of Human Resources and Organisational Development to bring the items forward. The diary for 2014/15 would be considered at the Annual County Council meeting scheduled for 20 May 2014 and following this meeting, the Member Engagement Manager would include the meeting dates for 2014/15 and would liaise with the Chairman to populate the agenda items.

Councillor Arnold Woolley spoke of recent meetings of Audit Committee and raised significant concern about Value for Money and the lack of management accounts for Flintshire County Council. The Audit Committee had been advised that neither the Council's external auditors nor the Audit Committee were responsible for auditing Value for Money (VFM) projects and Councillor Woolley suggested that this Committee should scrutinise the issue of VFM. The Chief Executive referred to the comments made at the Audit Committee and said that the outcomes made by the Wales Audit Office had been positive. The Head of Internal Audit had indicated that even though Audit did audit VFM to a point, not enough profile was given to it and the Chief Executive had suggested that auditing of VFM was not consistent across the Council. He added that it was not a simple task to undertake and questioned the comments made by Councillor Woolley on management accounting. Councillor Woolley said that he had received a document which advised that the organisation did not have the management accounts and therefore he was not able to view them. He added that they had been available to him when he was Leader of the Council and explained that the information he was requesting was for the actual amounts of what had been spent rather than the amounts allocated to budget areas or were projected to be spent. Councillor Woolley also indicated that he had been advised that for VFM projects, balances of up to £0.100m were not audited and neither were variations of up to 5% of turnover which could result in potential errors of £15m.

In response to the comments made, the Chief Executive said that the comments made at the Audit Committee did not imply that VFM was not being audited. Officers from the Wales Audit Office (WAO) had been present at both meetings and had been satisfied with the auditing by Flintshire County Council.

Councillor Woolley spoke of the detail of the auditing of Town & Community Councils compared to Flintshire County Council and said that John Herniman from WAO had advised that a different level of auditing was required and that the costs to audit Flintshire County Council in such detail would be prohibitive. In response to a question from the Chairman, Councillor Woolley confirmed that he did not feel that the monthly Revenue Budget Monitoring provided enough detail. The Chairman suggested that Councillor Woolley raise the issues when the Wales Audit Office was present at the meeting of this Committee scheduled for 12 June 2014.

The Cabinet Member for Corporate Management felt that the auditing of Town & Community Councils could not be compared with audits undertaken for Flintshire County Council and suggested that Councillor Woolley was questioning the integrity and credibility of the officers who produced the Revenue Budget Monitoring reports. He felt that the Council could not afford to undertake the amount of detail suggested by Councillor Woolley. The Chief Executive concurred about not being able to compare local authorities with Town & Community Councils and spoke of the positive comments received from the WAO and the reduction in audit fees which illustrated the level of confidence that the WAO had in the authority.

Councillor Richard Jones felt that VFM could not just belong to this Committee and suggested that a description should be provided of what was expected of each service and what that service was providing to ensure maximum VFM. He added that a starting point could be to scrutinise the 46 VFM projects identified to ensure that savings were being made and consideration could then be given as to how the service area was performing.

RESOLVED:

That the Forward Work Programme be approved subject to the inclusion of items on Agile Working, Health & Wellbeing and the People Strategy for submission to future meetings.

100. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting started at 10.00 am and ended at 11.29 am)

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Chairman

FLINTSHIRE COUNTY COUNCIL

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

DATE: **WEDNESDAY, 2 JULY 2014**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **ANNUAL IMPROVEMENT REPORT 2013-14 BY THE AUDITOR GENERAL FOR WALES**

1.00 PURPOSE OF REPORT

- 1.01 To update Members on the Council's Annual Improvement Report 2013-14 which will be published by the Auditor General for Wales and to note the Council's response.

2.00 BACKGROUND

- 2.01 The Auditor General is required by the Local Government (Wales) Measure 2009 to undertake an annual improvement assessment and publish an annual improvement report for all Welsh Councils, fire and rescue services and national parks.
- 2.02 This is the fourth Annual Improvement Report for Flintshire and it also contains the Appointed Auditor's Annual Audit Letter as previously reported to Audit Committee in December 2013.

3.00 CONSIDERATIONS

- 3.01 The Annual Improvement Report is publicised by the Wales Audit Office (WAO) on behalf of the Auditor General for Wales. It brings together, with the co-ordination of other inspectorates such as Estyn and the Care and Social Services Inspectorate for Wales (CSSIW) a picture to summarise the audit and assessment work undertaken in the last year.
- 3.02 The full report is attached at Appendix 1.
- 3.03 The report builds on the work of the relevant Welsh inspectorates, as well as work undertaken by the Wales Audit Office over the last year.
- 3.04 Overall the Auditor General has concluded that:
- The Council made good progress against the improvement priorities we looked at and improved its overall performance against the national indicators

- The Council has taken action to strengthen its approach to performance evaluation, but further work is required to harmonise its improvement planning and performance reporting arrangements
 - The Council has enhanced its arrangements for planning and supporting improvement, but further action is required to provide the rigour necessary to cope with the challenges ahead
 - The Council is likely to make arrangements to secure continuous improvement for 2014-15.
- 3.04 The Auditor General has made no formal recommendations or proposals for improvement.
- 3.05 The Council, as is practice, makes a formal public response to any findings within the report. The Council's response to the Annual Improvement Report (AIR) is included at Appendix 2.
- 3.06 This Annual Improvement Report has been developed and improved with input from senior officers at the Council to ensure accuracy, fairness and validity.

4.00 RECOMMENDATIONS

- 4.01 To advise Members of the Council's Annual Improvement Report 2013-14 published by the Auditor General for Wales.
- 4.02 Members to note the report and the Council's response.

5.00 FINANCIAL IMPLICATIONS

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

6.00 ANTI POVERTY IMPACT

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

7.00 ENVIRONMENTAL IMPACT

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

8.00 EQUALITIES IMPACT

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

9.00 PERSONNEL IMPLICATIONS

- 9.01 The People Strategy is referred to in the report.

10.00 CONSULTATION REQUIRED

10.01 None required at this stage.

11.00 CONSULTATION UNDERTAKEN

11.01 Senior officers have had input into this report. The Annual Audit Letter was presented to the council's Audit Committee in December 2013.

12.00 APPENDICES

12.01 Appendix 1: WAO Annual Improvement Report 2013 - 14
Appendix 2: WAO Annual Improvement Report - Executive response

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

None

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WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report

Flintshire County Council

Issued: June 2014

Document reference: 263A2014



About the Auditor General for Wales

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

Together with appointed auditors, the Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Huw Lloyd Jones and Paul Goodlad under the direction of Alan Morris.

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Summary report

Summary

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities and national park authorities are planning for improvement in delivering their services. This report sets out the findings of the work undertaken on behalf of the Auditor General by the staff of the Wales Audit Office and also draws on the work of the relevant Welsh inspectorates. The report covers the delivery and evaluation of services at Flintshire County Council (the Council) in relation to 2012-13 (updated, where possible, to reflect more recent developments), its planning of improvement for 2013-14 and, taking these into account, concludes whether the Auditor General believes that the Council will make arrangements to secure continuous improvement for 2014-15.
- 2 We found that, in 2012-13, the Council made good progress against the improvement priorities we looked at and improved its overall performance against the national indicators. We reached this conclusion because:
 - overall performance against the national indicators improved slightly, with some strong performance across several service areas;
 - the Council is making good progress at implementing initiatives to improve access to services;
 - the Council is making progress against its five-year affordable homes target and is on schedule to achieve the Welsh Housing Quality Standard by 2020, but performance at preventing homelessness has been inconsistent;
 - Social Services performance has continued to improve across a range of areas, particularly the support provided for adults; some aspects of both children's and adult services are performing strongly;
 - Flintshire schools provide good value for money but there is scope for even greater efficiency within the education system; and
 - the Council is taking action to strengthen its arrangements for implementing its Welsh Language Scheme, but has made limited progress in some areas.
- 3 We also found that the Council has taken action to strengthen its approach to performance evaluation, but further work is required to harmonise its improvement planning and performance reporting arrangements. The Council has acknowledged this need, and is taking action to strengthen its arrangements. We reached this conclusion because:
 - the Council has strengthened its approach to performance evaluation, underpinned by better improvement planning arrangements, but the changes are not yet fully embedded; and

- the Council complied with its responsibilities for financial reporting but there is further scope to strengthen its financial controls in a number of areas.
- 4 Finally, we found that, during 2013-14, the Council has enhanced its arrangements for planning and supporting improvement, but further action is required to provide the rigour needed to cope with the challenges ahead. The Council has acknowledged this need and is taking action to strengthen its arrangements. We reached this conclusion because:

- the Council has strengthened its approach to improvement planning but further action is needed to fully comply with Welsh Government guidance;
- the Council has developed a more detailed plan to manage its challenging financial position, but success relies on timely and effective implementation and monitoring; and
- the Council has strengthened planning, management and evaluation arrangements that were previously underdeveloped, but there is scope to reinforce some of the improvements already made.

- 5 Taking the above into account, the Auditor General believes that Flintshire County Council is likely to meet the requirements of the Measure in making arrangements to secure continuous improvement.

Recommendations

- 6 We do not intend to make any new recommendations or proposals for improvement. [Appendix 5](#) summarises the status of our previous recommendations and proposals for improvement.

Detailed report

Introduction

- 7 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities and national park authorities are planning for improvement in delivering their services. **Appendix 1** provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education), the Care and Social Services Inspectorate for Wales (CSSIW), and the Welsh Language Commissioner, we have brought together a picture of what the Council is trying to achieve, how it is going about it, and the progress the Council has made since the Auditor General published his last annual improvement report. The report also draws on the Council's own self-assessment. Finally, taking all this into account, the report concludes whether the Auditor General believes that the Council is likely to make arrangements to secure continuous improvement for 2014-15.
- 8 We do not undertake a comprehensive annual review of all Council arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of prioritised work undertaken, which, this year, included an assessment of the Council's progress against two of its improvement priorities:
- to achieve the highest standards of customer services and care through our Customer Service Strategy; and
 - to meet housing need in the county and to work with partners to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector housing markets.
- 9 Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must prepare a response to that recommendation within 30 working days;
 - conduct a special inspection and publish a report and make recommendations; and
 - recommend to Ministers of the Welsh Government that they intervene in some way.
- 10 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

The Council made good progress against the improvement priorities we looked at and improved its overall performance against the national indicators

Overall performance against the national indicators improved slightly, with some strong performance across several service areas

- 11 We reviewed the Council's performance for 2012-13 against the average for Wales across a basket of 44 national indicators¹. Based on this data, the Council's overall performance has improved slightly, with strong performance in several areas, but deteriorating performance in others. For example:
- performance for two thirds of the national indicators (28 out of 44) was above the Welsh average, a slight improvement on 2011-12;
 - the Council achieved top quartile performance for 15 national indicators, compared with 11 in 2011-12;
 - the 2012-13 performance for 19 national indicators improved; and
 - the 2012-13 performance for 14 indicators deteriorated.
- 12 The Welsh Government's Local Authority Services Performance Report², which uses a different set of indicators, identified little change in the Council's overall performance during 2012-13.
- 13 The Council uses a mixture of national and local indicators to monitor performance against its improvement priorities. It classified 42 of these indicators as Improvement Targets – areas where the Council aimed to improve on its previous performance. For 2012-13, the Council reported that performance in just over half (51 per cent) of its improvement targets improved and a further two indicators maintained optimum performance. The performance in seven indicators (17 per cent) deteriorated significantly; the remainder showed a marginal decline in performance.
- 14 The Council's 2012-13 Improvement Plan contained 10 improvement priorities and 66 secondary priorities. It reported good progress against just over half (56 per cent) of the secondary priorities³ and satisfactory progress against the remaining 44 per cent. The Council's self-assessment concludes that none of its secondary priorities made less-than-satisfactory progress during 2012-13.
- 15 Each year the Welsh Government undertakes a national survey to obtain the views of the people of Wales on a range of issues including health, education and local services. In the 2012-13 survey, 58 per cent of respondents agreed that the Council provided high quality services. This was slightly better than the Welsh average and ranked the Council 10th out of 22 unitary authorities in Wales.

¹ 30 National Strategic Indicators (NSIs) and 24 Public Accountability Measures (PAMs), of which 10 are classified as both NSIs and PAMs

² Local Authority Services Performance Report 2012-13 brings together the latest performance data available that can be used to support the accountability and scrutiny of public services in Wales. The service areas included are Social Care, Education, Leisure and Culture, Housing, Environment, Transport, Community Safety and Wellbeing. <http://wales.gov.uk/topics/improving-services/publication-events/publications/la-service-performance-2012-13/?lang=en>

³ The Council's 2012-13 Improvement Plan was structured around 10 improvement Priorities and 66 sub-priorities.

The Council is making good progress at implementing initiatives to improve access to services

- 16 The Council reported good progress during 2012-13 against its improvement priority 'to achieve the highest standards of customer service and care through our Customer Services Strategy'. The Council was also confident of achieving the outcomes associated with this priority as the new initiatives matured. The sub-priorities underpinning this improvement priority focused on opening a network of one-stop-shops, encouraging customers to use self-service facilities and improving customer service by establishing a Customer Contact Centre. To secure the investment required, the Council produced a detailed business plan, which explained how it intended to achieve its ambitions in a cost-effective way. It is still too early to assess the full impact of these new initiatives, particularly in relation to the anticipated annual efficiency savings of £0.3 million. Progress within some areas was initially slower than expected, but momentum is growing. The Council met, or exceeded, some of the 2013-14 access-to-services targets associated with its new initiatives well before the end of the year.
- 17 The first phase of the Flintshire Connects (Customer Access Points) programme is on schedule; the first Connects Centre opened in Holywell, during November 2012. A second centre in Flint opened in early 2014, with work already underway to develop centres in Connah's Quay and Buckley. The Council expects to have five centres

operating across the County by 2016. The Council's vision for Flintshire Connects is to improve customer service by providing simpler and more integrated access to Council and other public sector services in a modern and welcoming environment. The shared accommodation approach appears to be working well; the Council shares the Holywell Centre with JobCentre Plus and North Wales Police and with a range of third-sector partners on an ad-hoc basis. This one-stop-shop partnership model is beneficial for customers and helps to maximise the use of the facilities. Similar arrangements are in place for the new centre in Flint and the Council expects to replicate these arrangements as other centres open.

- 18 The Council's justification for investing in the Connects Centre concept was to reduce costs at the same time as improving local access to services for residents. The concept promotes flexible working and the decentralisation of Council staff and services to locations that improve the support available locally to customers. The Council expects to save costs by developing generic job roles for customer-facing staff, reducing staff journey times (and the corresponding cost of those journeys) and sharing the cost of running the centres with partner agencies. A further objective of locating the centres within town centres is their contribution to regeneration. The Council anticipates that some of the customers who visit the centres will use the opportunity to shop locally. This will support the sustainability of local retailers and contribute to the vibrancy of the area.

- 19 The Holywell Centre initially received fewer visitors than anticipated, but visitor numbers steadily increased and are now ahead of schedule. During the first nine months of 2013-14, the Council reported that visitor numbers were already 50 per cent higher than the annual target. This is good news and helps the Council remain optimistic of meeting or exceeding its original projections for 2016. The Council also reports 100 per cent satisfaction ratings from visitors to the centre. This is also good news. However, it is unusual to achieve such a high satisfaction score. The Council should satisfy itself that the visitor survey results are representative and that the survey explores the issues that matter most to customers.
- 20 The Council's Channel Shift project is helping it to capitalise on the significant savings available when customers switch to ways of contacting the Council that cost it less to deal with. For example, Council research suggests that the cost of dealing with customers online is around 10 per cent of the cost of dealing with customer telephone calls and about five per cent of the cost of face-to-face contact. Encouraging customers to change their habits is not easy; the secret is to make the lower-cost options for contacting the Council simple to access and effective. Some people will still need, or prefer, to use traditional ways of contacting the Council. The Council's approach involves striking a balance between reducing its transaction costs and providing a mix of conventional and electronic channels that meet the different needs of its citizens. For example, the contact centres also provide online facilities for customers to use and staff provide support where needed. The Council hopes that this will encourage more people to access its online services, once they experience how easy the process is.
- 21 Encouraging more people to access services online will only work if their experience is positive, trouble-free and secure. Since 2012, the Council has procured a new system to manage its web-content and launched a new website and mobile 'App'. During 2013-14, the Council has focused on increasing the range, and publicising the availability, of digital services and increasing its use of social media to communicate with citizens. By the end of December 2013, the number of visitors to the Council's website had already exceeded the annual target for 2013-14. This is encouraging, but does not necessarily mean that the Council's approach to channel shift is working.
- 22 User satisfaction information – whether visitors to the website found what they were looking for – is not yet available for 2013-14. During 2012-13, around 75 per cent of online visitors found what they were looking for on the Council's website. The Council's target for 2013-14 is to increase satisfaction to 80 per cent and, ultimately, to 85 per cent by 2016. Despite the targeted increase in user satisfaction, these projections do not seem particularly ambitious. Website user expectations – particularly amongst younger people – are high. To avoid dissatisfied customers, the Council will need to ensure that its online user satisfaction ratings are on a par with popular commercial websites. It will also need to ensure that arrangements to capture user feedback provide sufficient information to identify and resolve any weaknesses in the online service.

- 23 The third strand of this improvement priority focuses on improving the standard of customer service provided by telephone and includes the development and implementation of a Customer Contact Centre. Despite some initial delays, the Council launched the Streetscene and Housing Contact Centres and a new customer-relationship-management system during 2012-13. Call handling times initially deteriorated as the new arrangements bedded in, but have subsequently improved.
- 24 The combined efficiency target for all three sub-priorities is £300,000. To make savings of this level, the Channel Shift, Customer Contact Centre and Flintshire Connects projects will need to achieve the levels of activity originally projected. Despite the lack of baseline data in some areas, the performance improvements already achieved are encouraging. However, the Council has recognised the need for robust data collection and monitoring arrangements to help it demonstrate the impact of these initiatives.

The Council is making progress against its five-year affordable homes target and is on schedule to achieve the Welsh Housing Quality Standard by 2020, but performance at preventing homelessness has been inconsistent

- 25 The Council's housing improvement programme is on target to meet the Welsh Housing Quality Standard⁴ (WHQS) by 2020. Although only 24 Council homes (out of over 7,400 homes) in Flintshire were fully WHQS compliant by the end of 2012-13, the Council's performance against individual elements of the housing improvement programme has been much better. Many more homes are partially compliant because of the work already completed, allowing a lot of the Council's tenants to benefit from homes that are more comfortable to live in and cheaper to run. For example, by the end of 2012-13, 40 per cent of kitchens, 47 per cent of bathrooms, 64 per cent of heating systems and 70 per cent of windows and external doors in the Council's housing stock met the standard.
- 26 The Council estimates that an investment of around £103 million is required to complete its housing improvement programme by 2020. This is less than originally anticipated because the Council was able to revise some of its earlier assumptions. It also saved about £8 million by demolishing over 200 maisonettes where the improvement works required would not have been cost-effective. The site is being redeveloped with new affordable homes in partnership with a local housing association. The Council's

⁴ To meet the Welsh Housing Quality Standard, social housing must satisfy a range of criteria. For example, homes must be in a good state of repair, be safe and secure, have up to date kitchens and bathrooms and be adequately heated, fuel efficient and well insulated. All elements must meet the minimum acceptable standard for a house to be classified as WHQS-compliant.

housing capital programme for 2013-2020 takes account of the investment needs of its housing stock and the money available for improvements from the Housing Revenue Account.

27 In addition to the schedule of planned improvements, the Council also has to deal with unscheduled repairs to its housing stock. During 2012-13, the Council significantly improved its response times for dealing with urgent and non-urgent repairs. For example, the response time to deal with non-urgent repairs to Council houses reduced from 63 to 44 days. The length of time that Council-owned properties remained empty also improved – down from 69 to 47 days in 2012-13. This helps the Council to maximise the income it receives from tenants and supports its wider efforts to reduce homelessness. Performance has continued to improve; the Council expects its 2013-14 performance for these indicators to show similar levels of improvement.

28 The Council's improvement priority for housing is wider than just improving the quality of Council-owned stock. The Council also works with partners to ensure a sufficient supply of quality affordable homes, and to support people who are, or who are about to become, homeless.

29 Across Wales, councils are accepting fewer households as homeless. The situation in Flintshire reflects this trend, despite an increase in the number of people seeking assistance since 2012. During 2012-13, the number of households accepted by the Council as homeless and in priority need was one of the lowest in Wales. On average,

fewer than 50 homeless households in the County were in temporary accommodation. However, the Council's performance for taking action to prevent homelessness has continued to decline. During 2012-13, the Council helped 83 per cent of potentially homeless households from becoming homeless, compared to 86 per cent in 2011-12 and 95 per cent in 2010-11. The Council's performance ranking for this indicator has dropped from third to 14th out of 22 since 2010-11. Council reports during 2013-14 indicate that performance has subsequently improved but year-end performance data is not yet available to confirm this.

30 The Council set itself a challenging target that, by 2016, no homeless person will be in temporary accommodation for more than 12 months. The average time homeless households spent in temporary accommodation in Flintshire increased from 208 days in 2011-12 to 280 days in 2012-13. The Council attributes some of this deterioration to an increased demand for homes with fewer bedrooms from existing social housing tenants anxious to avoid rent arrears arising from cuts to their housing benefit (the so-called 'bedroom tax'). This reduces the supply of smaller properties, which are also in demand from homeless households. The Council estimates that about 1,300 tenants in Flintshire will be affected by housing benefit cuts. In a related exercise, during April 2014, the Council began piloting the introduction of Universal Credit, which merges six working-age benefits and tax credits into one monthly payment. Some benefit recipients in Flintshire will be the first in Wales to move over to the new system.

31 The Council is taking action to ensure a sufficient supply of quality and affordable homes. It set a target of 740 new affordable home completions between 2012 and 2017, including 170 new homes to replace the 214 maisonettes that were demolished. The County benefitted from 57 new affordable homes during 2012-13 compared with 71 in 2011-12; this was fewer than the Council had anticipated. However, the Council is optimistic of meeting its 2013-14 target of 128 affordable homes, given the recent completion of an extra-care housing scheme, and is confident of meeting its 2012-2017 target. In addition to its own efforts to provide affordable homes, the Council is working closely with partners to identify opportunities for increasing the future supply of affordable housing. In particular, the Council has recently established a Housing Company to help it meet its local housing strategy targets across a range of tenures.

Social Services performance has continued to improve across a range of areas, particularly the support provided for adults; some aspects of both children's and adult services are performing strongly

32 Social Services-related issues feature strongly in the Council's improvement plan, reflecting the important contribution these services make to the health and welfare of people and families. About half of the Council's improvement priorities for 2012-13 are directly or indirectly associated with the social services department. In addition, about a quarter of the Council's secondary priorities are closely linked to the work of its social services teams. The Council has evaluated its 2012-13 progress against the majority (12 out of 16) of these secondary priorities as good – the planned activities were either delivered on time or were on schedule. Although a few of the planned activities experienced some delay, the Council reported that none were significantly behind schedule by the end of the year.

33 The Council performed well against the seven national indicators used to monitor adult services. Performance for five of the seven indicators improved during 2012-13 and six of the seven were in the top quartile. The Council performed better than the Welsh average for eight of the 13 indicators used to monitor children's services; five of these were in the top quartile. However, performance for six out of 10 indicators (where comparisons with 2011-12 were possible) deteriorated.

- 34 CSSIW's annual evaluation of the Council's provision of social care services describes positive changes across both adult and children's services during 2012-13. The CSSIW evaluation concluded that the Council was forward-looking and innovative; it benefits from strong leadership and clear vision and has continued to make progress in a number of key areas. CSSIW noted the Council's clear intention to put people in control of the services they receive and to support more people to live independent lives. The Council is also seeking to reduce dependency on its services by strengthening the support available within communities and by using new technology.
- 35 The Council's emphasis on prevention has helped more adults to lead independent lives. This means that fewer adults need residential care support. Its reablement service has been particularly successful in helping people regain independence; the majority of users do not require further services following reablement support. The Council identified the need to strengthen its adult safeguarding arrangements and has taken action to improve the way it manages risk. However, the Council has raised concerns over the arrangements for joint working with the Local Health Board in order to improve community health services.
- 36 CSSIW noted that the Council's 2012-13 performance against a significant range of national indicators for children's services remained amongst the best in Wales. The Council provides an effective response to incoming referrals and performs well against its responsibilities for child protection and looked-after-children, but there is scope to improve placement stability. The Council has developed a range of preventative services, provides good support to young people leaving care and has improved their access to accommodation. The Director of social services annual report has been restructured to reflect the key components of the Social Services and Wellbeing (Wales) Bill. This promotes better public scrutiny against the key areas of leadership, commissioning, improvement, voice for citizens, safeguarding and integrating services.
- 37 The CSSIW has identified a range of good practice, such as the development of a second extra-care scheme that incorporates 15 purpose-built dementia apartments – the first in Wales. It also identified a few potential risks, such as the sustainability of the Council's medium-term financial planning and its ability to influence locality- focused strategic planning with the Local Health Board. The Council did not robustly address some of the key areas for development previously identified by CSSIW. The Council acknowledged this and prioritised those areas where it had made insufficient progress. For example, the Council is continuing to invest resources to improve its arrangements for adult safeguarding. Although the Council has made some progress, CSSIW noted that further action was needed to secure consistently robust outcomes.

38 In April 2014, CSSIW issued a report focusing on the Council's commissioning arrangements for the care and support for people with dementia and their carers. Overall, the report presents a very positive assessment of the Council's arrangements. For example, CSSIW found that the Council's 'commissioning strategy for long-term placements for older people with dementia is a comprehensive document which considers current and future demand, and links this to budget information and the state of the market-place. The analysis and conclusions drawn are sophisticated and nuanced, and puts the local authority in the position of making sound long-term decisions and managing the market rather than working in a reactive way. They also have a very detailed commissioning strategy for carers.'

39 CSSIW also identified strong interdepartmental working within the Council. Housing is within the same community directorate as social care; this creates good linkages across policy areas and service developments. For example, the Council is planning to introduce 'step down' beds within its sheltered housing schemes and there is no waiting list for housing adaptations.

40 The Council has consulted extensively with users and carers about its commissioning plans for services. Feedback from the families and carers of service users is very complimentary about their experiences of dealing with the Council and about the effectiveness of its engagement arrangements. CSSIW made three recommendations to improve the service provided to people with dementia and their carers; the recommendations focused

on developing more integrated support arrangements between the Council and its partners, particularly with the Local Health Board.

Flintshire schools provide good value-for-money but there is scope for greater efficiency within the education system

41 The Council's improvement plans for education focused on four priority areas during 2012-13. These were to implement organisational change under the School Modernisation Strategy and the national 21st Century Schools programme; to improve learner outcomes in Flintshire schools; to complete reviews of the school funding formula and delegation of funding; and to review the range of services offered to schools and issue a revised partnership agreement and compendium of Service Level Agreements.

42 The Council successfully delivered some important elements of its 2012-13 plans, but its overall progress against the education-related sub-priorities was not so positive. For example, the Council does not have a good track record of maintaining its school buildings; by the end of 2012-13, there was still a significant backlog of repairs and maintenance. However, the Council has secured Welsh Government support to enable it to invest £64 million in schools in the Deeside and Holywell areas. This funding will make the schools concerned fit-for-purpose and help to reduce the maintenance backlogs. The Council recently announced that the schools maintenance backlog has reduced from £35 million to £23.6 million since 2010.

- 43 The Council evaluated its 2012-13 progress against each of the four sub-priorities as satisfactory, with some delays to scheduled activity, but broadly on track. The Council remained confident of achieving the outcomes for three of the four sub-priorities, but was uncertain about its ability to deliver organisational change under the School Modernisation Strategy and the national 21st Century Schools programme.
- 44 Results in Flintshire primary schools improved significantly in 2013. In contrast to 2012, the proportion of seven-year olds and 11 year-olds achieving the expected standards both exceeded the Wales average. A comparison of performance in Flintshire primary schools with that in schools situated in areas with similar levels of deprivation suggests that Flintshire schools performed broadly at the levels that might be expected.
- 45 In secondary schools, 62.2 per cent of 16 year-olds gained five or more good GCSE grades that included the important subjects of mathematics and English or Welsh (first language). This result was the highest of all councils in Wales and almost 10 percentage points above the average for Wales. The number of 16 year-old school leavers in Flintshire who are not in employment, education or training has continued to reduce; in 2012, the proportion fell to 2.3 per cent, second lowest of all councils in Wales.
- 46 The Council is responsible for ensuring an adequate supply of school places in an efficient manner. In January 2013, there were some 4,000 surplus places in Flintshire schools (15.4 per cent of the total) distributed across the 83 primary and secondary schools. Though higher than Welsh Government target of 10 per cent, this is a little better than the Wales average of 17.4 per cent. The Council continues to address the modernisation of its schools estate.
- 47 Despite the surplus capacity, the schools system in Flintshire costs less to run than in most councils in Wales. For 2013-14, the Council set an education budget (excluding specific grants) that amounted to £4,803 per pupil compared with an average across Wales of £4,992. Given the broadly positive outcomes outlined above, the low costs suggest that the schools service is providing good value for money.
- 48 Within this low total, however, the Council spends more per pupil than any other council in Wales, on placing pupils with additional learning needs in schools outside Flintshire. For 2013-14, the Council set a budget of almost £3.5 million for this item, representing £152 for each pupil in the County compared with an average across Wales of just £35 per pupil. It is very likely that there will always be a few young people living in Flintshire whose educational needs are so complex that they cannot be met by schools within the County. However, Flintshire's expenditure on school places outside the county has been very high for several years and further reduces what is already a low level of expenditure on pupils in Flintshire schools.

The Council is taking action to strengthen its arrangements for implementing its Welsh Language Scheme, but has made limited progress in some areas

- 49 The role of the Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. It is expected that new powers to impose standards on organisations will come into force through subordinate legislation by the end of 2014. Until that time, the Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 50 The Commissioner works with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.
- 51 The Commissioner reported that the Council acknowledges the need to ensure that the Welsh and English languages have equal status. The Council has undertaken to strengthen the link between its Improvement Plan and the Welsh Language Scheme and has developed a formal monitoring

scheme, which is now an integral part of its business planning process. Although the Council did not report comprehensively on the number of its staff who can speak Welsh during 2012-13, it gave a commitment that its entire workforce would complete a language skills self-assessment by March 2014. The Council subsequently issued a self-assessment questionnaire to all staff, although not all staff had responded to the survey by the end of March.

- 52 The number of staff who received Welsh language training during 2012-13 reduced considerably. The Council has now developed a Welsh Language Skills Strategy to offer Welsh language training to its staff in a more strategic and targeted way. The Council expects to launch the strategy during 2014-15, following a period of consultation with staff. Since opportunities to increase the proportion of Welsh-speaking staff through recruitment are currently limited, the Council will need to invest more in Welsh language training and plan its delivery effectively.

The Council has taken action to strengthen its approach to performance evaluation, but further work is required to harmonise its improvement planning and performance reporting arrangements

The Council has strengthened its approach to performance evaluation, underpinned by better improvement planning arrangements, but the changes are not yet fully embedded

- 53 The Auditor General's Improvement Assessment Letter of December 2013 concluded that the Council had discharged its improvement reporting duties under the Measure. The Letter highlighted opportunities for the Council to strengthen its arrangements. For example, we found scope to improve the transparency of the Council's conclusions about its progress and to provide more details about the impact of collaborative initiatives. The Council's evaluation of its performance and progress during 2012-13 was hindered by the need to reflect progress against its 2012-2017 Improvement Plan - which did not clearly define the Council's ambitions for 2012-13. This made it more difficult for the Council to report its annual progress.
- 54 In February 2013, the Auditor General reported that the Council's 2012-2017 improvement plan did 'not include enough information about current performance to enable councillors and readers of the Plan to hold the Council to account for its performance at the end of the year'. As a result, the Council has unable to evaluate progress against its ambitions for 2012-13 as clearly as it should. However, the situation has improved. The Council responded to our earlier concerns by transforming the style and content of its subsequent improvement plan for 2013-14.
- This should help the Council to evaluate its annual performance more effectively, when it produces an annual performance report in October 2014.
- 55 Our 2013 review of the Council's approach to data quality identified good progress in tackling the data-related weaknesses we identified in 2012. The Council's calculations for the performance indicators we sampled in 2013 were accurate, and based on accurate data. The systems we reviewed were progressing satisfactorily, but we found scope to strengthen the Council's local guidance arrangements. Taking action to address this will ensure that performance data used to inform Council decisions is recorded and reported in a consistent way.
- 56 The Council has strengthened its approach to project evaluation. For example, the implementation plans for the Councils access to services projects include a post-project evaluation stage. The Council expects this process to help it understand what went well and where changes are needed, so that similar projects in the future can benefit. Although some information about activity levels was available prior to the changes, the Council's focus during 2013-14 was on assembling detailed baseline data for the projects. By the end of 2014-15, the Council expects to be in a stronger position to assess the initial impact of these initiatives and to demonstrate whether the investment involved has been worthwhile.

- 57 To inform our analysis of the Council's evaluation arrangements, we looked at its arrangements for promoting equality and diversity. We found that the Council has continued to strengthen its approach, but that its arrangements are not fully embedded. For example, the Council did not set success measures for its Strategic Equality Plan, because it did not have any baseline data. This makes it more difficult for the Council to evaluate compliance with the Plan; the Council has now taken action to address this. In addition, although the Strategic Equality Plan includes well-defined objectives, it does not always have clear links to the Council's individual service plans. This increases the risk that decisions are taken without a clear understanding of the implications on equality and diversity.

The Council complied with its responsibilities for financial reporting but there is further scope to strengthen its financial controls in a number of areas

- 58 The auditor appointed by the Auditor General recently gave his opinion on the Council's accounts. Based on this opinion, the Appointed Auditor's view is that the financial statements were generally satisfactory, but there was scope to improve some aspects of the Council's financial control arrangements. For example, the Council needed to do more to understand the functionality of the fixed asset register and to improve the quality of the accounting statements. Appendix 3 provides more detail.

The Council has enhanced its arrangements for planning and supporting improvement, but further action is required to provide the rigour necessary to cope with the challenges ahead

The Council has strengthened its approach to improvement planning but further action is needed to fully comply with Welsh Government guidance

- 59 The Auditor General's Improvement Assessment Letter, September 2013, reported that the Council had discharged its improvement planning duties under the Measure but it should ensure that it acts more in accordance with Welsh Government guidance. The Council's 2013-14 Improvement Plan (the Plan), reflects the Council's new and improved approach to setting improvement objectives. Prior to 2012, the Plan consisted of several related documents. For 2013-14, the annual improvement objectives are described in a concise Plan that focuses on individual aspects of the Council's five-year corporate priorities. This approach has helped to sharpen the Council's own focus on the challenging agenda it has set itself. It has also provided a clearer commitment to improved outcomes for the citizens of Flintshire, during 2013-14 and beyond.
- 60 The Council has improved the layout of the Plan; it is much shorter than before, but communicates clearly and succinctly how each of the improvement objectives relates to the Council's eight medium-term corporate priorities and to those of partners in the Local Service Board. The well-judged use of colour, straightforward language, diagrams and photographs all help to communicate the Council's priorities for the year. Together, these changes make this version of the Plan a more engaging document and increase the Plan's accessibility to a wider readership.
- 61 Despite this progress, the Plan does not fully comply with Welsh Government guidance. In particular, the Plan lacks clear reference to any consultation on the improvement objectives, or the outcomes from any consultations. However, the Improvement Objectives do echo earlier objectives within the Council's five-year plan, several of which are consistent with the Community Strategy. The Council has previously consulted with a range of stakeholders about many of these objectives.
- 62 At the time the Auditor General issued his improvement assessment letter, the Council's Plan did not include any information on outcome targets for 2013-14. This made it difficult for readers of the Plan to understand the scale of the Council's ambitions for the year. Halfway through 2013-14, the Council published an Annex to the plan that provides baseline data, performance outturn data for 2012-13 and targets for 2013-14. The delay in publishing year-end targets made it harder for officers to monitor progress during the first half of the year. The Council acknowledges that target setting should be an integral part of the improvement planning processes and is taking action to streamline its arrangements.
- 63 The Auditor General's September 2013 Letter raised concerns that some aspects of the Council's improvement arrangements - particularly a lack of clarity over how the Council intended to meet a significant funding gap - remained underdeveloped. These concerns undermined our confidence in the Council's ability to deliver its improvement objectives. Six months later, there are clear signs of the Council taking action to strengthen its improvement

arrangements, including the development of a medium term financial plan that explains how the Council expects to balance its budgets.

64 Nearly a third of the sub-priorities that the Council decided to focus on during 2013-14 relate to becoming a 'modern and efficient council'. Several of these sub-priorities are associated with major and complex projects, some of which were long-standing projects where progress was behind schedule. In the past, we have expressed concern about this lack of progress – concerns that were shared by the Council.

65 During 2013-14, the Council has made steady progress against several of these sub priorities. For example, access to Council services is improving, and work to match resources to priorities has contributed positively to the Council's latest medium-term financial plan. The Council also made significant progress with delivering its 2009-2014 people strategy, which included a range of projects that supported the Council's organisational change agenda. The people strategy included actions to address concerns previously raised by the Auditor General; for example, implementation of the Single Status agreement is now on target and almost complete. During 2014-15, we intend to review the Council's progress against some of the other sub-priorities. We are currently reviewing the Council's approach to asset management and we will continue to monitor implementation of the organisational change programme, which is, arguably, the most radical of its sub-priorities. During autumn 2014, we will also complete a corporate assessment to provide a comprehensive

position statement of the Council's capacity and capability to deliver continuous improvement. The assessment will examine the Council's track record of performance and outcomes as well as evaluating the key arrangements necessary to underpin improvements in services and functions.

66 In common with councils throughout Wales, Flintshire County Council faces significant financial challenges, now and for the foreseeable future. The Council's response has been to develop a detailed organisational redesign and change programme that prioritises the protection of local services, targets efficiency savings and reduces workforce costs.

67 The risks associated with implementing the organisational change programme – such as the need for significant investment, political support and staff engagement – have been managed effectively. The investment required has been agreed, there is strong political support for the programme and staff engagement is underway. The Council has designed its new senior management structure to meet its changing circumstances, to save money and use its senior talent more effectively to modernise the organisation. As a result, the Council anticipates that services will be improved and transformed at a faster pace and that its ability to respond to changes in the external environment will be enhanced.

68 The capacity and capability of the new senior leadership team will be critical to the change process. The changes include the creation of a leaner senior management structure - a single tier of senior officers, instead of the existing two tiers of directors

and heads of service. The new structure contains two corporate roles, five service roles and two transformation roles alongside the position of Chief Executive – a reduction from 18 to 10 senior management posts. The Council recognises that the new operating model is not without risk, but is confident that it can manage those risks effectively. The Council expects the two transformation roles to play a key part in tackling our shared concerns about the slippage of key projects and programmes. The two new Heads of Transformation will provide dedicated capacity to lead and support both service change and internal change.

The Council has developed a more detailed plan to manage its challenging financial position, but success relies on timely and effective implementation and monitoring

- 69 The Auditor General's September 2013 Letter expressed reservations about the Council's capacity to develop plans that identified, in sufficient detail, the sources of efficiency savings or service cuts needed to achieve a balanced budget for 2014-15 and beyond.
- 70 Since then, the Council has updated its medium term financial plan. In October 2013, it identified a budget gap of £16.5 million for 2014-15. The budget gap subsequently reduced to £15.5 million, following adjustments announced in the Welsh Government's Local Government Settlement for 2014-15.

71 Proposals for achieving a balanced budget for 2014-15 were approved in February 2014. The Council's budget plans reflect its overarching priority of protecting front-line services as far as practicable, by focusing on further reductions to operating costs and overheads, reducing overall workforce costs (including a senior management restructure) and remodelling some Council functions. The Council's budget strategy is based on generating significant organisational efficiency savings during 2014-15, followed by a broader regime of service reform and prioritisation from 2015-16 onwards.

72 The 2014-15 revenue budget includes a one-off cost of £6.25 million (funded from reserves) to cover up-front investment and transitional funding costs. The budget also assumes efficiency savings of £12 million during 2014-15. The Council acknowledges the scale of this challenge and understands that effective implementation of its major organisational change programmes will significantly influence the outcome. The Chief Executive's report to Cabinet, supporting the budget proposals, stated that '...the efficiency targets are achievable subject to the organisation meeting the deadlines set, and being decisive at each step'. The Council's Chief Financial Officer, also noted, in the same report, that '... 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'. Making sure that these critical factors are addressed robustly will be a high priority for, and an early test of, the Council's restructured senior management team.

- 73 Furthermore, it will be essential that the new senior management team quickly turns its focus to the financial challenges of 2015-16 and beyond, which will require a more fundamental review of the models for future service delivery. As we have highlighted in the past, the lead-in time for such complex changes can be lengthy; there is therefore a risk that anticipated efficiency savings might not be realised as quickly as is necessary.
- 74 Delivery of the Council's organisational change programme, together with the increasing financial challenges faced by all councils, will inevitably put significant pressure on both officers and members. The Council's ability to identify early signs of slippage and to respond flexibly to problems or opportunities will influence the scale of its success.
- 75 The Council set a capital budget for 2014-15 to meet core priorities and urgent needs. In doing so, the Council took a prudent view on the level of expected capital receipts in order to reduce the risk of income not materialising and to introduce certainty to this capital funding stream for future years. Work in developing its capital strategy, which will include member consideration and public consultation, is still underway. The Council recognises that this needs to be fully integrated with revenue financial planning.
- 76 We will continue to monitor the effectiveness of the Council's approach, further development of its medium term financial planning and capital strategy and its implementation of the 2014-15 budget plans.

The Council has strengthened planning, management and evaluation arrangements that were previously underdeveloped, but there is scope to reinforce some of the improvements already made

- 77 In his letter of September 2013, the Auditor General concluded that, based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, he believed that the Council was likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year, although some aspects of these arrangements were underdeveloped. Since September 2013 we have continued to review the Council's progress against recommendations and proposals for improvement arising from our earlier work.
- 78 The Auditor General's February 2013 Letter listed eight long-standing recommendations and proposals for improvement, which the Council had not fully addressed. We have grouped these into five broad areas for improvement for the purposes of this report. Progress against these areas is discussed below and summarised in [Appendix 5](#):
- **Evaluation:** The Council responded to our concerns about the robustness of its evaluation arrangements by providing a more balanced narrative in its 2012-13 performance report. The Council also increased the use of data to support its evaluation of progress and impact, but its approach is not yet fully developed.

The Council will need to demonstrate that its evaluation arrangements match the improved rigour of its improvement planning arrangements. This improvement proposal remains open.

- **Performance Management:** During 2013, the Council enhanced the way it defines its annual ambitions. However, scope remains for the Council to make wider use of quantitative as well as qualitative success measures that will help councillors and other stakeholders hold it to account for its performance. This improvement proposal remains open.
- **Engagement:** Although the Council has made some progress against this proposal, its arrangements for engaging with stakeholders are not yet robust. The Council has a wide range of systems for consulting and engaging with groups with protected characteristics, but these systems are not always used by services. We identified some missed opportunities for engagement. For example, during a review of public conveniences, the Council did not engage with local disability access groups or the 50+ forum even though both groups had raised concerns about the issue at a national level. This improvement proposal remains open.
- **Business planning:** The Council developed and agreed a detailed business plan for improving customer access. This improvement proposal is now closed. However, the Council should

continue to strengthen its arrangements for evaluating the success of this initiative – particularly the scale of the efficiency savings achieved. The scheduled post-project evaluation for improving customer access should help the Council to understand what it could do differently or better, and increase confidence in its ability to deliver further invest-to-save projects.

- **Financial Planning:** The Council completed the work required to establish the funding gap and identify ways of balancing the budget. This specific recommendation is now closed. However, as with all councils in Wales, Flintshire County Council will continue to face significant financial pressures for the foreseeable future. The assurance provided by robust arrangements for developing and delivering a balanced budget means that this will remain a high-priority for the Council.

The Council is likely to make arrangements to secure continuous improvement for 2014-15

- 79 Based on the conclusions outlined in the previous sections of this report the Auditor General for Wales believes that Flintshire County Council is likely to meet the requirements of the Measure in making arrangements to secure continuous improvement.

Appendices

Appendix 1 Status of this report

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

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

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

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. The Auditor General will summarise his audit and assessment work in a published Annual Improvement Report for each authority (under section 24).

The Auditor General may also in some circumstances carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Useful information about Flintshire and Flintshire County Council

The Council

The Council spends approximately £318 million per year (2013-14 budget), including specific Welsh Government grants. This equates to about £2,083 per resident. In the same year, the Council also planned to spend £40.9 million on capital items.

The average band D council tax for Flintshire in 2012-13 was £1,184 per year. This has increased by 3.14 per cent, to £1,221 per year for 2013-14. 68.4 per cent of Flintshire's housing is in council tax bands A to D.

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

- 31 Labour
- 10 Independent Alliance
- 8 Conservatives
- 7 Welsh Liberal Democrats
- 7 New Independents
- 6 Independents
- 1 vacant seat, pending a by-election in May 2014

The Leader is Councillor Aaron Shotton

The Council's Chief Executive is Colin Everett. He is supported by: to be confirmed, following April 2014 recruitment for new SLT

Other information

The Assembly Members for Flintshire are:

Sandy Mewies, Delyn, Labour Party
Carl Sargeant, Alyn and Deeside, Labour Party
Llyr Huws Gruffydd, North Wales Region, Plaid Cymru
Mark Isherwood, North Wales Region, Welsh Conservative Party
Aled Roberts, North Wales Region, Welsh Liberal Democrat
Antoinette Sandbach, North Wales Region, Welsh Conservative Party

The Members of Parliament for Flintshire are:

David Hanson, Delyn, Labour Party
Mark Tami, Alyn and Deeside, Labour Party

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

Appendix 3

Annual Audit Letter

Councillor Aaron Shotton – Leader
Colin Everett - Chief Executive
Flintshire County Council
County Hall
Mold
CH7 6NB

Dear Councillor Shotton and Colin

Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting and use of resources but there is further scope to strengthen its financial controls in a number of areas and the Council faces significant financial challenge which needs to be addressed

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

On 30 September 2013, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts.

The key matters arising from the accounts audit were reported to members of the Audit Committee and Council in my Audit of Financial Statements report on the 25 September 2013 and are summarised below:

- There were a number of amendments in relation to the accounting of fixed assets. The Council had treated non-enhancing capital expenditure incorrectly and an adjustment of £13.8 million was required to restate asset values as a result of having to impair assets. In addition, not all assets were recorded in the asset register resulting in inconsistencies with the financial ledger, which could lead to errors in accounting treatment. Further work also needs to be done to understand the functionality of the fixed asset register and embed consistent working practices.
- Despite some improvements, in particular the clearance of long standing 'balancing items' in the accounts, there is further scope to improve the quality of the accounting statements.
- Based on legal advice available to it, the Council did not fully recognise a liability for pension contributions on its equal pay liabilities. This is contrary to legal advice received by the Appointed Auditor, which suggests that pension contributions should be paid on payment to resolve equal pay claims. Given the diverging legal views and uncertainty regarding the need to recognise a provision, the Appointed Auditor concluded that he would not take any further action as part of the 2012-2013 audit of accounts.
- In September 2013, the liquidation of AD Waste was finalised. In accounting terms this was an adjusting event after the balance sheet date and between the draft accounts preparation and finalisation, the Council therefore adjusted the final version of the accounts to reflect the post liquidation position. All accounting transactions relating to ADW being brought in-house have been completed and were satisfactory.

The following issue was identified regarding the Clwyd Pension Fund accounts:

- The accounts contained an uncorrected misstatement, although it was not material. Investments were recorded in the accounts based on valuation reports available at the time of preparation. Prior to the conclusion of the audit, more up to date valuation reports became available which showed that investments at 31 March 2013 had been understated by £0.9 million. However, as this was a timing issue, the Council provided management representations, which we accepted, to explain the reason for not amending.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall, I am satisfied that the Council has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

The Council updated its medium term financial plan in October 2013. The plan identified a budget gap of £16.5 million for 2014-15 and £47.8 million over the coming five years. Since then, the provisional Local Government Settlement for 2014-15 was announced by Welsh Government. This included a number of adjustments, which had the effect of reducing the budget gap to £15.5 million for 2014-15. The plan sets out the organisational change strategy to meet the efficiency and savings targets over the next five years. The major structural review will consist of: corporate efficiency; functional efficiency; organisational design – structure and operating models; and, organisational design – workforce.

The scale of change facing the Council to deliver the financial savings is considerable although we understand that the Council is well on its way to identifying how the financial gap in 2014-15 is to be met. Nonetheless, there is still significant work required to set a balanced budget for 2014-15 and to meet the financial challenges in 2015-16 and beyond.

The Council is close to finalising its single status agreement, which sees 84.5 per cent of staff set to stay the same or gain on base pay. The proposed agreement also aims to provide a modern and positive solution for low pay. The Council is confident that it strikes the balance of acceptability and affordability and the financial implications have been built into its financial planning.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2013.

The financial audit fee for 2012-13 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

John Herniman

For and on behalf of the Appointed Auditor
29 November 2013

Appendix 4

Flintshire County Council's improvement objectives and self-assessment

The Council's improvement objectives

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

The Council published its improvement objectives for 2013-14 in its Improvement Plan 2013-14, which can be found on the Council website at www.flintshire.gov.uk.

The Council restructured the ten priorities in place for 2012-13 into eight thematic priorities, underpinned by areas where the Council expected to make a positive impact during 2013-14. The table below illustrates the restructured priorities.

Improvement Priorities 2012-13	Improvement Priorities 2013-14
To be a modern, efficient and cost effective public organisation through our four resources strategies - the Medium-Term Financial Strategy, the People Strategy, the Asset Management Strategy and the ICT Strategy - whilst ensuring our local taxes and fees and charges are fair and affordable	Modern and efficient council <ul style="list-style-type: none"> Improving customer services Protecting local front-line public services through the best use of our resources Having the right buildings in the right places for the right uses Making our money go further through smart procurement Achieving a fair and affordable pay and grading structure Managing services well to achieve our priorities
To achieve the greatest possible cost efficiencies through regional and sub-regional collaboration to reinvest in local public services	
To be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a Single Status Agreement	
To achieve the highest standards of customer service and care through our Customer Services Strategy	
To make our communities safe and to safeguard the vulnerable with children and older people being priority Groups	Safe communities <ul style="list-style-type: none"> Improving road safety Keeping people and communities safe

Improvement Priorities 2012-13	Improvement Priorities 2013-14
To protect and grow the local and regional economy, to be a prosperous County and to provide help and support for those vulnerable to poverty	<p>Poverty</p> <ul style="list-style-type: none"> Protecting people from poverty <p>Economy and enterprise</p> <ul style="list-style-type: none"> Making local communities viable Creating jobs and growing the local economy Supporting and creating new forms of local business
To promote independent, healthy and fulfilled living in the community with the highest quality personalised and supportive social and health care services	<p>Living well</p> <ul style="list-style-type: none"> Helping more people to live independently and well at home Improving people's quality of life
To meet housing need in the County and to work with partners to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector housing markets	<p>Housing</p> <ul style="list-style-type: none"> Helping more people to live independently and well at home Improving quality of life for our tenants through improved housing Improving the choice and quality of local housing
To secure a modern and high performing range of learning, cultural, play and leisure opportunities for all ages with our schools, colleges and other partners	<p>Skills and learning</p> <ul style="list-style-type: none"> Improving standards in schools to get the best learner outcomes Improving places of learning to get the best learner outcomes Meeting the skills and employment needs of local employers
To protect, plan and develop sustainable natural and built environments	<p>Environment</p> <ul style="list-style-type: none"> People being able to access employment, local services and facilities Reducing our carbon impact on the natural environment

The Council's self-assessment of performance

The Council's self-assessment of its performance during 2012-13 is set out in its Annual Performance Report 2012-13. This can be found on the Council's website at www.flintshire.gov.uk.

Appendix 5

Previous recommendations or proposals for improvement made to the Council

Over the course of our work since 2010, we have made recommendations or proposals for improvement. The Council has satisfactorily addressed or made progress against, most of these. The status of earlier recommendations or proposals for improvement, not previously identified as complete, is set out below. We will continue to monitor and report on the progress made by the Council in implementing the remaining improvement proposals or recommendations under our future programme of work.

Corporate assessment update letter 2011	Current Status
P3: Develop an improved corporate approach to engagement with communities and users of services including arrangements to enhance the contribution of elected members.	While the Council has made some progress against this proposal, it remains an area for improvement; the improvement proposal remains open.

Annual Improvement Report 2012	Current Status
R2: The Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.	The Council completed the work required; this recommendation is now closed. However, councils in Wales will continue to face significant financial pressures for the foreseeable future. The need for robust arrangements to develop and then deliver a balanced budget and to meet cost-saving targets means that this remains a live, high-priority issue.
P1: Complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting.	The Council improved the clarity of some success measures within its 2013-14 Improvement Plan. It also improved the clarity of its progress reporting against that Plan. However, scope remains to expand the Council's use of quantitative as well as qualitative success measures, to support a more objective evaluation and reporting of progress and success. This improvement proposal remains open.
P2: Develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money.	The Council did develop and agree a detailed business plan for improving customer access. This improvement proposal is now closed. Nevertheless, the Council should ensure that its arrangements for demonstrating the efficiency gains arising from its investment in improving customer access are robust.

Letter 2: February 2013	Current Status
<p>P1: Within the context of its medium-term corporate planning, the Council should define a set of annual Improvement Objectives that encapsulates its ambitions for the year and communicate them in a form that enables the public to hold the Council to account for its performance.</p>	<p>The Council responded to this improvement proposal within its 2013-14 Improvement Plan. The Plan contained a restructured set of Improvement Priorities that more clearly defined the intended impact for the year, within a more reader-friendly format. However, scope remains for the Council to make wider use of quantitative success measures that would help the public to hold the Council to account for its performance. The improvement proposal remains open.</p>
<p>P2 : Ensure that the Improvement Plan available to the public on the Council's website reflects any changes resulting from reviews during the year, and that any revised Plan includes a record of any such changes.</p>	<p>The Council did not need to revise its 2013-14 Improvement Plan during the year (but did not publish its success measures until mid-year). This improvement proposal is now closed. However, the Council should ensure that any changes to subsequent Improvement Plans are clear and well documented.</p>
<p>P3: Increase the use of relevant data to support the Council's evaluation of outcomes in relation to its Improvement Objectives</p>	<p>The Council has increased the use of data to support its evaluation of outcomes. However, there is still significant scope to enhance the Council's approach to evaluation, by including the use of freely available data. This improvement proposal remains open.</p>
<p>P4: Improve the balance of the narrative supporting each assessment, drawing out the lessons learned from particularly successful work and from work that has not gone as well as intended.</p>	<p>The Council's 2012-13 Annual Performance Report provides a more balanced narrative; the Report evaluates what went well and what went less well, for every sub-priority. This improvement proposal is now closed.</p>

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Wales Audit Office Annual Improvement Report

May 2014

Executive Response

The Wales Audit Office's Annual Improvement Report is, overall, a fair and positive summary of the position of the Council. The report is a welcome endorsement of a full year of improved improvement reporting following the introduction of this year's Improvement Plan.

There are no new statutory recommendations or proposals for improvement.

In our response we set out how we will make improvements to ensure full compliance with the spirit and detail of the national guidance.

Listed below are the principal topics within the letter along with our response.

Issue	Response
<i>In summary the report:</i>	
Performance Evaluation "The Council has strengthened its approach to performance evaluation, underpinned by better improvement planning arrangements, but the changes are not yet fully embedded"	This was a transitional year in which the measures and targets the Council set were not published alongside the Improvement Plan for 2012/13 but were reported alongside progress in the mid year report. The Improvement Plan for 2014/15 is now fully aligned and accompanied by the more detailed 'Measures of Success' document which will continue to be monitored and reported against each quarter as a practice.
Improvement Plan – compliance with Welsh Government guidance "The Council has strengthened its approach to improvement planning but further action is needed to fully comply with Welsh Government guidance" (in respect of consultation)	This is a specific comment on limited reference in the Improvement Plan 2013/14 to consultation undertaken. The priorities set for the Improvement Plan were, from the outset, based on a wide range of previous consultations in service areas with both partners and representative groups (e.g. community safety, anti-poverty, education, economic development) and, in some cases, service users directly (e.g. housing). There has been no one intensive consultation exercise on the Plan itself, by local choice, given this background. A local decision has been made by elected members to use their representative role to test the relevance of the priorities of Plan against local public opinion as explained in the Plan. The Council remains open to feedback on the plan and amending it following new service based consultations at any time. This explanation is given in the Improvement Plan for the clarity of the reader.
Response to change – financial planning "The Council has developed a more detailed plan to manage its	The Council's Medium Term Financial Strategy and Plan is under constant review and improvement. Under the newly adopted Corporate Operating Model the new Chief Officer Team will have a strengthened

<p>challenging financial position, but success relies on timely and effective implementation and monitoring”</p>	<p>collective role on priority led budget planning to meet the corporate sub-priorities in the new version of the Improvement Plan. Strengthening of the roles, systems and organisational disciplines which underpin robust planning, implementation and tracking of financial planning and efficiency planning is advancing and continues to be work in progress.</p>
<p>Schools maintenance backlog “The Council does not have a good track record of maintaining its school buildings; by the end of 2012-13, there was still a significant backlog of repairs and maintenance. However, the Council has secured Welsh Government support to enable it to invest £64 million in schools in the Deeside and Holywell areas. This funding will make the schools concerned fit-for-purpose and help to reduce the maintenance backlogs. The Council recently announced that the schools maintenance backlog has reduced from £35 million to £23.6 million since 2010.”</p>	<p>The £35m figure relates to 2009-2010 and includes cyclical maintenance (i.e. items that are repeated every 5 years - electrical testing and repainting).</p> <p>From 2011/12 onwards the backlog calculated for this has excluded the cyclical maintenance items. This is the figure quoted for 2012/13 of £23.6m in the AIR report. This figure has subsequently increased to £25.8m for 2013/14 following resurvey of 75% of primary schools.</p>
<p>Out of County places “The Council spends more per pupil than any other council in Wales, on placing pupils with additional learning needs in schools outside Flintshire. For 2013-14, the Council set a budget of almost £3.5 million for this item, representing £152 for each pupil in the County compared with an average across Wales of just £35 per pupil. It is very likely that there will always be a few young people living in Flintshire whose educational needs are so complex that they cannot be met by schools within the County. However, Flintshire’s expenditure on school places outside the county has been very high for several years and further reduces what is already a low level of expenditure on pupils in Flintshire schools.”</p>	<p>This needs to take into account Flintshire's geography and historic inheritance of provision from Clwyd i.e. we would not recreate specialist provision when it is provided just across the border in Denbighshire (i.e. YsgolPlasBrondyfryn). The location of the provision means that Flintshire is an unusually high contributor to inter-authority recoupment, whilst Denbighshire is a high beneficiary through the same mechanism.</p> <p>The creation of a duplicate Autistic spectrum residential facility in the county would have a significant unnecessary capital cost for the Council, whilst Denbighshire would face a significant unnecessary revenue reduction if Flintshire withdrew from the present joint provision. The overall cost to the public purse of a duplicate facility would then be both the capital outlay plus an increased subsidy from Denbighshire County Council to continue the currently shared facility.</p> <p>Inter authority collaboration and the wider issues in public sector funding need to be taken into account.</p> <p>The small number of pupils that need other more specialist provision have their provision efficiently procured following the innovative value for money project undertaken with Commercial and Clinical Solutions - so much so that our approach has been adopted regionally in the hub commissioning model.</p>

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW AND SCRUTINY**
DATE: **2nd JULY 2014**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT: **WAO PERFORMANCE AUDIT REGULATORY PROGRAMME 2014-15**

1.00 PURPOSE OF REPORT

- 1.01 To report for note the proposed Regulatory Programme for Performance Audit for the Wales Audit Office (WAO) for the period 2014-15.
- 1.02 To note the reduction in fees for the performance and financial audit work programme.

2.00 BACKGROUND

- 2.01 The Auditor General for Wales is responsible for preparing a programme of work under the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999 and the Public Audit (Wales) Act 2013.
- 2.02 The letter from the WAO also identifies the fees for the performance audit work and financial audit work for 2014-15.

3.00 CONSIDERATIONS

- 3.01 The programme of performance audit and assessment work is divided into two parts: i) WAO performance audit work 2014-15; and ii) Local Government studies.
- 3.02 The full programme is attached as the Wales Audit Office's letter at Appendix 1.
- 3.04 The main piece of work to be carried out in 2014-15 is the Corporate Assessment; a review of the Council's capacity and capability to deliver continuous improvement. This is to be undertaken as part of a four year rolling programme of assessments at all Welsh Councils. In North Wales, Conwy CBC was assessed as part of the first year of the programme in 2013-14; and during the second year of the programme, Ynys Mon is also being assessed.

The outcome of the Corporate Assessment will be a report that states

whether the Auditor General believes that the Council is likely to comply with the requirements of the Measure.

- 3.04 The total fees for both the performance audit work and financial audit work have reduced from last year as shown in the table below, with the significant reduction in the performance audit work.

Fee April 2014 to March 2015	£	Previous year's fee
Fee for performance audit work	£104,058	£137,587
Fee for financial audit work	£ 216,366	£ 215,967
Total fee	£ 320,394	£ 353,554

The explanation for the decrease in total fees is set out in the Auditor General's letter (Appendix 2), although an element of reduced risk in performance work has also contributed to the reduction.

- 3.05 Separate programmes are published by the WAO for the auditing of the financial accounts and the pension fund. These are presented and considered by the Audit Committee.

4.00 RECOMMENDATIONS

- 4.01 To note the proposed Regulatory Programme for Performance Audit for the Wales Audit Office (WAO) for the period 2014-15.
- 4.02 To note the reduction in fees for the performance and financial audit work programme.

5.00 FINANCIAL IMPLICATIONS

- 5.01 This report details the regulatory fee allocation for 2014-15 for both the performance and financial audit and assessment work.

6.00 ANTI POVERTY IMPACT

- 6.01 There are no relevant anti poverty implications detailed in this report.

7.00 ENVIRONMENTAL IMPACT

- 7.01 There are no relevant environmental implications detailed in this report.

8.00 EQUALITIES IMPACT

- 8.01 There are no relevant equality implications detailed in this report.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no relevant personnel implications detailed in this report.

10.00 CONSULTATION REQUIRED

10.01 This report will be considered by the Audit Committee and Cabinet.

11.00 CONSULTATION UNDERTAKEN

11.01 The Auditor General consulted local authorities on the programme of proposed Local Government Studies.

12.00 APPENDICES

12.01 Appendix 1: Letter from the Wales Audit Office: 2014-15 Performance Audit Work and Fees (13.05.14)

Appendix 2: Letter from the Auditor General for Wales: Wales Audit Office Fees: Local Government (13.05.14)

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

None

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Colin Everett
Chief Executive
Flintshire County Council
County Hall
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Date 13 May 2014
Pages 1 of 3

Dear Colin

2014-15 Performance Audit Work and Fees

I am writing to confirm the programme of performance audit work at Flintshire County Council for 2014-15 and the associated fee for that work. This work is delivered under the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999 and the Public Audit (Wales) Act 2013.

As you are aware we will be carrying out a Corporate Assessment at Flintshire Council this year as part of a four-year rolling programme of assessments at all Welsh councils. The Corporate Assessment will provide a position statement of the Council's capacity and capability to deliver continuous improvement. It will, by its nature, examine track record of performance and outcomes as well as examining the key arrangements that are necessary to underpin improvements in services and functions. We will publish a Corporate Assessment report that states whether the Auditor General believes that the Council is likely to comply with the requirements of the Measure. Carrying out the Corporate Assessment will not require any additional fee from the Council as it will be funded by Welsh Government grant to the Wales Audit Office.

In addition to the Auditor General's audit and assessment work under the Measure, we will undertake a programme of Local Government Studies as set out in the Auditor General's letter of 28 April 2014. These and the specific elements of our audit and assessment work are set out in the table below. Please note that each year's work programme and performance audit fee covers one cycle of Improvement Assessment work. However, as this work does not fit neatly within a period starting on 1 April and ending on 31 March, the delivery of the annual work programme may overlap financial years.

WAO performance audit work 2014-15	
Improvement assessment work	
Corporate Assessment	Review of the Council's capacity and capability to deliver continuous improvement
'Improvement Plan' Audit	Audit of discharge of duty to publish an improvement plan.
'Assessment of Performance' Audit	Audit of discharge of duty to publish an assessment of performance.
Financial Management	Financial position work focussing on financial health, the effectiveness of budget setting arrangements, financial governance systems and progress/track record in delivering on required savings.
Governance	Local scope to be confirmed
Performance Management	Local scope to be confirmed
Local Government Studies	
Joined up working to address Health and Social Care demand – Independence of Older People.	This study will focus on supporting older people to maintain their independence outside of the health and care system by assessing how effective ancillary services are at supporting them to live independently.
Delivering with less – Leisure Services	This study will track the levels of investment in leisure services over the last few years using the methodology developed for the 2013-14 delivering with less study on environmental health services.

Financial position summary	This study will summarise local work on councils' financial position and give an all-Wales picture of financial resilience.
Local work	The focus and scope of local work will be agreed following further discussion with the Authority and based on an assessment of issues relevant to the Authority's programme of improvement

The table below sets out our fees for performance audit work and includes the fee for financial audit work for completeness. The indicative total fee for April 2014 to March 2015 is £320,394 and will be charged in equal instalments between April 2014 and March 2015. If during the course of the audit and assessment any additional work is identified as being necessary, this may incur additional fees. Similarly should an issue arise of such importance that we consider a special inspection to be an appropriate response, we will charge an additional fee to conduct such an inspection.

Fee April 2014 to March 2015	£
Fee for performance audit work	£104,058
Fee for financial audit work	£216,336
Total Fee	£320,394

In addition to the programme of work set out above the Wales Audit Office may be undertaking work at local government bodies in the course of our programme of value for money studies laid before the National Assembly for consideration by its Public Accounts Committee. As many of these studies cut across the boundaries between different parts of the Welsh public sector, they will often be relevant to our work in local government. This work is funded separately by the Welsh Government consolidated fund and therefore does not incur a fee.

The Auditor General also has a duty under the Measure in relation to the coordination of the regulatory functions of the Wales Audit Office and relevant regulators, those being the Appointed Auditor; the Care and Social Services Inspectorate Wales (CSSIW); Estyn; and the Welsh Language Commissioner. The range of performance audit work that the Wales

Audit Office and relevant regulators will carry out will be set out in more detail in a Work Plan and Timetable (WP&T) which will be reviewed every quarter.

We will publish an Annual Improvement Report for Flintshire Council summarising our work and that of relevant regulators, and will issue reports (and/or letters) setting out the findings of audit and assessment work. As required by the Measure, these will be copied to Welsh Ministers. We will also provide local feedback on our Studies. As some of our studies are only carried at a selection of authorities, you may not receive a local report: instead we will publish a national report, the recommendations of which will apply to all local authorities. Where appropriate, both our improvement studies and national work may result in shared learning seminars or other outputs.

Should you wish to discuss any element of this work please do not hesitate to contact me or Huw Lloyd Jones (huw.lloydjones@wao.gov.uk) or Paul Goodlad (paul.goodlad@wao.gov.uk).

Yours sincerely



Jane Holownia

WAO Group Director



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Mr Colin Everett
Chief Executive
Flintshire County Council
County Hall
Mold
Flintshire
CH7 6NB

Reference JH15/AH
Date 13 May 2014
Pages 1 of 2

Dear Colin

Wales Audit Office Fees: Local Government

You will be aware that the Wales Audit Office (WAO) is currently setting fees for audit work at your authority. Under the Public Audit (Wales) Act 2013 (the 2013 Act) responsibility for setting audit fees transferred from the Auditor General for Wales to the WAO from 1 April this year.

That is why the process has been lengthier than usual this year. While the WAO Board has formally agreed the fee scales and fee schemes that underpin your fees, they remain indicative until the National Assembly's Finance Committee approves the WAO Scheme. The Scheme is due for consideration on 8 May and we hope to be able to formally confirm your fee shortly afterwards. We hope the hiatus has not caused undue delay to your processes and, of course, in future years we will be returning to the normal timetable.

A number of factors are affecting audit costs and fees this year:

- The 2013 Act has required us to revise our cost allocation methodology. Broadly, the impact of this exercise has been to increase the cost of financial audit work and reduce the cost of performance work. For unitary authorities, where we undertake both functions, the overall change has generally been cost neutral. For pension funds, we do not undertake performance audit work, and there has been an increase in the overall cost of work. However, the impact of this will be mitigated by the rebate set out below.
- Under the Act we are no longer able to generate reserves and we have decided to distribute the reserves we generated to 31 March 2014 in respect of our local government audit activity. Your authority will therefore receive a rebate of around 15 per cent of your previous year's audit fee, once our accounts have been audited.
- The Act has also changed the funding arrangements for Wales Audit Office studies that relate to our work in local government. This work will now be funded separately by the Welsh Consolidated Fund and therefore will no longer incur a fee.
- An HMRC VAT ruling means that the WAO cannot charge VAT on Local Government or NHS work and as our fee must cover our costs, we have had to introduce a

corresponding increase in fees for all audited public bodies of an average of 3.8 per cent.

Please be assured that I am supported by the full Board in my determination to keep the WAO's cost base under review to ensure that it continues to offer value for money. Between 2009-10 and 2012-13 we have reduced our annual expenditure by £4.6 million (18 per cent in cash terms).

To present your fees in the context of our audit work at your authority we attach to this letter:

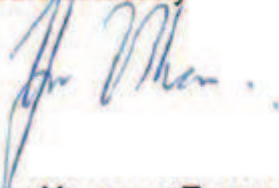
- a 2014-15 Programme of Performance Audit Work and Fees, which should be read in the context of my letter to you dated 28 April outlining the outcome of my consultation on 2014-15 Performance Audit Work; and
- revised 2014 Financial Audit Outlines for the Council and for the Clwyd Pension Fund.

The impact of the above changes on the Council's audit fees has been a decrease of 5.4 per cent from £394,565 to £373,077. A detailed breakdown is provided in [Exhibit 6](#) of the revised 2014 Financial Outline for the Council. As previously mentioned, during 2014-15 you will also be receiving a refund equivalent to around 15 per cent of your previous year's audit fees. In addition, we are in the process of aligning our planning cycles which will result in a further one-off refund, details of which will be confirmed shortly.

May I take this opportunity to thank those of you who responded to the specific consultation on fees and my work programme earlier this year.

We will shortly be seeking your views on the Wales Audit Office, its performance and the framework under which we must recover costs, in our biennial survey. In the meantime, if you have any concerns about the changes outlined in this letter please do not hesitate to contact John Herniman, or any member of our senior team.

Yours sincerely



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES AND
CHIEF EXECUTIVE, WALES AUDIT OFFICE

WAO Fees/HVT/May 2014/mjb/fgb

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**
DATE: **WEDNESDAY, 2 JULY 2014**
REPORT BY: **CHIEF EXECUTIVE**
SUBJECT: **IMPROVEMENT PLAN 2014/15**

1.00 PURPOSE OF REPORT

1.01 To consider the content of the draft Improvement Plan 2014/15 and the “How achievement will be measured” document prior to final publication in June.

2.00 BACKGROUND

2.01 It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan. It is a statutory requirement for the County Council to adopt the Improvement Plan.

2.02 Improvement Objectives and an accompanying Improvement Plan were first set and adopted by the Council in 2011. For 2013/14 the Council thoroughly reviewed the priorities to streamline them and reset them with clearer outcome based aims. A revised set of eight priorities supported by a structure of sub-priorities was adopted.

2.03 The Plan presentation also changed providing detail for each of the priorities which were to have the most impact during the year. This has helped the organisation to concentrate on the outcomes where most immediate attention was needed.

2.04 The refresh also took into account the comments of the Wales Audit Office (WAO) on:-

- the opportunity to present a plan which would engage the wider public
- the adoption of a smaller set of ‘in-year’ priorities
- the further development of outcome based objectives which identify the impact for each priority
- the need to ensure that any revisions of the Plan are updated on the public website.

2.05 The WAO in its letter of September 2013 said that the presentation and content of the Improvement Plan (2013/14) “enables public

engagement with the Council priorities more effectively than in the past". It also commented positively that "The Plan is much shorter than before and now communicates clearly and succinctly how each of the Improvement Objectives relates to the Council's eight medium-term corporate priorities and to those of partners in the Local Service Board".

3.00 CONSIDERATIONS

3.01 For 2014/15 a review of the current priorities and sub-priorities has been undertaken to set: -

- priorities that continue into 2014/15 for sustained attention;
- priorities that can now be removed as completion of a time-limited piece of work e.g. Single Status;
- priorities which could be merged e.g. School Improvement and School Modernisation; and
- emerging priorities for 2014/15 e.g. People Change and Development.

3.02 For each sub-priority which continues to be high profile for 2014/15 there has been a review based on: -

- the reasoning for the priority status;
- what we will do and how we will measure achievement; and
- the risks that will need to be managed.

3.03 The extract from the working draft Improvement Plan (Appendix A) is presented for member consultation by Corporate Resources Overview and Scrutiny Committee prior to adoption of the Improvement Plan in June. Any slight technical changes are to be delegated to the Chief Executive in consultation with the Leader.

3.04 Appendix A contains those sub-priorities that will be monitored and reviewed by Corporate Resources Overview and Scrutiny Committee as part of quarterly Improvement Plan monitoring process. A full draft version of the Improvement Plan is available for Members to view in the Member's Library.

3.05 Following Member consultation the Improvement Plan for 2014/15 will be presented to Cabinet and later the County Council, for formal adoption, in June. It will be accompanied by an appendix which details the specific measures and milestones on which achievement will be measured.

3.06 An extract of the supporting document "How achievement will be measured - supporting milestones and measures" is attached at Appendix B. This extract details the measures with targets and milestones with completion dates that will be reported as part of the quarterly Improvement Plan monitoring.

3.07 A further document is attached at Appendix C which gives benchmarking information (2012/13) for the national indicators which Flintshire has including in its Improvement Plan. This is attached so that Members can compare Flintshire's historic performance with other Local Authorities in Wales and better consider the targets for 2014/15. The national data for 2013/14 is not yet available.

4.00 RECOMMENDATIONS

4.01 Members to consider the content of the draft Improvement Plan 2014/15 and the "How achievement will be measured" document prior to final publication in June.

5.00 FINANCIAL IMPLICATIONS

5.01 The Council's Medium Term Financial Plan is aligned to resource these priorities.

6.00 ANTI POVERTY IMPACT

6.01 Poverty is a specific priority within the Improvement Plan 2014/15.

7.00 ENVIRONMENTAL IMPACT

7.01 Environment is a specific priority within the Improvement Plan 2014/15.

8.00 EQUALITIES IMPACT

8.01 Equalities will be taken into consideration through any policy changes determined by the Plan and its implementation.

9.00 PERSONNEL IMPLICATIONS

9.01 Any personnel implications will be considered through any relevant changes determined by the Plan and its implementation.

10.00 CONSULTATION REQUIRED

10.01 Overview and Scrutiny Committees are being invited to review the priorities, and particularly the "How achievement will be measured" document.

10.02 Feedback on the Improvement Plan is invited to assist with both contributing on our priorities and further improvement in presentation and format. This feedback is encouraged from the public, workforce, our key partners and businesses.

11.00 CONSULTATION UNDERTAKEN

11.01 Corporate Management Team and senior officers have contributed and helped shape the Improvement Plan 2014/15. In addition the Wales Audit Office has been informally consulted.

12.00 APPENDICES

12.01 **Appendix A** – Draft Improvement Plan Sub-priorities for Corporate Resources Overview and Scrutiny Committee.

Appendix B – Extract of the supporting document “How achievement will be measured”.

Appendix C – Benchmarking data for 2012/13 for the national indicators included in Flintshire’s Improvement Plan.

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

Contact Officer: Vicki Robarts
Telephone: 01352 701457
Email: vicki_c_robarts@flintshire.gov.uk

Priority	Sub-Priority	Impact
Modern & Efficient Council	Organisational Change	Managing services well to achieve our priorities.

This is a priority in year because we need to:

- Become more lean and modern.
- Have a clear vision of what the Council will need to look like by 2017 with less money, and have a plan to reform and change the organisation to fit.
- Achieve our priorities.
- Deliver quality services with reduced financial resources.

What we will do in 2014/15:

Agree an organisational change programme that will:

1. Implement the newly agreed operating model for the Council.

Achievement will be measured through:

- successful transition into the new operating model
- streamline the organisation

2. Integrate business units and consider alternative models.

Achievement will be measured through:

- agreement of internal service functional mergers and re-alignments as a follow through of the operating model and senior management review implementation
- agreed proposals for sustainable models for each of the services/functions listed for transformation

Risks to manage:

- Gaining workforce and Trade Union agreement and acceptance of the transition into the new operating model.
- Transitional risks of the operating model.

What we mean by:

Operating Model - how an organisation is structured, functions and performs according to its objectives and values.

Working practices – the Council's internal processes and procedures.

Social business model – the way in which we run the Council as an accountable and ethical organisation operating in a business world. This incorporates social value; the importance of the overall quality of the outcomes.

Priority	Sub-Priority	Impact
Modern & Efficient Council	Financial Strategy	Protecting local front-line public services and delivering Council priorities through the best use of our resources

This is a priority in year because we need to:

- Protect local services as a first priority.
- Have in place a longer term financial plan which models anticipated funding and costs over the medium term and which identifies the annual and cumulative efficiency targets which will need to be achieved to deliver services within available resources.
- Ensure we have the necessary revenue and capital funding in place to deliver front line services and Council priorities and be able to invest for future years.
- Achieve the 2014/15 targets for the organisational change and efficiency programme.
- Integrate the development of the next stages of the change and efficiency programme with the revenue and capital elements of the financial strategy.
- Maximise our income to invest in public services.

What we will do in 2014/15:

1. Develop a longer term financial plan.
Achievement will be measured through:
 - A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies
 - The effectiveness of the plan as an aid to strategic decision making
2. Agreement of the capital and revenue resources to deliver the priorities within the Improvement Plan.
Achievement will be measured through:
 - resources being available to fund each priority and reflected in the medium term financial plan
3. Deliver on the four strands of the organisational change and efficiency programme:
 - Corporate Efficiency: assets, customer, finance and procurement.
 - Organisational Design: operating model, functional and structural design, alternative delivery models.
 - Workforce Scaling: workforce planning, workforce reduction, vacancy management, costs of employment.
 - Functional Efficiency: value for money in all service and support functions.**Achievement will be measured through:**
 - achieving the financial target efficiencies for each of the four strands set for 2014/15
 - identifying further efficiency measures for 2015/16 and beyond to meet the projected funding gaps in each year
 - agreement of a corporate approach to the setting of fees and charges

Risks to manage:

- Ensuring that capital and revenue resources are sufficient to operate effectively.

Appendix A - Final Draft Improvement Plan 2014/15 (version 27/05/14)
Extract for Corporate Resources Overview & Scrutiny Committee

- Uncertainty in the level of Welsh Government funding which represents 80% of the funding of Council services.
- Gaining agreement to the financial strategy.
- Delivery of the 2014/15 efficiency savings in full.
- Gaining agreement to further efficiency measures from 2015/16 onwards.
- Gaining agreement to a new corporate approach for fees and charges.

What we mean by:

Revenue funding – spending on day to day running costs for the Council e.g. salaries and wages, supplies and services, energy.

Capital funding – spending on assets (e.g. buildings, equipment and land).

Fees and Charges – the amount service users pay for services which are not provided for free.

Efficiency Targets – financial savings we aim to achieve within a given period of time through specific actions.

Values for Money – being efficient and effective in using our resources to achieve our service objectives and standards.

DRAFT

Priority	Sub-Priority	Impact
Modern & Efficient Council	People Change & Development	The Council has sufficient capability and capacity to operate effectively as a reduced sized organisation

This is a priority in year because we need to:

- Enable the effective implementation of the new Council Structure and provide a foundation for on-going sustainable organisational change.
- Implement the new agreed pay model.
- Optimise the benefits of having modern terms and conditions to enable the Council to be more flexible in service delivery.
- Provide capability and capacity to manage a reduced sized organisation.
- Modernise working practices.

What we will do in 2014/15:

Implement the People Strategy focusing on:

1. Employee performance and productivity – including organisational and job design, effective workforce planning, flexible working and working patterns, terms and conditions and robust performance management.
2. Employee Development and Talent Management – including employee engagement, talent management, behaviour and competencies development, learning and skills development.
3. Health and Wellbeing – including development of 'Flintshire Healthy Workplace', information channels for employees to manage health and welfare, initiatives that support the reduction of sickness absence as part of the Council's Attendance Management Strategy.
4. Implement the new pay model as part of Single Status and address any ongoing Equal Pay liabilities.

Achievement will be measured through:

- Minimising cost and increasing flexibility of services e.g. by extending service hours, there is no increase in the service operating costs
- Implementation of competency based appraisals by June 2014 and tracking of outcomes – ratings on performance and development requirements
- Reduced sickness absence figures
- Targeted employee engagement initiatives and surveys and improvement actions
- Reduced use and expenditure for agency / interim workers and consultants
- Numbers of employees progressing through skills development and Management Development programmes

Risks to manage:

- Ensuring organisational capability to make the changes happen and sustain the new operating model.

- Keeping up workforce motivation and morale to prevent resistance to organisational change and minimise service disruption such as industrial action.
- Controlling the terms of the new pay model and terms and conditions of employment post implementation to prevent new Equal Pay risks from emerging.

What we mean by:

Equal pay – equality legislation prohibits less favourable treatment between men and women in terms of pay and conditions of employment. Where there has been a potential historical pay gap between men and women, Equal Pay claims may be brought.

Medium-term Financial Plan - the Council's plan forecasts funding levels and resource requirements over the medium term, identifies the gap between the two with specific actions identified to balance the budget and manage resources.

DRAFT

Priority	Sub-Priority	Impact
Modern & Efficient Council	Asset Strategy	Having the right buildings in the right places for the right uses

This is a priority this year because we need to:

- Become an even more modern organisation.
- Reduce Council overhead costs to protect and invest in front-line services.
- Reduce carbon emissions.

What we will do in 2014/15:

1. Refresh the Asset Strategy along-side capital planning.
2. Review use and reduce the number and review the usage of Council property assets.
3. Continue to extend the use of agile working and so free up the amount of office and other space needed to deliver services.
4. Increase the rate and take up of Community Asset Transfers.

Achievement will be measured through:

- Reducing maintenance and asset costs
- Increased joint use of assets with partners
- Carbon reduction
- Increased agile working
- Fewer Council owned and maintained property assets

Risks to manage:

- Gaining public acceptance.
- How we can invest and ensure we have the capacity to implement the strategy.
- Gaining workforce agreement and acceptance of agile working practices.

What we mean by:

Asset Strategy – long term plan to make best use of our buildings.

Council Property Assets – buildings owned and maintained by the Council.

Agile Working – working across locations in a flexible way with the use of technology.

Capital – money spent on assets (e.g. buildings, equipment and land).

Community Asset Transfers – transfers of land or buildings into the ownership or management of a Voluntary / Community Sector organisation or statutory body.

Priority	Sub-Priority	Impact
Modern & Efficient Council	Procurement Strategy	Making our money go further through smart procurement

This is a priority in year because we need to:

- Minimise procurement costs.
- Ensure that goods and services purchased represent value for money.
- Ensure that community benefits are optimised through our procurement arrangements.
- Achieve efficiency targets to protect and invest in local front-line public services.

What we will do in 2014/15:

1. Optimise procurement efficiencies through the use of regional and national procurement collaborations.

Achievement will be measured through:

- the scale of the use of the National Procurement Service and the resulting efficiencies
- the scale of the use of regional procurement collaboration and the resulting efficiencies

2. Implement proposals for a joint Flintshire and Denbighshire corporate procurement unit.

Achievement will be measured through:

- the merger of Flintshire and Denbighshire procurement teams to a single corporate procurement unit serving the two organisations.

3. Develop an improved corporate approach to community benefits and supply chain management to benefit the organisation, local communities and the local economy.

Achievement will be measured through:

- increasing inclusion of community benefit clauses in contracts.

Risks to manage:

- Keep up the pace of collaboration to maximise procurement efficiencies through the use of the National Procurement Service and Welsh Procurement Consortium frameworks.
- Ensure the internal adoption of revised procurement practice and process.
- Having the creativity to apply community benefit clauses within contracts.

What we mean by:

Community benefit clauses - benefits to local communities from major procurements e.g. training and employment opportunities, community facilities. This incorporates social value by taking wider issues into account other than price.

Procurement collaborations – ways of procuring goods and services within agreed terms and conditions.

Priority	Sub-Priority	Impact
Modern & Efficient Council	Access to Council Services	Achieving customer focused, modern and efficient access to council services

This is a priority in year because we need to:

- Improve access to our services for our customers through use of a multi channel approach.
- Improve customer care, service and satisfaction levels.

What we will do in 2014/15:

1. Implement Phase 2 of our Flintshire Connects programme with extended range of services and locations.

Achievement will be measured through:

- the opening and scale of use of the Flintshire Connects centres
- customer feedback on Flintshire Connects
- range of services provided
- percentage of customers having their needs met at first point of contact

2. Review and improve our Customer Service Standards.

Achievement will be measured through:

- customer satisfaction ratings

3. Extend and improve (i) customer access to Council information and services using technology and (ii) opportunities for participation in consultation exchanges etc.

Achievement will be measured through:

- number of customers using technology to access Council information and services
- number of customers using technology to participate in consultation exchanges etc.
- customer feedback
- percentage of customers having their needs met at first point of contact

Risks to manage:

- How we can ensure the investment to further improve access to our services.
- Ensuring our customers can access our digital services.
- Ensuring a positive public response to the changing ways our services can be accessed.
- How the Council adjusts its processes and practices to support Flintshire Connects and the increased use of self service.

What we mean by:

Flintshire Connects Centres - simpler and more “joined up” access to Council and other public sector services in County towns in a modern and welcoming environment.

Customer Service Standards – what customers can expect when they make contact with the council e.g. how quickly we answer the phone, respond to email etc.

Appendix B – Extract of the ‘How we measure achievement’ document

	Sub-Priority	Impact
Modern & Efficient Council	Organisational Change	Managing services well to achieve our priorities.

What we will do in 2014/15:

Agree an organisational change programme that will:

1. Implement the proposed future operating model for the Council.

Achievement will be measured through:

Successful transition into the new operating model
Streamlining the organisation

Achievement Milestones for strategy and action plans:

Implementation of senior management structure phase 1 operating model on time and on budget by June 2014 (Chief Executive)
Agreement of senior management phase 2 proposals for implementation throughout 2014-15 by September 2014 (Chief Executive)

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
Minimising service disruption and failure, which affects performance targets, during the transition phase of the new model	Chief Executive	% Improvement plan targets met (TBC following year end reporting)	TBC once baseline confirmed	TBC once baseline confirmed
Overall annual efficiency savings from a combination of the achievement milestones above		N/A	£1.450m	£2.000m

2. Integrate business units and consider alternative models

Achievement will be measured through:

Agreement of internal service functional mergers and re-alignments as a follow through of the operating model and senior management review implementation

Agreed proposals for sustainable models for each of the services/functions listed for transformation

Overall annual efficiency savings from combination of the above

Achievement Milestones for strategy and action plans:

N/A

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
Number of mergers/re-alignments achieved in functional areas	Chief Executive	N/A	Between 5 and 8	Between 8 and 10
Number of sustainable models agreed for transformation		N/A	Between 3 and 5	Between 3 and 5
Overall annual efficiency savings from a combination of the above		£TBC	£TBC	Between £TBC and £TBC

Appendix B – Extract of the ‘How we measure achievement’ document

Priority	Sub-Priority	Impact
Modern & Efficient Council	Financial Strategy	Protecting local front-line public services and delivering Council priorities through the best use of our resources

What we will do in 2014/15:

1. Develop a longer term financial plan.

Achievement will be measured through:

A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies
 The effectiveness of the plan as an aid to strategic decision making
 Producing a sustainable four year plan which meets the funding gap and supports investment needs

Achievement Milestones for strategy and action plans:

A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies by February 2015
 Alignment of specified resources to Council priorities by February 2015.
 Producing a sustainable four year plan which meets the funding gap and supports investment needs by February 2015

2. Agreement of the capital and revenue resources to deliver the priorities within the Improvement Plan.

Achievement will be measured through:

Resources being available to fund each priority and reflected in the medium term financial plan.

Achievement Milestones for strategy and action plans:

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
IPME2M1 - Resources in place to fund 2014/15 priorities	Chief Officer - People &	100%	100% for 2015/16	100%

Appendix B – Extract of the ‘How we measure achievement’ document

	Resources		budget	
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3. Deliver on the four programmes of the organisational change and efficiency programme:

- **Corporate Efficiency: assets, customer, finance and procurement.**
- **Organisational Design: operating model, functional and structural design, alternative delivery models.**
- **Workforce Scaling: workforce planning, workforce reduction, vacancy management, costs of employment.**
- **Functional Efficiency: value for money in all service and support functions.**

Achievement will be measured through:
 Achieving the financial target efficiencies for each of the four programmes set for 2014/15
 Identifying further efficiency measures for 2015/16 and beyond to meet the projected funding gaps in each year
 Agreement of a corporate approach to the setting of fees and charges

Achievement Milestones for strategy and action plans:
 Identifying further efficiency measures for 2015/16 and beyond to meet the projected funding gaps in each year by February 2015.
 Agreement of a corporate approach to the setting of fees and charges by April 2015.

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
Achieve 85% or more of the agreed efficiencies for Corporate Efficiency included within the 2014/15 budget.	Chief Officer - People & Resources	N/A – new measure	85%	100%
Achieve 80% or more of the agreed efficiencies for Organisational Design included within the 2014/15 budget.		N/A – new measure	80%	100%
Achieve 80% or more of the agreed efficiencies for Workforce Scaling included within the 2014/15 budget.		N/A – new measure	80%	100%
Achieve 85% or more of the agreed efficiencies for Functional Efficiency included within 2014/15 budget.		N/A – new measure	85%	100%
Seek alternative efficiencies for the remaining 15% (or more) for		N/A – new	15%	0%

Appendix B – Extract of the ‘How we measure achievement’ document

the Corporate Efficiency included within the 2014/15 budget to bring the outturn within budget.		measure		
Seek alternative efficiencies for the remaining 20% (or more) for the Organisational Design efficiency included within the 2014/15 budget to bring the outturn within budget.		N/A – new measure	20%	0%
Seek alternative efficiencies for the remaining 20% (or more) for the Workforce Scaling efficiencies included within the 2014/15 budget to bring the outturn within budget.		N/A – new measure	20%	0%
Seek alternative efficiencies for the remaining 15% (or more) for the Functional Efficiency efficiencies included within 2014/15 budget to bring the outturn within budget.		N/A – new measure	15%	0%

Appendix B – Extract of the ‘How we measure achievement’ document

Priority	Sub-Priority	Impact
Modern & Efficient Council	People Change & Development	The Council has sufficient capability and capacity to operate effectively as a reduced sized organisation

What we will do in 2014/15:

Implement the People Strategy focusing on:

1. Employee performance and productivity – including organisational and job design, effective workforce planning, flexible working and working patterns, terms and conditions and robust performance management.
2. Employee Development and Talent Management – including employee engagement, talent management, behaviour and competencies development, learning and skills development.
3. Health and Wellbeing – including development of ‘Flintshire Healthy Workplace’, information channels for employees to manage health and welfare; initiatives that support the reduction of sickness absence as part of the Council’s Attendance Management Strategy.
4. Implement the new pay model as part of Single Status and address any on-going Equal Pay liabilities.

Achievement will be measured through:

Minimising cost and increasing flexibility of services e.g. by extending service hours but with no increase in the service operating costs
 Implementation of competency based appraisals by June 2014 and tracking of outcomes – ratings on performance and development requirements
 Reduced sickness absence figures
 Targeted employee engagement initiatives and surveys and improvement actions
 Reduced use and expenditure for agency / interim workers and consultants
 Numbers of employees progressing through skills development and Management Development programmes

Achievement Milestones for strategy and action plans:

Minimising cost and increasing flexibility of services e.g. by extending service hours, there is no increase in the service operating costs (Date TBC)
 Implementation of competency based appraisals by June 2014 and tracking of outcomes including ratings on performance and development requirements

Achievement Measures	Lead	2013/14	2014/15	2016/17
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Appendix B – Extract of the ‘How we measure achievement’ document

	Officer	Baseline Data	Target	Aspirational Target
CHR/002 – The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence	Chief Officer - People & Resources	10.82 days/shifts	9.6 days/shifts	8.3 days/shifts
REM3 - Increase the percentage of employees receiving an annual appraisal with Individual Development Plan 100%		TBC	100%	100%
Reduced expenditure for agency / interim workers and consultants		TBC	TBC	TBC
Number of Flintshire County Council employees undertaking the supervisory and management training programmes developed with Coleg Cambria		TBC	125-135 employees	135-140 employees
Percentage of Flintshire County Council employees completing the supervisory and management training programmes developed with Coleg Cambria		TBC	90% - 95%	95% -100%

Appendix B – Extract of the ‘How we measure achievement’ document

Priority	Sub-Priority	Impact
Modern & Efficient Council	Asset Strategy	Having the right buildings in the right places for the right uses

What we will do in 2014/15:

1. Renew the Asset Strategy along-side capital planning.
2. Reduce the number and review the usage of Council property assets.
3. Further extend the use of agile working and so free up the amount of office and other space needed to deliver services.
4. Consider community asset transfers.

Achievement will be measured through:

Reducing maintenance and asset costs
 Joint use of assets with partners
 Carbon reduction
 Increased agile working
 Fewer Council owned and maintained property assets

Achievement Milestones for strategy and action plans:

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
CAM/001b (i) - Percentage of the total value of required maintenance to Priority 1 (Urgent) Works	Chief Officers – Organisational Change	1.4%	1.6%	2%
CAM/001b (ii) - Percentage of the total value of required maintenance to Priority 2 (Essential) Works		39.5%	42%	46%
CAM/001b (iii) - Percentage of the total value of required maintenance to Priority 3 (Desirable) Works		59.1%	56.4%	52%
EEFLM1 - Carbon Reduction Commitment		1.51%	29%	60% by 2021

Appendix B – Extract of the ‘How we measure achievement’ document

		increase		
Reduction in square meters of occupied accommodation		TBC	TBC	TBC
Reduction in other operational assets (square meters)		TBC	TBC	TBC
Reduction in operating costs as a result of community asset transfers		TBC	TBC	TBC

Appendix B – Extract of the ‘How we measure achievement’ document

Priority	Sub-Priority	Impact
Modern & Efficient Council	Procurement Strategy	Making our money go further through smart procurement

What we will do in 2014/15:

1. Optimise procurement efficiencies through the use of regional and national procurement collaborations.

Achievement will be measured through:

The scale of the use of the National Procurement Service and the resulting efficiencies
 The scale of the use of regional procurement collaboration and the resulting efficiencies

Achievement Milestones for strategy and action plans:

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
IPME4M3 - Achievement of efficiency savings achieved due to the use of National, Regional and Sectoral procurement frameworks	Chief Officer - Governance	£303,000	£250,000	£300,000

2. Implement proposals for a joint Flintshire and Denbighshire corporate procurement unit.

Achievement will be measured through:

The merger of Flintshire and Denbighshire procurement teams to a single corporate procurement unit serving the two organisations

Achievement Milestones for strategy and action plans:

The merger of Flintshire and Denbighshire procurement teams to a single corporate procurement unit serving the two organisations by 1 July 2014

Appendix B – Extract of the ‘How we measure achievement’ document

3. Develop an improved corporate approach to community benefits and supply chain management to benefit the organisation, local communities and the local economy.

Achievement will be measured through:
Increasing inclusion of community benefit clauses in contracts

Achievement Milestones for strategy and action plans:
Establishing a wider range of community benefit clauses to be used when procuring services by October 2014.

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
Percentage of applicable contracts which include community benefits clauses	Chief Officer - Governance	100%	100%	100%

Appendix B – Extract of the ‘How we measure achievement’ document

Priority	Sub-Priority	Impact
Modern & Efficient Council	Access to Council Services	Achieving customer focused, modern and efficient access to council services

What we will do in 2014/15:

1. Implement Phase 2 of our Flintshire Connects programme with an extended range of services and locations.

Achievement will be measured through:

- The opening and scale of use of the Flintshire Connects centres
- Customer feedback on Flintshire Connects
- Range of services provided
- Percentage of customers having their needs met at first point of contact

Achievement Milestones for strategy and action plans:

Establish and implement a system for reporting the percentage of customers having their needs met at first point of contact by 31 March 2015

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Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
IPME6M1 - The opening of new Flintshire Connects Centres	Chief Officer – Community & Enterprise	2	4 (cumulative)	5 (cumulative)
IPME6M2 - Scale of use of all Flintshire Connects Centres (footfall)		43,656	70,000	100,000
Range of services provided		Holywell only = 36	36	36
IPME6M3 - Customer satisfaction rating		Holywell only = 100% based on	80% - 90%	80% - 90%

Appendix B – Extract of the ‘How we measure achievement’ document

		verbal feedback		
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2. Review and improve our Customer Service Standards.

Achievement will be measured through:

Customer satisfaction ratings

Achievement Milestones for strategy and action plans:

Approval of the revised Customer Service Standards by December 2014

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
CUSM1L - Efficient Complaints Handling: The percentage of initial complaints responded to within 10 working days	Chief Officer – Community & Enterprise	83.93%	84%	85%

3. Extend and improve (i) customer access to Council information and services using technology and (ii) opportunities for participation in consultation exchanges etc.

Achievement will be measured through:

Number of customers using technology to access Council information and services

Number of customers using technology to participate in consultation exchanges etc.

Customer feedback

Percentage of customers having their needs met at first point of contact

Achievement Milestones for strategy and action plans:

Establish and implement a system for reporting the percentage of customers having their needs met at first point of contact by 31 March 2015.

Appendix B – Extract of the ‘How we measure achievement’ document

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target
IPME6M4 - Scale and take-up of the new digital services (no. of visitors) per annum	Chief Officer – Community & Enterprise	2,001,881	2,000,000	2,000,000
IPME6M5a - Customer feedback: satisfied with visit to website *		Not Available	80%	85%
IPME6M5b - Customer feedback: successfully found what they were looking for *		Not Available	80%	85%
IPME6M6 - Take-up of Flintshire’s Mobile App		293	200	200
IPME6M7 - No. of enquiries received via the mobile app		393	150	150

* Subject to availability of website take up survey

Achievement Measure	Flintshire Performance 2012/13	Flintshire Rank and Quartile	Wales Average 2012/13 (median)	Best in Wales 2012/13	Upper Quartile 2012/13	Worst in Wales 2012/13
CHR/002 – The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence	11%	15 th Mid Quartile	10.2%	6.1%	9%	11.9%
CAM/001b (i) - Percentage of the total value of required maintenance to Priority 1 (Urgent) Works	3.1%	8 th Mid Quartile	5.2%	0%	1.7%	32.9%
CAM/001b (ii) - Percentage of the total value of required maintenance to Priority 2 (Essential) Works	34.1%	5 th Top Quartile	46.9%	15.9%	35.9%	73.5%
CAM/001b (iii) - Percentage of the total value of required maintenance to Priority 3 (Desirable) Works	62.8%	17 th Bottom Quartile	43.2%	20.7%	30%	69.2%

2013/14 data is not yet available for comparative purposes

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FLINTSHIRE COUNTY COUNCIL

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

DATE: **WEDNESDAY, 2ND JULY 2014**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2013/14 (MONTH 12)**

1.00 PURPOSE OF REPORT

1.01 To provide members with the Revenue Budget monitoring 2013/14 report as at month 12.

2.00 BACKGROUND

2.01 Revenue budget monitoring reports are provided on a monthly basis to Corporate Resources Overview & Scrutiny Committee before being presented to Cabinet in the same cycle.

3.00 CONSIDERATIONS

3.01 The revenue budget monitoring report as at month 12 is attached which is scheduled for Cabinet on 17 June 2014.

4.00 RECOMMENDATIONS

4.01 Members are asked to note the report.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix A – Revenue Budget Monitoring 2013/14 (Month 12) report

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

Contact Officer: Sara Dulson
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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 17 JUNE 2014**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2013/14 (MONTH 12)**

1.00 **PURPOSE OF REPORT**

1.01 To provide Members with the latest revenue budget monitoring information for 2013/14 for the Council Fund and the Housing Revenue Account based on actual income and expenditure as at Month 12 based on the most up to date information available.

1.02 **INDEX OF CONTENTS**

Section 2	Executive Summary
Section 3	Council Fund Latest In Year Forecast
Section 4	Inflation
Section 5	Monitoring Budget Assumptions & Risks
Section 6	Unearmarked Reserves
Section 7	Housing Revenue Account
Appendix 1	Council Fund - Movement in Variances from Month 11
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
Appendix 10	Carry Forward Requests

2.00 **EXECUTIVE SUMMARY**

The projected year end position, as estimated at Month 12 is as follows:

Council Fund

- Net in year expenditure forecast to be £3.152m less than budget. (An increase of £0.937m on the £2.215m reported at Month 11).

- Projected contingency reserve balance at 31 March of £5.093m.

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.124m less than budget (£0.171m as at Month 11).
- Projected closing balance at 31 March 2014 of £1.533m

3.00 COUNCIL FUND LATEST IN YEAR FORECAST

3.01 The table below shows a projected positive variation of expenditure against budget of £3.152m.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	In-Year Over / (Under) spend	
			Month 11	Month 12
	£m	£m	£m	£m
<u>DIRECTORATES (Service Groups)</u>				
Services for Adults	45.642	44.485	(0.780)	(1.434)
Services for Children	11.906	12.144	0.712	1.150
Housing Services	1.800	1.746	(0.254)	(0.281)
Development & Resources	1.688	1.628	0.114	0.013
TOTAL : COMMUNITY SERVICES	61.036	60.003	(0.208)	(0.552)
Assets and Transportation	6.015	5.139	(0.175)	(0.143)
Planning	1.708	1.717	(0.042)	(0.039)
Public Protection	3.455	3.465	(0.073)	(0.076)
Regeneration	0.715	0.705	0.032	0.027
Streetscene	19.320	20.005	0.331	0.306
Mgt, Support & Performance	1.088	1.076	(0.023)	(0.030)
TOTAL : ENVIRONMENT	32.301	32.107	0.050	0.045
Culture & Leisure	6.876	6.363	0.314	0.279
Inclusion Services	14.058	13.331	0.027	0.080
Primary School Services	43.374	43.723	(0.176)	(0.174)
Secondary School Services	36.638	37.725	(0.010)	0.003
Development & Resources	12.118	12.310	(0.313)	(0.264)
TOTAL : LIFELONG LEARNING	113.064	113.452	(0.158)	(0.076)
Chief Executive	2.356	2.303	(0.123)	(0.135)
Finance	14.265	14.225	(1.039)	(1.259)
HR & OD	2.427	2.749	(0.022)	(0.041)
ICT & Customer Services	4.922	5.048	(0.018)	(0.115)
Legal & Democratic Services	3.145	3.142	(0.148)	(0.146)
TOTAL : CORPORATE SERVICES	27.115	27.467	(1.350)	(1.696)
TOTAL DIRECTORATES	233.516	233.029	(1.666)	(2.279)
Central and Corporate Finance	26.236	26.723	(0.549)	(0.873)
Total	259.752	259.752	(2.215)	(3.152)

- 3.02 The table in 3.01 shows an increase of £0.937m on the projected underspend of £2.215m reported at Month 11 and the main reasons for the movement are detailed below.

Community Services

Within Community Services there has been an overall increase in the underspend of £0.344m which relates to a number of factors including additional income from charging clients for care within residential services, additional income from the Health Board within Social Services for Adults and lower than anticipated care costs for transition due to the timing of clients entering the service.

Corporate Services - Finance

Finance is reflecting an overall improved position of £0.220m, the majority of which relates to the net impact of year end changes in relation to the Revenues and Benefit Service, including the level of bad debt provision, subsidy receivable and the collection fund surplus.

Central & Corporate Finance

Within Central & Corporate Finance there is a positive variance of £0.100m due an accounting adjustment as a result of the sale of the Council's claims in LBI (formerly Landisbanki), additional rental income of £0.134m for Unity House in Ewloe and additional income from investments of £0.060m. In addition to this a lower provision is required to pay debt on capital expenditure (Minimum Revenue Provision) which has resulted in an additional underspend of £0.060m.

- 3.03 The original budget column reflects in-year virements which have been approved in compliance with Financial Procedure Rules.
- 3.04 All the movements for Month 12 are summarised in Appendix 1 with the detailed reasons for all variances by Directorate summarised within Appendices 2 to 8.

Carry Forward Requests

- 3.05 As reported in the Month 11 report, a number of carry forward requests have been reviewed during the month and been identified as requiring carry forward into 2014/15. Each request is detailed in Appendix 10.

Programme of Efficiencies

- 3.06 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. The analysis shows that it is projected that £4.213m (79%) will be achieved resulting in a net underachievement of £1.118m. Full details are shown in Appendix 9.

Status of Efficiency	Value of Budgeted Efficiency £m	Value of Projected Efficiency £m	(Under) Over Achievement £m
Already Achieved	3.454	3.454	0.000
Expected to be achieved in full	0.451	0.451	0.000
Achievable in part	0.516	0.308	(0.208)
Not achievable	0.910	0.000	(0.910)
Total	5.331	4.213	(1.118)

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 were included in the budget and held centrally. Allocations have been made to service areas as outlined below:

- £0.255m in respect of Energy for Street Lighting
- £0.161m in respect of Energy (electricity and gas for property)
- £0.187m in respect of Fuel
- £0.141m in respect of Food

An amount of £0.036m remains unallocated and is included in the projected underspend within Central & Corporate.

5.00 MONITORING BUDGET ASSUMPTIONS AND RISKS

5.01 Along with its strategic partners, the Council has intervened in relation to the former chemical plant in Sandycroft (Euticals Ltd). Estimated costs have been revised and the expenditure in 2013/14 is £0.288m a reduction from the £0.300m previously reported in Month 11. The site is being managed and the specialist advisors appointed by Flintshire are preparing the tender documents for the decommissioning work and phase 1 of the work should be ready to go out to tender at the end of June.

5.02 As we are now nearing the end of the financial year there is a reduced risk of significant changes occurring, however, the final outturn will not be known until the accounts have been closed down and reported in July.

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 In accordance with International Accounting Standards (IAS 19), any known costs that are associated with termination benefits in relation to the workforce efficiencies must be accounted for in the relevant financial year. Due to the advanced stage of the Senior Management phase 1 review as at 31st March 2014 there is a need to make provision for the relevant exit costs in the 2013/14 financial year.
- 6.03 A provision has been made in the 2014/15 budget for these exit costs. However to meet the requirements of IAS 19 and to ensure that these costs are accounted for correctly they costs have initially been met from the contingency reserve in 2013/14, but will be repaid in 2014/15 from the budgeted allocation.
- 6.04 After 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 £5.093m.

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 £0.124m and a projected closing balance at Month 12 of £1.533m, which at 5.36% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.
- 7.04 **Carry Forward Request**
Within the Month 11 report an amount of £0.085m was approved to be carried forward to fund software costs in relation to job scheduling and PDA's (Personal Digital Assistant hand held devices). A further review of this area in Month 12 has identified that the amount needed to be carried forward is now £0.180m (£0.070m for PDA's and £0.110m for software).

It is therefore requested that the additional amount of £0.095m be approved for carry forward into 2014/15.

7.05 Appendix 8 details the reasons for the significant variances occurring to date and the actions planned to deal with them.

8.00 RECOMMENDATIONS

Members are recommended to:-

- a) Note the overall report.
- b) Note the projected Council Fund contingency sum as at 31st March 2014 (paragraph 6.04).
- c) Note the projected final level of balances on the Housing Revenue Account (paragraph 7.03).
- d) Approve the carry forward requests (Appendix 10) and para 7.04.

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 11 - 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

Carry Forward Requests – Appendix 10

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 12)
Summary of Movement from Month 11

	£m	£m
Month 11		
Service Directorates	(1.666)	
Central and Corporate Finance	(0.549)	
Variance as per Cabinet Report		(2.215)
Month 12		
Service Directorates	(2.279)	
Central and Corporate Finance	(0.873)	
Variance as per Directorate Returns		(3.152)
Change Requiring Explanation		(0.937)
Community Services		
Services For Adults		
• Intake & Reablement (Resource and Regulated Services) - Additional income from charging for residential services to clients (-£0.081m), allocation of energy non-standard inflation (-£0.035m)	(0.117)	
• Intake & Reablement (Reablement Service) - Additional income from health board (-£0.030m), rebate on overpaid energy costs (-£0.013m)	(0.046)	
• Locality Teams - Residential Services (-£0.144m) -including additional property income (-£0.118m), recovered payment from self funding client (-£0.025m), offset by movement of +£0.055m on Minor Adaptations due to a backlog of invoices being paid late in the year.	(0.085)	
• Disability Services (Resource and Regulated Services) - a review of transition client costs has taken place. Due to the timing of transition clients entering this service full costs were not known until recently. The actual care costs are less than originally anticipated.	(0.204)	
• Disability Services (Vulnerable Adults and Disability Service) - a review of transition client costs has taken place. Due to the timing of transition clients entering this service full costs were not known until recently. The actual care costs are less than originally anticipated.	(0.108)	
• Disability Services (Administrative Support) - reduced expenditure on advocacy fees	(0.041)	
• Mental Health Services (Residential & Domiciliary) - the reduction of expenditure reflects the changes in package costs	(0.028)	
• Mental Health Services (Forensic budget) - the increase in expenditure reflects changes in package costs	(0.033)	
• Other minor changes of less than £0.025m for Services for Adults	0.008	
Subtotal: Services for Adults		(0.654)
Development & Resources		
• Business Systems & Financial Assessments - Committed expenditure on IT software and hardware not utilised, savings on stationery due to budgets being centralised and unbudgeted Supporting People grant income	(0.050)	
• Good Health team - commitments for third party payments not utilised	(0.051)	
Subtotal: Development & Resources		(0.101)
Services For Childrens		
• Out of county placements - changes in placement costs (+£0.057m), transfer of client from leaving care service (£0.087m)	0.145	
• Professional Support - increase in projected costs for clients leaving care	0.244	
• Special Projects (Flying Start) - grant clawback from 2012/13	0.046	
• Other minor changes of less than £0.025m	0.003	
Subtotal: Services For Childrens		0.438
Housing Services		
• Other minor changes of less than £0.025m	(0.027)	
Subtotal: Housing Services		(0.027)
Total: Community Services		(0.344)

Environment

Assets & Transportation	
• Valuations & Estates - actual income from Deeside Power lower than originally estimated due to reducing power generation levels but this was not known until April 2014	0.068
• Highways & Transportation - Increased staff recharge income and lower than anticipated design fee charges	(0.024)
• Other minor changes of less than £0.010m	(0.012)
Subtotal: Assets & Transportation	0.032
Planning	
• Other minor changes of less than £0.010m	0.003
Subtotal: Planning	0.003
Public Protection	
• Other minor changes of less than £0.010m	(0.003)
Subtotal: Public Protection	(0.003)
Regeneration	
• Other minor changes of less than £0.010m	(0.005)
Subtotal: Regeneration	(0.005)
Streetscene	
• Winter Maintenance - milder winter conditions with lower than projected salt usage	(0.026)
• Other minor changes of less than £0.010m	0.001
Subtotal: Streetscene	(0.025)
Management Support & Performance	
• Other minor changes of less than £0.010m	(0.007)
Subtotal: Management Support & Performance	(0.007)
Total: Environment	(0.005)

Lifelong Learning**Culture & Leisure**

• Leisure Services - minor variances.	(0.009)
• Libraries, Culture & Heritage - the underspend has increased by £0.026m since period 11. This relates to minor changes across Libraries & Arts, Records Management and Museums.	(0.026)
Subtotal: Culture & Leisure	(0.035)

Inclusion Services

• Out of County - the projected expenditure has increased by £0.055m since month 11. The major increases relate to one new placement costing £0.028m, reduced health contributions of £0.020m and a change of placement costing £0.024m. Savings of £0.017m relate to minor changes to several final invoices.	0.053
Subtotal: Inclusion Services	0.053

Primary School Services

• Primary School Services - minor variances.	0.002
Subtotal: Primary School Services	0.002

Secondary School Services

• Secondary School Services - minor variances.	0.013
Subtotal: Secondary School Services	0.013

Development & Resources

• Children, Youth & Community - £0.049m relates to clawback of the Flying Start Grant relating to ineligible expenditure identified during the audit process. The remainder relates to minor variances.	0.041
• Schools ICT Services - minor variances	(0.005)
• Business Units - the projection has increased since period 11 by £0.012m on unexpected insurance claims and £0.016m on mobile classrooms. The remaining £0.002m relates to minor variances.	0.030
• Facilities - minor variances.	(0.005)
• Management & Business Support - minor variances.	(0.012)
Subtotal: Development & Resources	0.049
Total: Lifelong Learning	0.082

Corporate Services

• Legal and Democratic Services - Members Services increased underspend (£0.013m), reduced Staff Recharges £0.015m	0.002
• HR and Organisational Development - reduction in DBS expenditure (£0.003m), vacancy savings (£0.010m), Occupational Health external support (£0.014m), minor variances £0.008m	(0.019)
• ICT and Customer Services - postage spend (£0.006m), vacancy savings (£0.004m), ICT services efficiencies (£0.065m), Procurement efficiencies (£0.022m)	(0.097)
• Finance - vacancy savings including staff recharges to Services (£0.066m), HB Subsidy and Council Tax variances (£0.154m)	(0.220)
• Chief Executives Department - Community Strategy underspend (£0.013m), other minor variances £0.001m	(0.012)
	(0.346)

Central & Corporate Services

• Sale of Claims in relation to Landsbanki resulting in adjustment to carrying value of impairment	(0.100)
• Lower provision required to pay debt on capital (Minimum Revenue Provision)	(0.060)
• Movement in relation to actual income received at year end being higher than projected throughout the year	(0.060)
• Additional income in relation to Unity House Ewloe	(0.134)
• Other minor variances	0.030
	(0.324)

Total Changes**(0.937)**

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Services for Adults						
Hospital Social Work (Intake and Reablement)	0.405	0.362	(0.043)	(0.044)	The underspend is mostly due to a Hospital Social Worker covering in the Crisis Intervention Team. These costs (£0.038m) are recovered from Health.	One-off.
Resources and Regulated Services (Intake and Reablement)	5.410	4.964	(0.446)	(0.328)	<u>Extra Care</u> Projected underspend on Llys Jasmine (£0.351m) is due to an initial delay in opening the facility, less a £0.005m overspend on Llys Eleanor <u>In-house Domiciliary Care</u> underspend (£0.082m) due to greater use of reablement and independent sector care providers. <u>Client Transportation Service</u> underspend (£0.034m) relates to staff vacancies. <u>Day Services</u> underspend (£0.051m) mostly due to vacancies (£0.042m) - plus other minor underspends These underspends are offset by a projected overspend within <u>In-house Residential Service</u> (£0.067m) due to the need to ensure staff cover (£0.195m) additional premises costs (£0.029m) and additional supplies and services (£0.044) offset by client (£0.151m) and Health (£0.050m) income.	<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. <u>Client Transportation Service</u> Underspend adjusted in budget rationalisation. <u>Residential Service</u> further work required to determine the most appropriate way to address the overspend.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Locality Teams (Localities)	13.881	13.830	(0.051)	0.033	<p><u>Older People Services</u></p> <ul style="list-style-type: none"> > Locality Teams are together expected to underspend (£0.183m) mostly due to vacant posts. > Purchased domiciliary costs are projected to overspend (£0.094m) due to additional service user costs. > Purchased residential costs are projected to underspend (£0.046m) due to additional service user costs. > Early Onset Dementia is projected to overspend (£0.062m) due to purchased domiciliary care costs. > Minor adaptations overspend (£0.035m) due to increased client demand 	<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)	15.735	15.312	(0.423)	(0.220)	<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 12)

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	0.771	0.113	0.106	This is mostly due to overspends against staff pay costs (£0.030m), third party payments (£0.039m), transport (£0.024m), transfer payments (£0.020m), and a shortfall of grant income of £0.028m. (Supporting People), offset by some additional other grant income.	Keep under review.
Disability Services (Disability Services)	1.580	1.493	(0.087)	0.021	Reduction in staffing costs	Keep under review.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Administrative Support (Disability Services)	0.392	0.418	0.026	0.067	This is mostly due to an overspend against staff pay costs (£0.152m) and premises costs (£0.005m)	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.654	0.559	(0.095)	(0.067)	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)	0.829	0.720	(0.109)	(0.115)	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 12)

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	0.161	(0.144)	(0.110)	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	0.515	0.033	0.027	Reflects current care packages for 2013/14.	
Other Services for Adults variances (aggregate)	4.154	3.946	(0.208)	(0.150)	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	44.485	43.051	(1.434)	(0.780)		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Development & Resources						
Vacancy Control	(0.100)	0.000	0.100	0.100		Realignment of vacant posts
Business Systems & Financial Assessments	1.084	1.015	(0.069)	(0.019)	Underspend on IT software and hardware, stationery and unbudgeted Supporting People grant income	
Other Development & Resources variances (aggregate)	0.644	0.626	(0.018)	0.033	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	1.628	1.641	0.013	0.114		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Services for Children						
Family Placement (Children's Services)	1.977	2.361	0.384	0.372	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)	0.334	0.277	(0.057)	(0.041)	The underspend within this area is mostly due to vacant posts.	One-off.
Professional Support (Children's Services)	5.496	5.690	0.194	(0.050)	Additional numbers of leaving care clients resulting in higher total placement costs.	

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Out of County Pooled Budget (Children's Services)	3.178	3.755	0.577	0.432	Costs reflect existing placements up until March 2014, and include transfer of costs for one client who was previously accounted for within the leaving care service.	The focus of high cost placements is now a North Wales project and will continued to be reviewed.
Other Services for Children variances (aggregate)	1.159	1.211	0.052	(0.001)	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	12.144	13.294	1.150	0.712		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Housing Services						
Homelessness Accommodation (Housing Services)	0.360	0.147	(0.213)	(0.203)	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)	1.106	1.101	(0.005)	(0.008)	Service recently undergone a restructure now fully reflected within projection.	Restructure now implemented.
Other variances (aggregate)	0.280	0.217	(0.063)	(0.043)	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	1.746	1.465	(0.281)	(0.254)		
Total:	60.003	59.451	(0.552)	(0.208)		

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 11 (£m)	Cause of Variance	Action Required
Assets & Transportation						
Industrial Units	5.139 (1.241)	4.996 (1.264)	(0.143) (0.023)	(0.175) (0.074)	Estimated net income shortfalls across the Industrial Estate portfolio have been offset by the Wales Audit Office recommendation, that a provision for income relating to Deeside Power of £200k due in May 2014, should now be made in 2013/14. The actual income figure was not received until April 2014 and this is £65k less than projected due to reducing energy generation at the plant.	
Property Holdings	0.083	0.057	(0.026)	(0.037)	Lower than anticipated NNDR charges	Review of site budgets necessary in line with asset management programme
Property Asset & Development	0.528	0.430	(0.098)	(0.098)	Net Vacancy Savings	
Highways Development Control & Regulatory Services	0.813	0.876	0.063	0.063	Lower than anticipated levels of income for Fixed Penalty Notices (based on improving standards of repair by utility companies) & road closures. A commitment of £60k is included as a provision for a potential claim. The improving position at Period 12 is due to additional staff recharge income and lower than anticipated design fee recharges.	
Transportation	1.469	1.410	(0.059)	(0.055)	Bus Subsidy payments to Bus Operators that have reduced due to re-negotiated contract prices.	
Aggregate of other Variances	3.487	3.487	0.000	0.006		

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 11 (£m)	Cause of Variance	Action Required
Planning	1.717	1.678	(0.039)	(0.042)		
	0.363	0.356	(0.007)	0.001	Minor improvement on planning fee income at Period 12.	
Aggregate of other Variances	1.354	1.322	(0.032)	(0.043)	Net Vacancy Savings and staff recharge income for specialist planning advice to neighbouring authorities.	
Public Protection	3.465	3.389	(0.076)	(0.073)		
Community Protection	1.243	1.181	(0.062)	(0.048)	Includes a Court Costs award following the successful prosecution of Talacre Park Holiday Park by the Health & Safety Enforcement Team.	
Aggregate of other Variances	2.222	2.208	(0.014)	(0.025)	Net Vacancy Savings	
Regeneration	0.705	0.732	0.027	0.032		
Streetscene	20.005	20.311	0.306	0.331		
Waste Disposal & Waste Collection	9.706	10.082	0.376	0.359	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 Due to operational issues experienced with the leachate treatment plant, income will be affected slightly due to reduced capacity.	Consider impact on MTFP going forward

ENVIRONMENT

APPENDIX 3

Budget Monitoring 2013/14 (Month 12)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 11 (£m)	Cause of Variance	Action Required
Winter Maintenance	0.999	0.919	(0.080)	(0.050)	Planned winter maintenance turnouts matched an average winter. However, there were no significant snow events so this has resulted in reduced costs and less Rock Salt being required than previous projections indicated.	
Aggregate of other Variances	9.300	9.310	0.010	0.022	Increased cost of winter flooding events	
Management Support & Performance	1.076	1.046	(0.030)	(0.023)		
Management Support & Performance	1.076	1.046	(0.030)	(0.023)	Net Vacancy Savings ahead of service review implementation and reduced commitments on supplies and services budgets.	
Total :	32.107	32.152	0.045	0.050		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Culture & Leisure	6.363	6.642	0.279	0.314	<p>School Library Service (£0.099m saving) 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>Libraries, Culture & Heritage (£0.048m saving) Minor variances</p> <p>Leisure Services (£0.426m pressure) A pressure of £0.026m relates to Swim Flintshire, this programme ceased in August 2013. A saving of £0.145m relates to reduced salary costs across centres. £0.363m relates to pressures on income across centres. Pressures of £0.115m relate to premises costs. The remaining £0.067m relates to minor variances.</p>	
Inclusion Services & Special Schools	13.331	13.411	0.080	0.027	<p>Inclusion Services & Special Schools (£0.082m pressure) £0.087m relates to existing Out of County placements.</p>	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Primary School Services	43.723	43.549	(0.174)	(0.176)	Primary School Services (£0.174m saving) £0.030m relates to controls on expenditure on supplies and services budgets. £0.141m relates to savings on 3 year old placements in maintained and non maintained settings in the Early Entitlement budget. £0.005m relates to additional regional costs for Welsh in Education. £0.008m relates to minor savings on School SLA income.	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Secondary School Services	37.725	37.728	0.003	(0.010)	Secondary School Services (£0.003m pressure) Minor Variances	
Development & Resources	12.310	12.046	(0.264)	(0.313)	Schools ICT (£0.154m saving) 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 uncommitted expenditure in Schools ICT. Service Units (£0.018m saving) Pressures of £0.102m on Pupil Support (Free School Meals, School Trips and Music Remissions) have been offset by estimated savings on Mobile Classrooms (£0.080m), Insurance (£0.035m) and other minor variances of £0.005m. Facilities Services (£0.042m saving) Minor Variances Management & Business Support (£0.050m saving) £0.006m relates to Governor Training, £0.013m to the directorate training budget, £0.014m relates to printing, stationery and other office expenditure. The remaining £0.017m relates to other minor variances (subscriptions, telephones etc.).	
Total :	113.452	113.376	(0.076)	(0.158)		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Chief Executive	2.303	2.168	(0.135)	(0.123)	<p>£0.017m Corporate voluntary sector contribution to Dangerpoint</p> <p>(£0.094m) Vacancy savings</p> <p>(£0.020m) Corporate Communications efficiencies including Consultation and Public Relations</p> <p>(£0.013m) Community Strategy efficiency</p> <p>(£0.024m) use of LSB Grant to offset in year costs</p> <p>(£0.001m) minor variances</p>	
Finance	14.225	12.966	(1.259)	(1.039)	<p>The overall position for Finance is reflecting an in year underspend of £1.259m at Month 12 which is an improvement of £0.220m on the Month 11 position.</p> <p>Of the above, (£0.202m) relates to net vacancy savings on the service following in year realignment of budget.</p> <p>The remaining (£1.057m) reflects an improvement of £0.154m, which is due to a number of factors including a reduced shortfall in Council Tax Reduction Scheme funding and additional surplus on Council Tax Collection Fund and Housing Benefits Subsidy (including overpayments and Discretionary Housing Payments). The movement is mainly as a result of a recalculated provision for bad debt as a result of year end accounting which has contributed to the improved position.</p>	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Legal & Democratic Services	3.142	2.996	(0.146)	(0.148)	(£0.013m) net Vacancy savings including the use of Agency/Locums and recharges (£0.036m) Members Services underspend (£0.091m) Members Allowances underspend (inc. training, travel etc.) (£0.012m) reduced Legal Subscriptions expenditure £0.015m reduced Staff recharge for Legal Services (£0.009m) minor variances	
Human Resources & Organisational Development	2.749	2.708	(0.041)	(0.022)	(£0.028m) reduced DBS Check expenditure (£0.030m) Vacancy savings (£0.014m) reduced external Occupational Health support £0.033m loss of income from external organisations (£0.002m) minor variances	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
ICT & Customer Services	5.048	4.933	(0.115)	(0.018)	£0.039m postage costs (£0.022m) Customer Services Vacancy savings (£0.014m) additional Registrars Income (£0.024m) ICT Strategy underspend (£0.065m) other ICT Services underspends including lower in-year Package Software costs than anticipated (£0.022m) Procurement efficiency due to recharge to 3 County Procurement Project (£0.007m) minor variances	
Total :	27.467	25.771	(1.696)	(1.350)		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Central Loans & Investment Account	15.283	14.788	(0.495)	(0.263)	Minimum Revenue Provision (MRP) (-£0.060m), impact of change in the capital programme. Internal Interest £0.025m overspend Commuted sums higher than expected. Debt management (-£0.012m, staff recharges lower than expected. Sale of claims of Landsbanki (-£0.100m) underspend. Investment Income (-£0.060m) cash balances higher than projected. Other income (-£0.020m) higher than expected.	Continue to monitor in line with Treasury Management Strategy.
Coroners	0.193	0.263	0.070	0.055	Quarter 4 Coroners recharge was an estimated accrual based on data received from Denbighshire County Council, this invoice has now been received resulting in a £0.015m variance	Regular monitoring with Denbighshire County Council undertaken on in year spend
Centrally Held Provisions	3.109	1.992	(1.116)	(1.137)	Net budget adjustments of (£0.680m) as approved in the Month 3 report (Community Services £1.185m, Leisure Management (-£0.505m) Over recovery of corporate windfall income (£0.226m) (First Steps Imp Package) Additional income for Unity House Ewloe (-£0.134m). Other minor variances (£0.024m).	Budgets are considered as part of 2014/15 Council Budget
Central Service Recharges	(1.590)	(1.244)	0.346	0.311	Shortfall of £0.346m of internal income, now not recoverable from ex trading accounts.	Subject to an overall review of Support Services
Former Euticals Ltd - Sandycroft site	0.000	0.288	0.288	0.300	Costs have been revised for 2013/14.	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)	(0.192)	0.123	0.125	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	(0.051)	0.033	0.084	0.080	Under achievement of efficiency within the Invest to Change programme.	Continued challenge of spend categories will support further efficiencies in 2014/15.
Other variances - aggregate	10.094	9.921	(0.173)	(0.020)	Reduced Carbon Commitment (£-0.045m). Credit for monies held with insurance (-0.021m). Increased Misc Write Offs (-0.034m). Residual balance of (£-0.027m) for Regional Transformation Fund. Post levy receipt of (-0.025m) for MMI from four ex Clwyd constituent Authorities. Other minor variances (-£0.021m).	
Total :	26.723	25.849	(0.873)	(0.549)		

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		3.706
Less - Amount approved by Council on 1 st March for funding of one-off costs in the 2013/14 budget proposals		(0.297)
Less - Amount approved by Cabinet on 16 th 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		3.159
Add projected underspend as at 31 st March 2014		3.152
Less - Actual severe weather recovery costs		(0.473)
Less – contribution to termination benefits relating to workforce efficiencies – Senior Management Phase 1.		(0.745)
Projected Level of Total Contingency Reserve as at 31st March 2014		5.093

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
HRA Subsidy	6.167	6.328	0.162	0.189	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 (£0.031m) calculated on Advance Final return.	
Rents	(26.946)	(27.182)	(0.236)	(0.202)	Actual bad debt provision saving of (£0.226m).	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Repairs and Maintenance	8.393	8.754	0.361	0.255	<p>Net under spend of (£0.201m) variance on salaries due to long term vacancies and recruitment freeze in place.</p> <p>Agreed Subcontractor overspend of £0.268m due to adverse weather conditions . There has been an increase in the number of major works on void properties throughout the last quarter of the financial year. As a whole the service has completed 3000 more jobs compared to last year. Sub contractors have also been encouraged to use Travis Perkins to source materials which in turn increases our net profit with them.</p> <p>(£0.070m) variance is based on the carry forward request for Personal Digital Assistant costs which will be purchased in 2014/15.</p>	<p>Housing Asset Management Team is working closely with Travis Perkins on price reductions due to the volume of materials being purchased through the partnership arrangement.</p> <p>An in-house kitchen team is being created to undertake kitchen installations in void properties which will reduce the level of subcontractor spend in this area.</p>

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Finance & Support	2.656	2.226	(0.430)	(0.243)	<p>Support Recharges reflected at 2012/13 actuals, saving (£0.106m). Information on 2013/14 has been requested.</p> <p>Pension Fund Strain costs (£0.080m) lower than anticipated creating saving.</p> <p>Insurance claim non-reimbursement reviewed and reflected at 2012/13 figures, saving (£0.034m)</p> <p>Variance is based on the carry forward requests totalling (£0.125m) which are to be actioned in 2014/15 (£0.110m) due to software costs not materialising in 2013/14 but will be purchased in 2014/15. (£0.015m) due to Maisonettable budget not being fully spent in year.</p>	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Housing Estates	1.852	1.705	(0.147)	(0.181)	Procurement reimbursement for screening received in amount of (£0.058m). Void clearance recharges generating a further (£0.017m) income. Water commission generated a further (£0.034m) of income due to early bird discount scheme which offsets the £0.055m variance on the water bill. Cancellation of cleaning contract saving (£0.005m) on maisonette blocks. Salary savings of (£0.067m) over all areas.	
Other variances (aggregate)	8.375	8.541	0.166	0.011		
Total :	0.497	0.372	(0.124)	(0.171)		

Month 12

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	
Fees & Charges (APPENDIX 7a)						
<i>Community Services</i>						
Residential Charging - Increased Income From Demand	0.100	✓				
Mental Health Service Users	0.018	✓				
TOTAL	0.118					
Service Change (APPENDIX 7b)						
<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 12

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	✓				
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 £0.027.
Preventative foster care service - day care	0.005	✓				
TOTAL	0.456					
Procurement (APPENDIX 7c)						
<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	✓				

Month 12

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	
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 £0.432
Transport Review - revised contracts	0.025	✓				
TOTAL	0.686					
Organisational Design (APPENDIX 7d)						
<i>Community Services</i>						
Review of Supported Living Service	0.350				✓	The efficiency is fully achievable from 2014/15, as a result of implementation of the new structure from April 2014. An extensive consultation achieved a successful outcome, and retention of staff goodwill going forward. Some savings have been made as a result of right sizing.
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	✓				
TOTAL	0.458					

Month 12

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	
Fees & Charges (APPENDIX 7a)						
<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 under recovered by £15k due to capacity issues at the leachate treatment plant.
TOTAL	0.140					
Service Change (APPENDIX 7b)						
<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 (HAMP) -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 12

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 Caerwys 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.
TOTAL	0.780					
Procurement (APPENDIX 7c)						
<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 12

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
TOTAL	0.144					
Organisational Design (APPENDIX 7d)						
<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
TOTAL	0.020					
Other Efficiencies (APPENDIX 7e)						
<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
TOTAL	0.050					

Month 12

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	
Fees & Charges (APPENDIX 7a)						
<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 £0.162m.
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.
TOTAL	0.207					
Service Change (APPENDIX 7b)						
<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.

Month 12

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.
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 no longer required during 2013/14.
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	✓				
TOTAL	0.192					

Month 12

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	
Procurement (APPENDIX 7c)					
<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	✓			
TOTAL	0.466				

Organisational Design (APPENDIX 7d)					
<i>Lifelong Learning</i>					
Libraries - Flexible retirement	0.015	✓			
Libraries - Library Service Review	0.037	✓			
TOTAL	0.052				

Other Efficiencies (APPENDIX 7e)					
<i>Other Efficiencies</i>					
Demographic Change in Schools (pupil numbers)	0.132	✓			
TOTAL	0.132				

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	
Fees & Charges (APPENDIX 7a)					
<i>FINANCE - Corporate Services</i>					
Revenues - increased number of Council Tax fines	0.027			✓	
<i>ICT & CUSTOMER SERVICES - Corporate Services</i>					
Registrars - increased fees	0.019	✓			
Network Services - income from hosting PSBA equipment	0.004	✓			
<i>LEGAL & DEMOCRATIC - Corporate Services</i>					
External Fees - conveyancing / S106 agreements	0.015	✓			
TOTAL	0.065				
Service Change (APPENDIX 7b)					
<i>Chief Executive - Corporate Services</i>					
Corporate Comms - reduced workforce bulletins	0.003	✓			
<i>HR & OD - Corporate Services</i>					
CRB checks - review of options	0.035	✓			
<i>LEGAL & 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	✓			
TOTAL	0.138				

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	
Procurement (APPENDIX 7c)					
<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	✓			
ICT & CUSTOMER SERVICES - Corporate Services					
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	✓				
TOTAL	0.245					
Organisational Design (APPENDIX 7d)						
<i>Chief Executive - Corporate Services</i>						
Reduction in mileage travelled - Emergency Planning	0.001	✓				
TOTAL	0.001					

Month 12

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	
Service Change (APPENDIX 7b)						
<i>Central & Corporate Finance</i>						
Clywd Theatr Cymru - agreed reduction to contribution	0.015	✓				
TOTAL	0.015					
Procurement (APPENDIX 7c)						
<i>Central & Corporate Finance</i>						
Flintshire Futures - E-procurement and improved processes	0.102	✓				
Flintshire Futures - Internal Fleet Review	0.160	✓				
TOTAL	0.262					
Other Efficiencies (APPENDIX 7e)						
<i>Central & 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					✓

Month 12

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
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
TOTAL	0.704				

Appendix 10

Carry Forward Requests

Various requests to carry forward funding into 2014/15 for specific items have been received as detailed in the Month 11 Monitoring report. These have now been considered and the recommendations noted below:

1. Investment in Organisational Change

Central and Corporate Finance – Flintshire Futures

Request to carry forward previously approved funding of £0.705m for Flintshire Futures programmes still to be completed as identified in the Investment Strategy Paper. **Risk/impact of non approval will impact on the achievement of budgeted efficiencies**

2. Lifelong Learning – Education ICT

Requested carry forward of £0.220m to contribute towards the implementation of replacement server infrastructure. Refer to attached business case. **Risk/Impact of non approval will mean the project will be unable to be completed due to the lack of resources available.**

3. Historical previously agreed brought forward balances.

Lifelong Learning

A balance of £0.026m was approved to be carried forward from 2012/13 for School Organisation Review costs. This amount has been committed to improvements at the new welsh nursery provision in Shotton and this work was not able to be completed during 2013/14. Lifelong Learning requests permission to carry forward this balance to 2014/15 to fund the project. **Risk/Impact of non approval will jeopardise the Council's ability to complete the improvements.**

Corporate Services – Chief Executive

FCC was awarded a one off grant allocation of £0.035m to complete the Emergency Planning Collaborative project which was previously carried forward from 2012/13. Due to delays in the implementation of the project, which is now set to be completed by July 2014, it is requested to carry forward the remaining balance of £0.014m. **This relates to grant funding awarded for the specific purpose of the collaborative project and therefore needs to be carries forward for that purpose.**

Corporate Services – Legal & Democratic Services

Request to carry forward £0.030m in 2014/5 for the purchase and installation of new Legal software in order to meet the North Wales Authorities collaboration agenda, due to the delay in the procurement of the software package and the negotiation of the cost. This is partly payable from the carry forward of £0.022m in 2012/13 (Case File & Jaws) and the remaining balance of £0.008m will be met from 2013/14 Base Budget. **Risk/Impact of non approval will affect the ability to implement the new software and the effect on the collaborative project with the other five North Wales authorities in relation to legal services in 2014/15**

Corporate Services – ICT & Customer Services

Request to carry forward £0.296m to 2014/15 for Public Sector Broadband Aggregation (PSBA) due to implementation delays linked with the introduction of Learning in Digital Wales (LiDW) project. This was previously brought forward from 2012/13. **Risk/Impact of non approval will jeopardise the Council's ability to implement the project.**

Corporate Services – Human Resources & Organisational Development

Due to the nature of the funding strategy for the Flintshire Trainee programme it is requested that an amount of £0.275m is carried forward which will be required in 2014/15 to continue to fund the scheme for the existing modern trainees who are employed over 3 financial years. This is made up partly from a previous carry forward and partly from Base Budget. **Risk/Impact of non approval will jeopardise the ability of the Council to maintain the current intake of Modern Trainees.**

4. New 2013/14 Base Budget items requesting carry forward.

Community Services – Youth Justice Service

Request to carry forward £0.020m to fund the implementation of a new IT system (Careworks) which has been unable to be completed in 2013/14 due to demands on the IT service. **Risk/Impact of non approval will place an additional pressure on the budget in 2014/15.**

Environment – Public Protection

Cemeteries - £0.012m - Specific base budget for drainage issues was identified at one of the Council's Cemeteries in late February and it is estimated that this work will cost £0.012m. The work cannot be carried out before the end of the year due to time constraints on procurement therefore it is requested that this be carried forward to 2014/15. **Risk/Impact of non approval will place additional burden on the cemeteries maintenance budget in 2014/15.**

Project Manager costs £0.010m – Requested carry forward of base budget underspend on supplies and services to be utilised to fund the project manager required to support and deliver the North Wales Public Protection Collaboration Project which will now run into 2014/15 rather than the original 2013/14 start date. **Risk/Impact of non approval will create an in year pressure in 2014/15 which will jeopardise the potential to make additional efficiencies over the next few years.**

Contaminated Land Works £0.025m – Requested carry forward of specific base budget for anticipated monitoring and remedial works on contaminated land at Castle Park, Flint was due to be undertaken in 2013/14. Unfortunately, Natural Resources Wales are now unable to commit resource to this before the end of the financial year, but have given a commitment to this in 2014/15. **Risk/Impact of non approval will create an additional pressure in 2014/15 which will impact on the Councils ability to meet its responsibilities under the Contaminated Land Strategy.**

Environment – Planning

Specific base budget for Local Development Plan (LDP). Due to a delay in the required background studies as a result of a delay in Welsh Government approving the LDP Delivery Agreement, it is therefore requested to carry forward £0.040m into 2014/15. **Risk/Impact of non approval will create an additional pressure on this budget in 2014/15.**

Environment – Public Protection

It is requested to carry forward £0.010m of the current underspend on supplies and services for scanning of documents to support the move to agile/mobile working. A number of files and documents are still required to be scanned into the EDMS system, which will not take place until 2014/15. **Risk/Impact of non approval will create an additional pressure in 2014/15 which may delay the speed of movement to agile/mobile working.**

Corporate Services – Finance (Revenues and Benefits)

Request to carry forward £0.010m from base budget to fund the purchase of IT equipment due to IT being unable to fulfil the order in 2013/14 because of other demands on their Service. **Risk/Impact of non approval will create an additional pressure on this budget in 2014/15.**

Corporate Services – Legal & Democratic Services

Request to carry forward £0.010m from base budget to 2014/15 for the translation of the Council's Constitution. The translation was commissioned in 2013/14 however as this task remains incomplete the final instalment is payable in 2014/15. **Risk/Impact of non approval will create an additional pressure on this budget in 2014/15.**

Corporate Services – Human Resources & Organisational Development

Request to carry forward £0.010m for the purchase of Disclosure & Barring Service (DBS) software. This is due to a delay which has been passed on from the Software Suppliers (Midland HR) who, due to internal setbacks, are unable to roll out the package until summer 2014. **Risk/Impact of non approval will create an additional pressure in 2014/15 due to the budget for the software being in 2013/14 only.**

Corporate Services – ICT & Customer Services

Request to carry forward £0.052m for the Capita One Project which is a regionally funded service. Any income received (which forms part of the regional service delivery) and subsequent underspend is required to be retained by the project. **This reflects funding held on behalf of the regionally funded service and will therefore be needed to be carried forward as it is a non discretionary resource.**

Request to carry forward £0.012m for the replacement of damaged air conditioning units in the Data Centre. This is due to the failure of roof based cooling systems and damage in high winds to other roof cooling systems. The parts have been sourced on an 8 week lead-time and will be delivered in late April. **Risk/Impact of non approval will create an additional pressure in 2014/15 as there is no additional budget to fund this.**

Request to carry forward £0.129m to cover Flintshire Connects staffing costs in 2014/15. This represents the balance of budget vired from directorates to cover the revenue cost of Connects staffing in 2013/14 and future years. It is requested that this balance is carried forward to 2014/15 to contribute to the cost of the implementation. **Risk/Impact of non approval will create an additional pressure in 2014/15 and may affect the ability to deliver of the Flintshire Connects service.**

It is requested that the £0.025m base budget allocated to meet the revenue cost of Flintshire Connects Buckley is carried forward to 2014/15 due to the delay in the completion of the Buckley Connects Project. **Risk/Impact of non approval will create an additional pressure in 2014/15 and may affect the ability to deliver of the Flintshire Connects service.**

Request to carry forward £0.022m for the Digital Print unit to support the purchase of additional equipment which is required in 2014/15 and to fund specialist IT consultancy to implement additional parts of Skyline self service modules and migration of form design software from Jetform to Lytrod. **Risk/Impact of non approval will create an additional pressure in 2014/15**

which may affect the ability to migrate to the new system affecting BACS remittances and other documents.

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**
DATE: **WEDNESDAY, 2ND JULY 2014**
REPORT BY: **CHIEF OFFICER, PEOPLE AND RESOURCES**
SUBJECT: **WORKFORCE INFORMATION QUARTER 4
JANUARY - MARCH 2014**

1.00 PURPOSE OF REPORT

1.01 To provide Members with an update for the fourth 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 a decrease of 64 vacancies from the previous quarter. However, this does not reflect the current position as 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 4 is 7,292 compared to the comparative figure of 7,535 last year.

Agency

- 3.03 The statistics below provide a breakdown of spend and net savings per month during quarter 4.

Month	Spend £	Net Savings £	Net Savings %
Jan	£253,081.90	£20,037.85	7.92%
Feb	£257,620.12	£20,245.35	7.86%
Mar	£243,789.13	£15,349.26	6.30%

- 3.04 Snapshot figures taken from Matrix on 31st March indicate 124 placements were active.

Year	2013	2014
Jan	159	137
Feb	141	132
Mar	120	124

- 3.05 The table below indicates the overall number of hours completed by workers during quarter 4 of the current financial year and the previous two years. These figures show that the total hours worked of the temporary agency workforce in has slightly increased compared to the usage of 2012/13, but the usage is still significantly less than 2011/12. Further work will be carried out to ensure a reduction in usage of temporary agency workers is carried out.

Q4	Total Hours Worked
2011/12	65,817.25
2012/13	36,563.25
2013/14	41,538.00

- 3.06 As a result in implementation of the new MSTAR (Managed Service to Agency Resource) contract in October 2013, the net savings for quarter 4 is £43,351.15, which provides an overall saving of £197,130.51 for the financial year 2013/14.

As a consequence of the new contract, service areas are charged a further reduced rate for agency placements, thereby further reducing the cost to

their service. However, the savings figures shows a decrease in savings compared to the comparative figure of £78,757.53 for quarter 4 last year. This is due to the savings figures being measured against the rates paid on the previous contract (2010-2013) and no longer measured against the rates paid before 2010.

Turnover

- 3.07 The turnover report figure continues to reflect the removal of relief and school supply workers. The turnover figure of 8.20% provides positive reading for 2013/14 compared with the turnover figure for 2012/13 of 9.90%.

Diversity

- 3.08 The increase in the quality and quantity of data continues to be identified in this quarter with the comparison from quarter 4 last year. The quality and quantity of the data has also been highlighted in the Annual Equalities Monitoring Report which has recently been published.

Absence

- 3.09 The number of days lost due to absence in quarter 4 has shown a slight increase from the comparative quarter 4 last year. There is an improved trend for absence levels during the whole year comparative to last year which equates to an improvement of 0.28 FTE days lost.

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		2.06	1.95
Qtr 3		2.89		3.18		2.83	2.45
Qtr 4		3.21		3.26		3.38	2.95
Whole Year	10.34	10.54	10.90	11.10		10.82	9.80

- 3.10 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

- 3.11 When looking at the quarter 4 data, 70% of all employees have had 100% attendance. This represents a stagnate figure when compared to the same quarter last year. That said, there is an overall improvement of 3% on the figure for the whole year compared to last year.

	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
Quarter 1	78	77	75	75
Quarter 2	78	84	80	81
Quarter 3	65	75	67	72
Quarter 4	69	67	70	70
Whole Year	40	42	41	44

100% Attendance by Directorate

- 3.12 When looking at each Directorate, the rate for Community Services compared to the same quarter last year has increased by 4%, while Corporate Services has decreased by 4%. With the exception of Corporate Services, comparative figures from last year show that all other Directorates have an improved trend for the overall attendance figure.

	2012/13					2013/14				
	Q1	Q2	Q3	Q4	Whole Year	Q1	Q2	Q3	Q4	Whole Year
Community Services	69	71	63	65	30	76	75	68	69	36
Corporate Services	81	83	74	76	45	82	82	76	72	43
Environment	76	74	66	68	37	76	76	69	69	41
Lifelong Learning	78	79	72	71	44	77	79	75	70	45
Schools	76	85	65	70	44	73	85	72	70	47

Community Services

- 3.13 The end of year report shows an improvement in attendance levels across the whole of Community Services; a reduction in absences by 3.5 days per FTE is very encouraging.

The Directorate continues to actively manage attendance through the Council's Attendance Management Policy and Procedure. The introduction of the Return to Work Pathway has supported managers and employees to facilitate an early return to work following long term absence, which has had a positive impact on absence rates.

In addition, the establishment of an Attendance Management Working Group bringing officers together from Community Services and HR & OD to review both short and long term absence has been a positive approach to managing attendance. This has resulted in members of the HR team working closely with Managers to support them to address poor attendance. This has resulted in formal action being taken, sanctions issued and where continued poor attendance has been identified, dismissals have followed.

Services will continue to focus on improving attendance during 2014 / 2015 as this remains a key priority for the Council.

	2012/13		2013/14				
	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Whole Year
Development and Resources	2.35	11.24	1.21	2.59	2.39	2.10	8.29
Housing Services	3.06	13.25	2.47	2.07	3.36	3.48	11.38
Social Services for Adults	6.35	20.92	4.01	3.18	4.01	4.60	15.80
Social Services for Children	5.11	14.91	2.97	3.77	2.78	4.32	13.84
Senior Management and Support	0.00	1.02	0.26	0.00	0.23	0.00	0.49
Community Services	5.16	17.57	3.33	2.97	3.59	4.12	14.01

Corporate Services

- 3.14 Maximising attendance and dealing effectively with absence remains a key priority across the respective services. Additional HR Advisor support was prioritised to support managers with challenging cases which resulted in the return of a number of employees from long term absence, utilising occupational support and phased returns as key tools. Activity levels of

interventions (Occupational Health, Attendance Review Meetings, Stage 1 and 2) have all increased. The 'FTE days lost' impact compared to 2012/13 are mixed with improvements in some areas and not in others. Despite this maximising attendance will remain a key priority for the services in the new operating model.

	2012/13		2013/14				
	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Whole Year
Chief Executives Dept	2.71	11.25	1.94	4.43	3.86	1.05	11.28
Clwyd Theatr Cymru	0.95	2.51	0.53	0.22	1.35	1.46	3.56
Finance	6.01	10.75	1.56	1.35	1.47	2.88	7.26
HR & OD	2.71	7.29	3.17	2.78	2.03	1.73	9.71
ICT & Customer Services	1.06	3.97	0.98	0.50	1.91	2.75	6.14
Legal and Democratic Services	1.04	10.80	2.01	1.09	0.78	2.96	6.84
Corporate Services	1.75	6.44	1.61	1.43	1.72	2.40	7.16

Environment

- 3.15 Managing attendance at work remains a priority for the Directorate and managers have continued to work hard with the support of HR & OD to keep absences to a minimum wherever possible.

We are pleased to report that three out of the six service areas in the Directorate have achieved figures which are better than the Corporate target for 2013/14 and the Directorate remains focussed on improving attendance at work across all services

Directorate management, supported by the HR team, continue to identify areas of poor attendance and develop actions to address this in line with the Council's Attendance Management policy and procedure. Despite these efforts, there has been a slight increase in absence levels across three out of the six service areas at the end of this financial year. Long term absence accounts for the majority of this increase and formal action has been taken for some employees resulting in ill-health dismissals.

	2012/13		2013/14				
	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Whole Year
Assets and Trans	2.23	8.35	2.26	1.93	3.14	3.46	10.79
Mgt, Supp and Perf	4.37	8.92	0.74	1.40	0.94	0.72	3.80
Planning Services	4.02	10.27	4.23	2.36	1.46	2.66	10.71
Public Protection	1.30	6.83	1.79	1.27	2.20	3.05	8.31
Regeneration Division	4.90	13.44	3.46	0.78	0.80	3.49	8.53
Streetscene Services	4.34	15.61	3.68	4.28	4.70	4.99	17.65
Senior Management and Support	0.00	2.67	0.00	0.00	0.00	0.00	0.00
Environment	3.55	12.34	3.14	3.08	3.58	4.09	13.89

Lifelong Learning

- 3.16 In comparison with 2012/13 the 2013/14 out turn is positive as absence has decreased from 11.12 days per FTE to 10.93 per FTE. A reduction in absence was consistently achieved for quarters 1, 2 and 3 comparative to last year, however an increase in quarter 4, comparative to the same period last year has impacted on the size of the reduction. Resources and Development as well as Libraries, Culture and Heritage have achieved an overall reduction compared to 2012/13, whilst Schools Services has experienced a slight increase and Culture and Leisure has seen an increase of 2 days per FTE which appears to be attributed to absence in quarter 4. Policies continue to be used to support absence management including first and second stage capability meetings.

	2012/13		2013/14				
	Qtr 4	Whole Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Whole Year
Culture and Leisure	2.34	8.30	1.92	2.20	2.03	4.14	10.29
Resources and Dev	3.90	13.77	3.27	3.49	2.87	3.28	12.91
Lib, Culture and Heritage	2.98	10.99	0.69	1.39	2.44	4.27	8.79
School Services	3.44	10.86	2.40	1.51	3.10	4.09	11.10
Senior Management and Support	0.00	7.14	0.00	0.57	0.00	0.11	0.68
Lifelong Learning	3.13	11.12	2.22	2.23	2.58	3.90	10.93

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, Chief Officer, People & Resources
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FLINTSHIRE COUNTY COUNCIL

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

DATE: **WEDNESDAY 2ND JULY 2014**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **FORWARD WORK PROGRAMME**

1.00 PURPOSE OF REPORT

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

2.00 BACKGROUND

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

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

1. Will the review contribute to the Council's priorities and/or objectives?
2. Are there issues of weak or poor performance?
3. How, where and why were the issues identified?
4. Do local communities think the issues are important and is there any evidence of this? Is there evidence of public dissatisfaction?
5. Is there new Government guidance or legislation?
6. Have inspections been carried out?
7. Is this area already the subject of an ongoing review?

3.00 CONSIDERATIONS

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

4.00 RECOMMENDATIONS

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

5.00 FINANCIAL IMPLICATIONS

None as a result of this report.

6.00 ANTI POVERTY IMPACT

None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

None as a result of this report.

8.00 EQUALITIES IMPACT

None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

None as a result of this report.

10.00 CONSULTATION REQUIRED

N/A

11.00 CONSULTATION UNDERTAKEN

Publication of this report constitutes consultation.

12.00 APPENDICES

Appendix 1 – Forward Work Programme

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

None.

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Corporate Resources Overview & Scrutiny Committee
FORWARD WORK PROGRAMME 2012/13

DATE	SUBJECT	O&S FOCUS	REPORT FROM
Thursday 10 th July 2014 10.00	Revenue Budget Monitoring 2013/14 Forward Work Programme		GF RJR
Thursday 11 th September 2014 10.00	Revenue Budget Monitoring 2014/15 Forward Work Programme		
Thursday 9 th October 2014 10.00	Q1 Performance reporting Revenue Budget Monitoring 2014/15 Forward Work Programme		
Autumn date to be determined	People Strategy Implementation Workshop		

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