

# Public Document Pack



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To: Cllr Clive Carver (Chairman)

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

11 March 2016

Dear Councillor

You are invited to attend a meeting of the Corporate Resources Overview & Scrutiny Committee which will be held at 10.00 am on Thursday, 17th March, 2016 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

## A G E N D A

### 1 APOLOGIES

**Purpose:** To receive any apologies.

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

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

### 3 MINUTES (Pages 3 - 26)

**Purpose:** To confirm as a correct record the minutes of the meetings held on 18<sup>th</sup> December 2015 (budget, am and pm), 29<sup>th</sup> January 2016 (budget) and 11<sup>th</sup> February 2016 (copies enclosed).

### 4 101 SERVICE PRESENTATION BY NORTH WALES POLICE

**Purpose:** To receive a presentation by Superintendent Alex Goss from North Wales Police

5 **USE OF CONSULTANTS** (Pages 27 - 76)

Report of Chief Executive enclosed. Portfolio of the Leader of the Council and Cabinet Member for Finance

**Purpose:** To demonstrate how and why the County Council uses consultants and achieves Value for Money in so doing.

6 **REVENUE BUDGET MONITORING (MONTH 9) AND CAPITAL PROGRAMME MONITORING (MONTH 9)** (Pages 77 - 136)

Report of the Corporate Finance Manager enclosed. Portfolio of the Leader of the Council and Cabinet Member for Finance.

7 **QUARTER 3 IMPROVEMENT PLAN MONITORING REPORT** (Pages 137 - 158)

Report of Member Engagement Manager enclosed.

**Purpose:** To enable Members to fulfil their scrutiny role in relation to performance monitoring.

8 **WORKFORCE INFORMATION REPORT - QUARTER 3 2015/16** (Pages 159 - 192)

Report of Chief Officer (People and Resources) enclosed. Portfolio of the Cabinet Member for Corporate Management

**Purpose:** To provide Members with an update for the third quarter for 2015/16

9 **FORWARD WORK PROGRAMME** (Pages 193 - 198)

Report of Member Engagement Manager enclosed.

**Purpose:** To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.

Yours faithfully



Peter Evans  
Democracy & Governance Manager

## **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** **18 DECEMBER 2015**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Friday, 18<sup>th</sup> December, 2015

**PRESENT: Councillor Clive Carver (Chairman)**

Councillors: Andy Dunbobbin, Richard Jones, Vicky Perfect, David Roney, Nigel Steele-Mortimer and Arnold Woolley

**APOLOGIES:** Councillor Robin Guest

**SUBSTITUTIONS:** Councillors: Haydn Bateman (for Marion Bateman), David Cox (for Richard Lloyd) and Paul Cunningham (for Ron Hampson)

**ALSO PRESENT:** Councillors: Christine Jones and Mike Peers

**CONTRIBUTORS:** Councillor Aaron Shotton, Leader and Cabinet Member for Finance, Chief Executive, Chief Officer (Governance), Chief Officer (Organisational Change (1)), Corporate Finance Manager

**IN ATTENDANCE:** Member Engagement Manager and Housing & Learning Overview & Scrutiny Facilitator

**63. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**64. BUDGET CONSULTATION FOR 2015/16**

The Chairman welcomed the contributors to the meeting.

The Chief Executive and Corporate Finance Manager gave a presentation on the Local Government Provisional Settlement 2016/17 which had been given at Cabinet on 15<sup>th</sup> December, 2015. The presentation covered the following areas:-

- Settlement Context
- Settlement Headlines
- Flintshire Position in the Settlement
- Known Impacts for Flintshire
- Ongoing Local Budget Work
- Ongoing National Budget Work
- Timescale for Phasing the Budget

The Leader of the Council commented on specific grants, particularly the Outcome Agreement Grant, and the continued lobbying of Welsh

Government (WG) to allow Local Authorities greater freedom and flexibility to decide how these grants were spent.

The Chief Executive, Chief Officer (Governance) and Corporate Finance Manager gave a detailed presentation which covered the following areas:-

- Purpose of today's meeting
- Corporate Overview
- Corporate Finance Efficiency Proposals 2016/17
- Corporate Finance Local Pressures and Inflation
- Inflation
- Service Business Plan Proposals
- Budget Closure Strategy
- National Budget Timetable

**The comments and questions which were raised by Members of the Committee on the presentations, together with the responses given, are detailed in Appendix 1 (attached).**

**RESOLVED:**

That the presentation be noted.

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

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

(The meeting started at 10.00 am and finished at 11.27 am)

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**Chairman**

**2016/17 Budget Consultation.****Corporate Resources Change Overview & Scrutiny Committee - 18<sup>th</sup> December 2015**

<b>Member Comment/Question</b>	<b>Response</b>
Has Flintshire County Council ever missed receiving the full amount of Outcome agreement grant?	No, we have always received 100%. Some authorities have not.
There had been an assumption that the budget settlement would have been much worse. If we had ignored the intelligence received, would we have come to the same conclusions?	All Welsh authorities had planned on similar lines, with some anticipating an even worse position than Flintshire had. The English experience recently has been for 20-25% cuts. We had responded to expectation management from the UK government. The comprehensive Spending review gave us a different position. The revenue Support Grant could have been much worse.
How does this year's settlement affect next year?	Again managing expectations. Degree of risk for next year.
Who covers the deficit within the Betsi Cadwaladr UHB?	BCUHB is understood to have borrowed money from the Welsh government to manage this. There are sustainability issues within the Welsh NHS as this is completely devolved.
We won't know what the proposed shape of local government in Wales will be until after next year's Assembly elections. Are we considering linkages?	There will still be three financial years before the shadow local authorities, so quite a long way off. Some services such as Education and social services will adapt to either model. There are shared ICT platforms.
Appreciate explanation on the School funding formula.	The school funding formula has been modernised but in order to meet all cost pressures this would mean an additional £3.5m. The Council is working with both federations and the Education & Youth Overview & Scrutiny Committee to work on the best outcomes that can be expected. This is subject to final recommendations on closing the final settlement.

Is the Insurance top up an annual cost to be met?	This is to cover extended liabilities arising from the former MMI
Capitalisation of salaries has been done in the past, why can this and not long term rentals be capitalised.	This can be done for capital projects but not to cover situations such as the Enterprise agreement. Only things that are constituting to an asset can be capitalised.
Have you considered the use of Open Source rather than Microsoft?	We are now using a citrix system which has vastly reduced our hardware costs. Some authorities are now seeking to use Open source – essentially free software- but this is still some way off
Is the sum indicated for Single Status more than anticipated?	No. The 'buffering period' ends.
How does the proposed savings compare with savings made in other corporate services?	Our legal income is relatively low compared with other Welsh Local Authorities. The estimates are cautious and we hope to increase income from commercial sources for land sales, rather than individual householders.
ICT redesign.	The structure within ICT had anticipated greater collaboration with Wrexham County Borough Council and had been designed to facilitate this. As this is not feasible the structure has been adapted to provide for larger teams and fewer managers with broader spans of control.
On Community Asset Transfer (CAT), FLVC are not acknowledging or responding to correspondence.	FLVC are acting as our agents for CAT. If they are not responding, we need to know so that we can pursue this.
A great deal of information has been provided verbally to Members, can this be provided in written format following the meeting?	All verbal information will be pulled into factsheets which will be provided to all Members in mid January.

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**  
**18 DECEMBER 2015**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Friday, 18 December 2015

**PRESENT: Councillor Clive Carver (Chair)**

Councillors: Andy Dunbobbin, Richard Jones, David Roney, Nigel Steele-Mortimer and Arnold Woolley

**ALSO PRESENT (as all Members had been invited to attend)**

Councillors: Marion Bateman, Chris Bithell, Derek Butler, Ian Dunbar, Alison Halford, David Healey, Christine Jones, Kevin Jones, Mike Lowe, Dave Mackie, Mike Peers, Gareth Roberts and Paul Shotton

Lifelong Learning Overview & Scrutiny Committee Co-optee: Mr David Hytch

**SUBSTITUTIONS:** Councillors Haydn Bateman (for Marion Bateman) and Nancy Matthews (for Robin Guest)

**APOLOGIES:** Councillors Carol Ellis, Richard Lloyd and Brian Mullin. Rebecca Stark.

**CONTRIBUTORS:**

Councillor Aaron Shotton, Leader and Cabinet Member for Finance, Chief Executive, Chief Officer (Planning and Environment), Chief Officer (Organisational Change 1), Chief Officer (Organisational Change 2), Chief Officer (Streetscene and Transportation), Chief Officer (Governance), Corporate Finance Manager, Technical Finance Manager, and Policy, Performance & Partnerships Manager

**IN ATTENDANCE:**

Member Engagement Manager and Committee Officer

**66. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**67. COUNCIL FUND REVENUE BUDGET 2016/17**

The Chair welcomed Members and the contributors to the meeting.

The Chief Executive referred to the budget consultation process to date and the opportunity to review feedback in relation to the specific budget proposals by Portfolio for the Council Fund 2016/17 from the individual scrutiny meetings held between 7 and 18 December 2015, and to review general observations on the budget process and the information available.

## Local Government Provisional Settlement 2016/17

The Chief Executive and Corporate Finance Manager gave a brief presentation on the Settlement which covered the following areas:-

- Settlement context
- Settlement headlines
- Flintshire's position in the Settlement
- known impacts for Flintshire
- ongoing local budget work
- ongoing national budget work
- timescale for phasing the budget

### Overview of First Phase of the Budget process

The Chief Executive and Corporate Finance Manager then gave a presentation on the first phase of the budget process. The Chief Executive advised that the purpose of the meeting was to receive feedback on the first phase proposals for the 2016/17 Council Fund Revenue Budget for services presented throughout December, to provide commentary to the Cabinet, and to note the implications of the Settlement and advise on the budget setting process.

The Chief Officer (Planning and Environment) and Chief Officer (Organisational Change 1) each gave a detailed presentation on the budget proposals within their respective portfolios, which had been challenged through the Overview & Scrutiny process.

The main points of the presentation were as follows:

- general points on process
- calculating the RSG change
- reassessing the Council case
- use of consultants
- specific portfolio feedback (Environment, Organisational Change, Social Care & Health, Education & Youth, Community & Enterprise)
- budget closure strategy
- National budget timetable
- timescale for phasing the budget

The Chair thanked the Chief Executive and Officers for their presentations and the verbal updates which had been given to Members.

**The comments and questions which were raised by Members of the Committee on the presentations, together with the responses given, are detailed in Appendix 1 (attached).**



**RESOLVED:**

That the presentations be received and that Members' comments and the responses be noted and collated as part of the background material for the budget proposals.

**68. DRAFT CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN 2015-2020**

The Chief Officer (Organisational Change 2) introduced a report on the Draft Capital Strategy and Asset Management Plan 2015-2020 and explained this was a new Strategy for the Authority combining medium term plans for managing the Council's assets and its Capital Programme. He advised that the report outlined the need for the Strategy, the purpose, key aims, principles and content. He explained that member's views and approval, in principle, was sought prior to the final version being put forward to Council for approval in February 2016.

The Chief Officer provided background information and referred to the key aims and principles of the Strategy as detailed in the report and drew attention to the summary of what was included in the Capital Strategy and Asset Management Plan and the Capital Programme. He pointed out the reference to the theatre and assured the Committee that full details would be provide at the final stage of the Asset Management Plan.

The Chair invited Members to ask questions.

Councillor Richard Jones raised a number of questions concerning the draft Capital Strategy and Asset Management Plan. He referred to the retention of the Authority's offices at Ewloe by the leaseholder and asked why they was not contributing to the maintenance costs. He raised further questions around the Community Infrastructure Levy (CIL) to increase the supply of affordable homes in the County. He commented on the need to understand the benefit of industrial units and referred to small business premises and the Council's Alternative Delivery Model programme (ADM). Councillor Jones referred to page 28 of the draft Capital Strategy and Asset Management Plan and commented on the annual allocation and the cost of borrowing.

During discussion Officers responded to the questions and concerns raised by Councillor Jones. The Chief Officer explained that the Ewloe offices were leased until July 2016, following this the options for the Authority were either to dispose of the freehold or place on the market. Councillor Dave Mackie raised concerns around the condition of the office building at Ewloe and referred to the issue of vandalism. The Chief Officer advised that the leaseholder had a commitment to honour its landlord obligations and explained that a deprivation claim would be made as part of the lease termination process.

Councillor Arnold Woolley referred to the backlog of maintenance work across the Authority's property portfolio and commented that if left for too long this would impact on any future plans for disposal. He also commented on the Authority's aims to deliver an integrated programme of regeneration for Deeside and referred to the need to improve quality of housing. He referred to the issue of empty homes and expressed the view that there was room for further consideration to be given to the issue of social housing. The Chief Officer acknowledged the points raised and agreed to contact the Housing team to seek a response.

During discussion Officers responded to the further questions and concerns raised around assessment and disposal of assets, town and rural regeneration, citing Buckley in particular, and the location of Buckley Medical Centre.

Councillor Paul Shotton referred to the potential for realising the Authority's assets and commented on the agile working policy and the impact of this on the Authority's offices in Flint. He also commented on the demolition of offices in Connah's Quay and asked what savings had been achieved as a result. The Chief Officer commented on the challenge of maintaining the Authority's 'ageing' asset base and advised that the demolition of the offices in Connah's Quay had generated an ongoing efficiency of £75k per annum.

Councillor Arnold Woolley referred to the recommendation in the report that the Draft Capital Strategy and Asset Management Plan 2015-2020 be supported, and proposed that members considered supporting the draft Strategy and Plan in principle. The proposal was duly seconded and when put to the vote was carried.

**RESOLVED:**

That the Draft Capital Strategy and Asset Management Plan 2015-2020 be supported in principle before the final version is produced.

**69. CAPITAL PROGRAMME 2016/17 – 2019/20: OVERVIEW**

The Technical Finance Manager introduced a report which put forward an overview of the 2016/17 – 2019/20 Capital Programme for member comments. She referred to the key considerations and the data provided in tables 1 to 4 of the report concerning estimated available funding 2016/17 – 2019/20, proposed allocations, proposed investment schemes, and summary capital programme.

The Chair invited Members to ask questions.

Councillor Clive Carver referred to the installation of solar panels on the Buckley landfill site and asked if this would be completed before a drop in tariff came into effect. The Chief Officer (Organisational Change 2) said the intention was that this would be done.

**RESOLVED:**

- (a) That the existing proposal of allocating capital receipts to fund capital schemes generally only when the receipts have been actually received be supported;
- (b) That the allocations in Table 2 for the Statutory/Regulatory and Retained Assets sections of the Capital Programme 2016/17 – 2019/20 be supported;
- (c) That the schemes included in Table 3 for the Investment section of the Capital Programme 2016/17 – 2019/20 be supported; and
- (d) That the remainder of the report be endorsed.

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

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

(The meeting started at 2.00 pm and ended at 4.35 pm)

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**Chair**

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**2016/17 Budget Consultation**

**Corporate Resources Overview &Scrutiny Committee – Friday 18<sup>th</sup> December, 2015  
(pm)  
(All Member session)**

<b>Member Comment/Question</b>	<b>Response</b>
On the budget settlement: why is Flintshire County Council 19 <sup>th</sup> out of 22 Local Authorities?	The per capita payment is based on factors such as deprivation, which is why the Valleys authorities are the highest. As one of the more affluent counties, FCC has always been towards the bottom. This has been reflected in the council's recent lobbying. Despite our funding allocation being low, we are a high performing authority.
What is the impact of the 6.4% reduction in the new single Environment Grant?	A reduction was expected and the Cabinet member and the Chief officer are looking at ways to address the loss of grant: it will mean a need to review ways of working. The majority of the Single Environment Grant is waste related. We also need to be aware that Natural Resources Wales may be seeking to passport work to local authorities to deal with their own funding reduction.
Is there still a rural deprivation grant?	There isn't a specific rural deprivation grant. Some rural authorities tend to get more grant because of their deprivation level.
The slide on the use of consultants provides details but no figures. Could these be provided?	A report will be made to the Audit Committee. The Chief Executive explained that the max. spend on consultants as a result of the Change programme had been £150k (one consultant on £30K, one on £20k and 2 on £50k in Streetscene & Transportation and Social Services. Whilst 'risk and reward' is preferred to fee payment, the limited scale meant that the better risk and reward consultees, who seek high benefits contracts tend not to be available to us.
Will the information provided in the fact sheets confirm that decisions made this year will have no effect on future years?	Agreed.
Will 'question and answer' sheets be provided after the budget meetings, as previously?	Yes.

Further details about the cost savings for Connah's Quay Swimming Pool – could we have details in writing?	A combination of reduced costs for lifeguard cover (the clubs will provide their own) reduced buildings costs- charities can make a claim for reduced NDR and increased usage. An analysis can be provided.
How much of the £574K shown for Organisational Change is included within the budget plan for 2016/17. There is concern that some of the projects shown won't be ready in the next financial year.	We have only provided figures for those projects where there is a clear process and a degree of certainty. Other CATs are ongoing but have not been afforded the same degree of prioritisation. It is essential that we deliver on the core projects. Others will offer an additional efficiency.
There is concern that the approach being taken towards the budget is optimistic. Local communities may not want to pursue community asset transfers	The budget has been approached assuming a certain level of savings. If some savings are not achieved, other savings will need to be made to reduce overall costs. If we do not remain positive about CAT, then our communities won't be.
Given that the settlement is better than we expected, do we still need to take this approach to the budget?	Yes. We should not become complacent that the settlement is better than we had feared.
We need to simplify the Community Asset Transfer (CAT) process.	Acknowledged.
Could the reduction in managers within ICT be replicated across the authority?	We are moving to a structure based on managers having larger management portfolios. The ICT structure had been predicated on a significant degree of collaboration and shared service provision. As this has not happened, a different structure became necessary.
Is the staffing level in Children's services sufficient to meet statutory provision?	Yes.
On CAT, FLVC are not acknowledging or responding to correspondence.	FLVC are acting as our agents for CAT. If they are not responding, we need to know so that we can pursue this.
Will the calculations behind the final proposals be made available?	They will be provided in the fact sheets for the next budget round in January.

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**  
**29 JANUARY 2016**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Friday, 20 January 2016

**PRESENT: Councillor Clive Carver (Chair)**

Councillors: Peter Curtis, Robin Guest, Ron Hampson, Richard Jones, Vicky Perfect, David Roney, Nigel Steele Mortimer, Arnold Woolley

**SUBSTITUTES**

Councillors: Haydn Bateman (for Marion Bateman), Ian Dunbar (for Andy Dunbobbin) and David Healey (for Richard Lloyd)

**ALSO PRESENT (as all Members had been invited to attend)**

Councillors: Bernie Attridge, Chris Bithell, Helen Brown, Kevin Jones and Dave Mackie

Education & Youth Overview & Scrutiny Committee Co-optees: Mr David Hytch, Mrs Rebecca Stark and Mr Bernard Stuart

**APOLOGIES:** Councillor: Ian Smith, Carolyn Thomas, Derek Butler and Christine Jones

**CONTRIBUTORS:**

Councillor Aaron Shotton, Leader and Cabinet Member for Finance, Chief Executive, Chief Officer (Governance) and Finance Manager (Corporate Accounting and Systems)

**IN ATTENDANCE:**

Member Engagement Manager and Overview & Scrutiny Support Officer

**78. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**79. BUDGET CONSULTATION FOR 2015/16**

The Chair welcomed Members and the contributors to the meeting.

The Chief Executive thanked Members commenting that this was the final Overview & Scrutiny meeting that the Council Fund Revenue Budget would be debated. Following the December mop up session there was only a need to call Overview & Scrutiny back to Education & Youth and Corporate Resources. For Education & Youth it was not because there was new information but the situation in Education & Youth was unclear. For Corporate Resources Stage 1 (situation as at today) with Phase 2 the final proposals to close the 'gap' for report to Cabinet, prior to Council, in February.

## **Council Fund Revenue Budget 2016/17 Stage One Proposals**

The Chief Executive and Finance Manager gave a detailed presentation on the following areas:-

- The budget States, list of Tables to the report and Recommendations to the Committee
- Building Blocks of the Budget
- Initial Budget Forecast
- Budget Stage 1 Phase 1
- Budget Stage 1 Phase 2
- Budget Stage 2
- Ongoing work to balance the Budget
- First Revision of the MTFS 2017/18 Forecast
- MTFS Forecast 2017/18
- Decision making steps
- Closing steps and timetables

Councillor Dave Healey congratulated the Leader and Chief Executive on the “This is our Moment” Public Engagement Events. Focusing on finance he sought clarification on how the savings being made could be communicated to the public.

The Leader responded saying these were the best events Flintshire had held and were a success. There were lessons to be learned, but this was a model to build on, especially when the individual hits on the website were also included. The Chief Executive commented that the feedback from the public events was excellent. He also stressed that many more people had booked to attend than who actually attended.

The comments and responses sheet from the meeting are attached.

### **RESOLVED:**

That the presentation be received and that the Member’s comments and the responses thereto be incorporated into the budget consultation section of the report to Cabinet on 16<sup>th</sup> February, 2016.

## **80. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE**

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

(The meeting started at 10.00 am and ended at 12.00 noon)

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**Chairman**



**2016/17 Budget Consultation**

**Corporate Resources Overview & Scrutiny Committee – Friday 29<sup>th</sup> January, 2016**  
**(All Member session)**

<b>Member Comment/Question</b>	<b>Response</b>
Are the proposals still the same?	There are minor variations in the figures but the scale and complications are different this year. Members were referred to the chronology in the report which outlined the structure.
Could a table with two columns - one with the original figures and the other with the new figures with a footnote explaining the changes be prepared?	Details will be distributed. The Chief Executive referred Members to the Appendices to the Report and to the Fact Sheets which had been prepared to assist Members. Further explanations will be sent to Members to clarify.
Clarification was requested on the variations in <ul style="list-style-type: none"> <li>• Lighting Resources</li> <li>• HRC site efficiencies</li> <li>• Bus routes</li> <li>• Cleansing stand</li> <li>• Zero tolerance on littering</li> </ul>	It was emphasised that the complexity and scale was difficult to follow and the figures presented were an indication of the current position. Some of the figures presented to the December meeting had been overstated and some figures were determined too late for that meeting. There had also been a number of versions of the business plans shared with Members which may have caused confusion.
Is there confidence in the figures provided to make savings with the figures?	There is nothing else to be found, based on reasonable risk.
What in capital terms will affect revenue in future year's 17/18 budget – can you point to additional pressures?	21 <sup>st</sup> Century Schools was a 70/30 split but is now a 50/50 split which is not sustainable by Councils.
At a recent Treasury Management Training session the borrowing requirements of Flintshire were shown to be going up alarmingly in the next few years: will this impact on other services?	This is a housing revenue account issue, not an impact on the general fund budget. Assurance may need to be given on the Council House Subsidy buy out and WHQS delivery. Flintshire is investing in its communities and is confident.
On table 6, new emerging pressures and Leisure income, what is the position for Deeside Ice Rink?	Deeside Ice Rink is within the Community Asset Transfer Programme.
Clarification on the difference between earmarked reserves and un-earmarked reserves is requested	Levels of reserves are reported through Cabinet and CRO&SC on a quarterly basis

Levels of reserves: a town council had been advised to have a minimum of 3 months running costs to be kept in reserves, which is a large amount.	Our levels of reserves are recommended by the Wales Audit Office but are around 2 not 25% of revenue.
There is a concern that efficiencies for Flintshire could result in costs being passed on to town/community council which haven't budgeted for them.	Noted
Will further efficiencies still be looked at ahead of the budget	There isn't anything else to be identified at the moment.

**CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE**  
**11 FEBRUARY 2016**

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday, 11 February 2016

**PRESENT: Councillor Clive Carver (Chairman)**

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

**SUBSTITUTION:**

Councillor Paul Cunningham for Carolyn Thomas

**ALSO PRESENT:**

Councillor Bernie Attridge attended as an observer

**APOLOGIES:**

Councillor Marion Bateman

Councillor Billy Mullin – Cabinet Member for Corporate Management

**CONTRIBUTORS:**

Councillor Aaron Shotton – Leader and Cabinet Member for Finance, Chief Executive and Corporate Finance Manager

**IN ATTENDANCE:**

Member Engagement Manager and Committee Officer

**81. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**82. MINUTES**

The minutes of the meeting of the Committee held on 14 January 2016 had been circulated to Members with the agenda.

**RESOLVED:**

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

**83. FLINTSHIRE LOCAL SERVICE BOARD AND STATEGIC PARTNERSHIP PERFORMANCE – MID YEAR MONITORING**

The Chief Executive introduced the report which presented an overview of arrangements for the transition of the Flintshire Local Service Boards (LSB) to a Public Services Board (PSB) in accordance with the Well-being of Future

Generations (Wales) Act 2015. An update of the Flintshire LSB Single Integrated Plan (SIP) priorities was also provided.

The report provided information on the progress in transition from a voluntary to statutory arrangement in accordance with the Act and an update on the work of the board. The Chief Executive explained that there were four LSBs in North Wales (Denbighshire/Conwy, Ynys Môn/Gwynedd, Wrexham and Flintshire) and added that Councillor Arnold Woolley had previously been a member of the LSB.

The Chief Executive felt that the LSB was a very effective partnership and one of its strengths had been the quality of the relationships between the representatives on the Board. It was a very trusting partnership and was highly regarded in Wales as being very successful. He felt that there would be a smooth transition to the PSB as it would consist of the same representatives with the same priorities.

From April 2016 the PSB would have a statutory duty to produce an Assessment of Local Well-being (by March 2017) and a Local Well-being Plan (by March 2018) and these would replace the existing SIP. A risk assessment had been carried out, which had been positive, and had been endorsed by Welsh Government (WG). A report to a future meeting of the Committee would provide information on how the PSB was meeting its statutory duties.

Councillor Richard Jones asked which Overview & Scrutiny Committee would scrutinise the performance of the Board. The Chief Executive said that elements of its work would fall in the remit of the Social and Health Care Overview & Scrutiny Committee but that this Committee would have an overview scrutinising the PSB. The partners of the Board would also need to consider their own scrutiny arrangements. Councillor Jones proposed that an update report should be considered by this Committee in three to six months. The Member Engagement Manager confirmed that an entry was included on the Forward Work Programme for the meeting on 14 July 2016.

In referring to the comment of the Chief Executive about the strength of the relationships between the representatives, Councillor Robin Guest asked to what extent the PSB was a networking organisation. The Chief Executive said that the PSB had a function to deliver improvements to the economic, social, environmental and cultural well-being of the area and met four times a year. He suggested that the work of some partners was less understood than others and that the LSB had been a mechanism to sharing information and good practice.

Councillor Arnold Woolley referred to a meeting he had attended the previous week to allow better understanding of the changes that were to take place. This included the proposal to create Community Interest Committees and Councillor Woolley asked if an update on this could be provided on the powers that the Committees would have, how members would be elected and how they would be funded. The Chief Executive explained that this had been suggested in the Local Government Bill and the Council was preparing a

detailed response to the consultation. In the Bill, WG had made an assumption that Wales would consist of larger Councils and that area committees would be necessary to allow more local consideration of issues. He suggested that Flintshire already had a solution to this as the County was covered by Town & Community Councils. The Chief Executive reminded Members that the Bill had not been adopted and therefore the proposals may not be implemented. He advised that he did not have any details on funding or the powers for the area committees. Councillor Woolley disagreed with the provision of such committees as he felt that this would be in conflict with the work of Flintshire County Council and the Town & Community Councils. The Chief Executive suggested that the idea of Area Committees be rejected by Members.

Following a discussion, Councillor Woolley suggested that the recommendation should include that regular updates reports be submitted to the Committee for consideration.

**RESOLVED:**

- (a) That the committee endorses the arrangements for the transition from the Flintshire Local Service Board to the Flintshire Public Services Board;
- (b) That the committee endorses the progress on the two single integrated plan priorities (i) People enjoying good health, well-being and independence and (ii) People are safe; and
- (c) That regular progress reports be made to the committee.

**84. REVENUE BUDGET MONITORING 2015/16 (MONTH 8)**

The Corporate Finance Manager introduced a report to provide Members with the Revenue Budget Monitoring 2015/16 (Month 8) for the Council Fund and Housing Revenue Account (HRA) which was to be submitted to Cabinet on 16<sup>th</sup> February 2016.

For the Council Fund, the projected net in year expenditure was forecast to be £0.743m lower than budget which was a positive movement of £0.356m from Month 7. Appendix 1 detailed the movements from Month 7 with the main changes being an underspend in Children's Services of £0.091m for Out of County Placements that had ended earlier than anticipated and £0.100m for an allocation of funding from the contingency reserve to partially mitigate for the increase in use of professional support. At the beginning of the financial year, an amount had been set aside in Central and Corporate Finance for inflation costs and an amount of £0.110m for food and pay inflation was no longer required.

The Programme of Efficiencies was reported in paragraphs 1.05 to 1.07 and it was currently projected that £10.702m (83%) would be achieved; appendix 3 provided details on the latest variation to the level of efficiency

achievable compared to the budget. Taking into account previous allocations and the current underspend at Month 8, the balance on the Contingency Reserve at 31<sup>st</sup> March 2016 was projected to be £4.379m. The Corporate Finance Manager commented that it was important to note that this report contained the outturn figures which had been used for the preparation of the 2016/17 budget.

The HRA was projecting in year expenditure to be £0.149m lower than budget and a projected closing balance as at 31 March 2016 of £1.386m, which at 4.48% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

In referring to page 61, Councillor Richard Jones sought clarification on the efficiency measure for £0.100m which was now considered to be unachievable with regard to minor adaptations. The Chief Executive confirmed that the £0.100m efficiency had not been achieved but work on other efficiencies had funded the development of the means testing approach. The Corporate Finance Manager provided details of another example within the Central Loans and Investment Account (CLIA) which had met a previously reported underachievement of an efficiency of £0.600m through other compensatory savings.. Councillor Jones also queried why the entry for staff car parking was no longer showing in appendix 3 when it had been reported the previous month. The Corporate Finance Manager advised that information sent out by the Member Engagement Manager the previous day explained that the efficiency had been included under both Streetscene & Transportation and Central & Corporate Finance but had now been removed from Streetscene & Transportation. The Chief Executive confirmed that the staff car parking efficiency would achieve a nil return for 2015/16 due to the delay in its implementation.

Councillor Arnold Woolley queried whether the Council would adopt a policy on how to deal with levels of reserves if the proposal to merge authorities took place. The Chief Executive advised that the Medium Term Financial Strategy (MTFS) covered the period to 2017/18 and that the next MTFS would cover to 2018/19, with the first elections for a Shadow Authority anticipated for May 2019 if the proposals went ahead, therefore the Council would already have planned financially for a Local Government Review (LGR). He stated that Welsh Government Ministers had powers to direct how Councils should spend their reserves ensuring that they were disposed of appropriately but added that Flintshire County Council was not reserve rich. Councillor Aaron Shotton felt that all Councils should be mindful of the issue of the use of reserves and that this had been raised at a recent meeting he had attended with the Welsh Local Government Association (WLGA). He said that he anticipated some debate at the Council meeting the following week on the use of reserves by the Council to achieve a balanced budget. His understanding was that Ministers would ensure reserves were not spent inappropriately but he did not feel that this would be an issue for Flintshire County Council as it was being proposed for 2016/17 that reserves would be used to protect public services.

Councillor Peter Curtis felt that as the Assembly Elections were being held in May 2016, some or all of the proposals put forward in the Local Government Bill may not be taken forward.

The Member Engagement Manager sought confirmation from the Committee about whether they had any concerns that they felt should be submitted to Cabinet. Councillor Jones felt that the issue of the significant overspend in minor adaptations should be registered.

**RESOLVED:**

- (a) That the Month 8 Revenue Budget Monitoring Report be received;
- (b) That no formal recommendations be made to the Cabinet on this occasion, but concern at the significant overspend in minor adaptations be registered; and
- (c) That the Committee notes the Corporate Finance Manager's (Section 151 Officer) comments that this reports contains the outturn figures which have been used for the preparation of the 2016/17 budget.

**85. FORWARD WORK PROGRAMME**

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

He referred to the meeting on 17<sup>th</sup> March 2016 and explained that the main item would be a presentation on the 101 service from Superintendent Alex Goss of North Wales Police. A report on the use of Consultants had been requested and would be submitted to the meeting along with the Quarter 3 Workforce Information. The Welsh Language Standards would not be ready for consideration on 17<sup>th</sup> March 2016 but would be considered at a future meeting.

On the 14<sup>th</sup> April 2016, the Regional Director from British Telecom (BT), Alwen Williams, would be in attendance following a request from the Committee in June 2015 to receive an update on concerns raised. The Chief Executive explained that a general update would be provided along with more specific information on fibre-speed. The Chairman indicated that he also required information on problems with nuisance calls. Councillor Peter Curtis suggested that BT had no control over calls from abroad. In response to a question from Councillor Ian Smith, the Chief Executive confirmed that the update would include information on the internet speed on the Deeside Enterprise Zone. He also advised that the Regional Director was also a member of the Deeside Enterprise Zone Board. Councillor Shotton explained that he had held discussions at the Deeside Industrial Park Forum on the issue of internet speed and added that he would continue to raise the issue with the Minister. He welcomed the invitation extended to the Regional Director to attend a meeting of the Committee.

Councillor Richard Lloyd welcomed the attendance at future meetings by Superintendent Alex Goss and Alwen Williams.

The Chief Executive spoke of working with BT as a sponsor on the issue of community access. He explained that the reason for deferring the Welsh Language Standards report was because the Council was awaiting responses on queries relating to the document. The report on the use of consultants would identify costs associated with their use, why they were used and the issue of value for money. He had hoped that the update on Emergency Planning could be considered earlier than June 2016 and advised that there was a need to include the MTFs on the FWP for April and May 2016. In response to a comment from Councillor Richard Jones that there were too many items for consideration at the June 2016 meeting, the Chief Executive suggested that the Emergency Planning update could be considered in April 2016.

The Chairman asked if a briefing on what would be expected by a new WG following the elections in May 2016 could be considered at the 12 May 2016 meeting but the Chief Executive felt that the suggested meeting would be premature.

Councillor Arnold Woolley suggested that a report on 'Age Friendly Societies' could be considered at a future meeting of the committee. The Chief Executive felt that this was part of the Local Service Board priority of wellbeing. Councillor Woolley referred in particular to the concern of how such proposals would be funded and suggested that this could have a budgetary impact in the future. The Member Engagement Manager said that he would consider whether it would be more appropriate for consideration by this Committee or Social and Health Care Overview & Scrutiny Committee. The Chief Executive felt that this Committee would have a role in the consideration of cost implications as part of the MTFs. Councillor Shotton concurred and referred to the changing demographic of the County which by 2020 would have the third largest number in Wales of residents aged over 80, which would result in a unique pressure for Flintshire.

**RESOLVED:**

- (a) That the forward work programme as amended at the meeting be approved; and
- (b) That the Member Engagement Manager in consultation with the Chair and Vice Chair be authorised to alter the forward work programme between meetings.

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

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



(The meeting started at 10.00am and ended at 10.57 am)

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**Chairman**

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## CORPORATE RESOURCES OVERVIEW AND SCRUTINY

<b>Date of Meeting</b>	Thursday 17 March 2016
<b>Report Subject</b>	Use of Consultants
<b>Portfolio Holder</b>	Leader of the Council
<b>Report Author</b>	Chief Executive
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This report, provided at the request of the Chair of the Committee, explains Council practice in the use of consultants and how value for money is obtained from commissioned consultancies. The report is complementary to the recent report to the Audit Committee on the systems controls over the use of consultants (attached as Appendix A).

This report in explaining Council practice also provides the facts and figures on the number, types and costs of consultants currently being used by the Council according to our adopted definition of 'consultants'. The report sets out why consultants are used to bring expertise, capacity and independent advice to the organisation. Reference is also made to practice in the local government and wider public sector in the use of consultants, and comparative figures obtained from other Welsh councils are used where we have been able to obtain them.

It is important that the information presented in this report is used to inform debate where the use of consultants can be challenged for being unnecessary, of high cost and of limited value to the Council.

The following table is included in the report:-

Table 1: Consultants Engaged in 2015/16

### RECOMMENDATIONS

1	That the Committee is assured by the explanations given over the purpose of using consultants, the control of total cost, and how value for money is obtained from current Council commissioning and contract management practice.
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## **REPORT DETAILS**

<b>1.00</b>	<b>BACKGROUND AND DEFINITIONS</b>
1.01	<p>The use of consultants in the public sector is a high profile and at times controversial subject. This is no different locally. Elected members have kept the scale and costs of consultancies under scrutiny for some years; the Audit Committee has overseen the work of Internal Audit in advising on internal controls for the engagement and management of consultants; trade unions will routinely challenge whether consultancies should be used as an alternative to employing individuals to provide similar expertise and capacity for the organisation; the local media gives 'front page' exposure to the costs of consultancy whenever it is reviewed and debated.</p>
1.02	<p>It is important to start with definitions. A consultant is an organisation or an individual contracted to provide specific services to the Council for a limited period of time. These are services where the Council does not have the expertise 'in-house' to be self-sufficient or where the Council has some expertise but insufficient capacity. It is not possible for the Council to be wholly self-sufficient and it would be a poor use of resources to employ specialist individuals to maintain an internal expertise which is only required occasionally or indeed once. Members have discussed in the past the difference between 'core' and 'non-core' internal support services. Consultants should only be engaged where non-core support is needed to be purchased or where additional capacity is needed to supplement core support at a time of peak demand.</p>
1.03	<p>A consultant is different to an interim manager or an agency worker. An interim manager is an external person contracted to cover a temporary vacancy but not employed by the Council. An agency worker is an external person contracted through an employment agency to either cover a temporary vacancy or to work alongside employees during periods of peak demand or seasonal variations in service operations. The three can often be confused. The Council makes sparing use of interim managers. At the most senior level of chief officers the Council has not drawn on any interim appointments since 2009 and instead relies upon internal capacity in the extended absence of an employee, for example, in the case of serious illness. The Council makes regular use of agency workers and the numbers and total cost of agency workers is reported to this Committee within the regular workforce monitoring report. The Council has achieved improved value for money in securing agency workers through the use of the Matrix Contract. Further analysis of the use of agency workers will be reported to the Committee in the next monitoring report.</p>
1.04	<p>Consultants are normally employed to either (1) bring specialist expertise for example connected to the introduction of a complex information technology system or giving legal advice on the formation of Alternative Delivery Models (2) add capacity to core internal resources such as project management of major change projects or (3) bring independent challenge</p>

	and thinking, for example, in challenging the ambition of the business plans to achieve efficiencies in the People and Resources, Governance and Social Services Portfolios. When we refer to consultants we mean external contractors who are commonly known as 'management consultants'. These are professionals who work on major and higher profile projects and commissions alongside senior officers and members.
<b>2.00</b>	<b>REPORT TO THE AUDIT COMMITTEE ON CONTROLS</b>
2.01	<p>The recent review report of the Internal Audit Manager to the Audit Committee (Appendix A) concluded that there was limited assurance over the way in which the organisation applies the previously agreed controls to regulate the engagement and management of consultants. The report also explained that the annual costs of consultants held on the general ledger was inflated by the miscoding of other more routine expenditure for goods and services to the codes for consultants. The report shows that cumulative expenditure of £2.831M was coded as consultancy spend in 2014/15. The scope of the report of the Internal Audit Manager did not include a detailed analysis of the annual costs of consultants or any qualitative assessment of the reasons for engaging consultants or make a value of money achieved from their services. The report went on to quote the figures analysed as consultancy under the procurement classification codes for business and management consultancy and project management services, which showed a total of £0.433M for 2014/15. Although this figure was also subject to inaccuracies of coding it was considered to be more representative of the actual total of consultancy spend for the year under the new definitions for consultants. The majority of costs on the general ledger codes, over and above this figure of £0.433M, were the routine payment of operational professional and technical and fees, and other goods and services which, whilst all legitimate, should not have been coded to consultancy as explained further in 2.02 below. On further analysis the spend of £0.433M only included four consultancies which would certainly meet the new definitions of consultancy and were above or close to the £25,000 contract value. These were Newton Weir (£50,980), Hay Consulting (£73,233), Integra (£50,200) and Northgate (£20,677). Further expenditure of approximately £110,000 was made by Flintshire for significant regional projects for which the Council is the lead with the costs being met by a combination of contributions from all partner councils and a Welsh Government.</p>
2.02	<p>The previous definitions of consultants were too general in their wording leading to a range of expenditure, which would not be recognised as consultancy, being allocated to the consultancy codes in the general ledger. For 2016/17, the Purchase to Pay system will check all entries to consultancy codes and recode them where necessary. The following types of expenditure, whilst legitimate in their own right, have incorrectly been coded to consultancy codes in recent years.</p> <p>The remaining £2.398M of expenditure in 2014/15 was used for these types of fees, goods and services:-</p> <ul style="list-style-type: none"> <li>• Food Safety and standards testing</li> <li>• Occupational Health contract</li> </ul>

	<ul style="list-style-type: none"> <li>• Mediation services</li> <li>• IT system implementation</li> <li>• Software support</li> <li>• Asbestos monitoring</li> <li>• Technical services</li> <li>• Provision of training</li> <li>• Architects fees</li> <li>• Health and Safety advice and services</li> <li>• Energy conservation advice and services</li> <li>• Site investigation contractors</li> <li>• Legal fees</li> </ul>
2.03	<p>In presenting the report to the Committee the Internal Audit Manager did clarify that no evidence had come to light of significant financial loss in the course of this review. The Committee was concerned and frustrated that previously adopted controls had not been applied consistently and rigorously across the organisation, and that an accurate figure of actual consultancy spend could not be given due to the miscoding of other costs for fees, goods and services to the consultancy codes on the general ledger. New and more exacting controls have since been introduced such as the approval of the Chief Executive being required for the business case for any new consultancy of a value of £25,000 or more, and a technical project group now realigning general ledger codes and cost allocation to reduce and avoid miscoding. The Committee acknowledged that the complexity of the working definition of a 'consultant' would have contributed to the miscoding of costs to the consultancy codes in the general ledger. The Committee was advised that a simplified definition of consultants was now being used, as follows:-</p> <p><i>'Retained consultant: with a contract in place for the periodic provision of advice; and Project consultant: to work on defined and time limited projects on strategy, structure or management.'</i></p> <p>A further report on the implementation and effectiveness of the controls is due to be made to the Audit Committee in July.</p>
2.04	<p>At the recent meeting of the Audit Committee explanations were given on the total number of new consultancies of a value of £25,000 or more which had been appointed in 2015/16, and how consultancies are funded. A consultancy can be funded from a service budget held by a Chief Officer, from allocated Invest to Save corporate resources or a reserve which is set aside, or from an external source such as Government Grant. All such expenditure is recorded and accounted for. If a new consultancy is to be funded from an in-year budget variation it will be funded according to Financial Procedure Rules and be recorded in the monthly budget monitoring report. The Corporate Finance Manager has been invited to make a formal statement on cost control in his capacity as Section 151 Officer. His statement is as follows:-</p> <p><i>'Processes and procedures are in place to ensure strict budgetary control. The annual budget is approved each year by County Council which is then used as a basis for reporting in-year variances through the monthly budget</i></p>

	<p><i>monitoring report. Any in-year budget changes are done in compliance with Financial Procedure rules and tracked by the Accountancy Team.</i></p> <p><i>All council spend is processed through the Council's core financial system, projected to the year end and compared with the available budget. Difficulties with accurate reporting on consultancy spend arose from the way in which the costs of consultancy were categorised in the financial system. This has now been reviewed and simplified to aid future reporting requirements.</i></p> <p><i>Irrespective of where costs were categorised (coded) they would still be subject to monitoring and reporting in the same way as all other costs incurred by the Council. Any significant variations to the available budget are reported to members through the monthly report.</i></p> <p><i>I am comfortable that there is adequate financial control and reporting arrangements in place for the Council's budget.'</i></p>
<b>3.00</b>	<b>RECENT USE OF CONSULTANTS BY THE COUNCIL</b>
3.01	<p>The Committee was given an explanation at its special budget 'mop up' meeting on 18 December on the use of consultants to support the Council through a period of major and intensive organisational change. The explanation was given because the use of consultants had been questioned by one of the other Overview and Scrutiny Committees in the course of scrutinising the annual budget proposals for 2016/17. It was explained that the Council's transformation programmes at corporate and service level are principally designed and implemented within our own resources and that consultants are engaged sparingly. The two types of consultancy used are 'fee based' or 'risk and reward'. The Committee was advised that there were 'live' consultancies in Streetscene and Transportation (risk and reward), Social Services (fee based) and Corporate Services (fee based) to support organisational change. The business case for these engagements was as follows:-</p> <ul style="list-style-type: none"> <li>• Streetscene and Transportation: the need for commercial expertise and the additional capacity to drive through ambitious efficiency plans to meet targets;</li> <li>• Social Services: the service is the second largest Council spender and there is a need to test out whether our existing programmes of service reform and efficiencies could go further; and</li> <li>• Corporate Services: external and expert challenge to our adopted business plans to reduce costs by 30% over 3 years.</li> </ul>
3.02	The Committee was satisfied with the explanation given at its December meeting.
3.03	The following is a list of consultancies of £25,000 or more in value which have been engaged in 2015/16 using the correct definitions and as summarised verbally to the Audit Committee.

**Table 1: Consultants Engaged in 2015/16**

Consultancy	Project	Value £
Capita	Specialist advice and support for Alternative Delivery Model development	94,748
Integra	Project management of the introduction of a major new software system for management accounting	25,800
J Parkes-Newton	The procurement of a housing development partner for the SHARP programme and procurement of a fleet vehicle provider project in Streetscene ( <i>costs charged to both Housing Revenue Account and General Fund</i> )	104,853
P A Group	Review of Corporate Services Business Plan	48,380
JMP Group	Review of transport policies and operational costs as part of the new Integrated Transport Unit	18,345
To be appointed	Review of Social Services Business Plan	50,000
Yewbarrow	Project management and technical implementation of the Proactis e-procurement and e-invoicing system	89,780
<b>Total</b>		<b>431,906</b>

Footnote 1: the above figures show costs accrued in-year to date

Footnote 2: the above figure for the JMP Group is the core fee to which a risk and reward fee will be added later

Footnote 3: the procurement for Social Services is not yet complete and the figure quoted is a guideline estimate

3.04 There is strong evidence that past and current consultancies of scale have been well managed internally and contributed to significant organisational achievements. Skills and knowledge have also been transferred from the consultants to the Council to make us more self-sufficient for the future. Examples are the effective project management of the later stages of the Single Status project leading to the adoption of a Single Status Agreement in 2013 and a self-governing arrangement for pay and grading maintenance for the future (as reported to the Committee in the Single Status Closure Report in 2015) (consultants J Cooke and Integra); the introduction of a new corporate operating model and streamlined management structure in 2014 (consultants Hay Consulting); the procurement of a housing development partner for the SHARP Programme (consultant J Parkes-Newton); the review of fleet management which contributed significant efficiencies in Streetscene and Transportation (Newton Weir).

3.05 In previous meetings of this and other Committees, and full Council, members have shared their understandable concerns at the risks posed to the organisation by the loss of experience and expertise as management capacity is reduced over time to save cost. Members have also acknowledged that the scale, pace and complexity of organisational change and service reform needed to meet the cost saving imperatives of the Medium Term Financial Plan is unprecedented. In such circumstances there will be an urgent need for external support to bring expertise, capacity and independent advice and challenge to guide and assist the



	organisation. The use of the right consultants for the right tasks at the right time is an occasional business need of the Council.
3.06	Whether 'value for money' is obtained from a consultant is a judgement best made by weighing up whether a competitive price for the work was obtained from the procurement, whether the consultancy project was completed on time and budget to task, and whether the Council achieved its organisational objectives by engaging the consultant.
<b>4.00</b>	<b>COMPARATIVE USE OF CONSULTANTS BY OTHER COUNCILS</b>
4.01	The use and the costs of consultants has had a similar profile in some other Welsh councils. Some councils have introduced controls not dissimilar to those introduced within this Council. Obtaining reliable comparable annual cost figures from other councils has proved difficult. Of the five peer councils which were able to supply information one reported similar challenges with coding as experienced within Flintshire and that they too had difficulty in extracting an accurate figure for consultancy or management consultancy from a miscellany of expenditure on professional and technical fees and specialist goods and services. One council could not provide a meaningful figure for comparison as they did not distinguish consultancy spend from other spend on professional and technical fees.
4.02	Four Welsh councils were able to supply a total figure for all expenditure coded as consultancy as follows. These figures have limited use for comparability given differing definitions and coding arrangements but provide some form of benchmark:-  Council A (North Wales): £1.300M (2014/15) Council B (South Wales): £2.230M (2014/15) Council C (South Wales): £1.476M (2013/14) Council D (North Wales): £0.586M (2014/15)
4.03	An increasing number of Welsh and English councils have engaged large consultancy companies to run major change programmes on their behalf for a 'risk and reward' fee. Typically, this work will involve the consultancy in reviewing current operations through a form of diagnostic, setting out and agreeing a programme of change and efficiency targets with the client authority, and then moving into an operational phase of jointly implementing the agreed change programme. The term 'risk and reward' comes from the arrangement whereby the consultancy receives a fee for its work where the change programme has proven to be successful. The fee is set as a proportion of the efficiencies actually achieved and can typically be 10-15% of the total sum of the efficiencies. The risk lies with the consultancy i.e. they may not receive any payment if the programme is unsuccessful. This type of work is lucrative to consultancies in the marketplace and client authorities, whilst receiving the benefit of external expertise and assistance, can be accused of paying-over substantial sums of public money for work that they could arguably have done in-house themselves. This Council has only made selective use of risk and reward consultancies, and not to any large scale, and has largely relied upon its own internal capacity to design and deliver its own change programmes.
4.04	To keep the costs of consultancies in perspective, should the Council

	instead opt to employ an individual rather than appoint a consultant, a £50,000 consultancy is equivalent to the annual costs of employing a Grade J officer such as a solicitor or an architect, and £25,000 is the cost equivalent of an operational worker such as a Cook in Charge or a Streetscene operative.
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<b>5.00</b>	<b>RESOURCE IMPLICATIONS</b>
5.01	Consultancies are funded through one of several sources as set out in the report at 2.04. All spend on consultants is subject to Procurement Rules, and Finance Procedure Rules.

<b>6.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
6.01	All Chief Officers, the Corporate Finance Manager and the Internal Audit Manager have been consulted in the preparation of this report.

<b>7.00</b>	<b>RISK MANAGEMENT</b>
7.01	The risks of excessive expenditure on consultants is being managed through the controls explained in Appendix A and through the exercise of careful business planning.

<b>8.00</b>	<b>APPENDICES</b>
8.01	Appendix A: Report of the Internal Audit Manager to the Audit Committee <i>Use of Consultants</i> January 2016.

<b>9.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
9.01	Background papers held by the Corporate Finance Manager and the Internal Audit Manager.  <b>Contact Officer:</b> Colin Everett <b>Telephone:</b> 01352 702101 <b>E-mail:</b> <a href="mailto:chief_executive@flintshire.gov.uk">chief_executive@flintshire.gov.uk</a>

<b>10.00</b>	<b>GLOSSARY OF TERMS</b>
10.01	<b>Fee Based:</b> The payment of a pre-agreed contract fee for a commissioned piece of consultancy work. <b>Risk and Reward:</b> The payment of a fee to a commissioned consultant which is a pre-agreed percentage of the actual efficiencies achieved through the implementation of a mutually agreed change plan.

<p><b>SHARP:</b> Flintshire County Council House Building Programme under the title of the Social Housing and Regeneration Programme.</p> <p><b>Matrix:</b> A procurement framework for accessing agency workers from approved Employment Agencies at controlled placement and salary costs.</p>
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**AUDIT COMMITTEE**

<b>Date of Meeting</b>	Wednesday, 27 January 2016
<b>Report Subject</b>	Consultants
<b>Cabinet Member</b>	N/A
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Advisory

**EXECUTIVE SUMMARY**

Every major organisation uses some consultants where it could not possibly retain specialist expertise in-house, where it has capacity gaps, where independence may be needed or where it is required, for example by an external grant funding such as through Welsh Government.

When used correctly and in the appropriate circumstances, consultants can provide great benefit to an organisation, achieving results that clients do not have the capacity or capability to do themselves. Consultants can offer expertise, advice and knowledge not otherwise available to the Authority, and can assist therefore in achieving our priorities and service objectives. However, in order to achieve these benefits the use of consultants must be controlled by management.

Getting value for money from the use of consultants is dependent upon defining and justifying the need for consultants, astute procurement and project management of the consultancy project, tight governance and accountability structures, and a thorough assessment of the benefits achieved.

The cost of consultants has been an area of interest to the Audit Committee for some time, and there have been various reports brought to the committee over the years – the last one in 2012. A further review was included in the audit plan for 2014/15. That review has now been completed and the resulting report is attached as Appendix A.

The scope of the review was the controls and processes around the engagement of consultants – it did not look at the need for the consultants or attempt to comment on the value added by the consultants. There was also no benchmarking with other Local Authorities – given the difficulties with definition, such a comparison would be of limited use.

The audit opinion is red, meaning there is limited assurance that risks are being managed in this area. Findings include the following:

- The consultancy spend figure on the general ledger is not considered to be accurate due to a high level of miscoding and misinterpretation of the consultancy definitions. Internal Audit is now working with Finance and Procurement to ensure that the ledger will be accurate in 2016/17.
- After the audit in 2012 an interim procedure was put in place for the appointment of consultants. However this has not been sufficiently effective and will now be replaced by the use of the Purchase to Pay (P2P) system.
- A review of a sample of consultancy engagements showed that they did not all have a supporting business case and the procurement did not always comply with Contract Procedure Rules. Measures are now being put into place to address these issues.

## RECOMMENDATIONS

1	To note and accept the report.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE CONSULTANCY COSTS REPORT</b>
1.01	The use of consultants was on the audit plan for 2014/15, with the scope agreed as 'to provide assurance on the appointment and monitoring of consultants'. It became apparent when the audit commenced that this needed to be widened and the audit work became more advisory in nature. Whilst this delayed the completion of the audit, it added value to the Authority by facilitating solutions to the issues identified.
1.02	At the time the review started there were four general ledger codes for consultancy, each with its own definition. It became obvious that these definitions were not understood, resulting in a great deal of misinterpretation of what should be classed as consultancy and therefore miscoding within the ledger. Further, there was no monitoring undertaken of the entries to the codes. As part of the review the Internal Audit team researched the definition of consultants including consulting with the National Procurement Service. A proposed new definition was accepted by the Chief Officer Team in October. There will be two categories of consultant:- <ul style="list-style-type: none"> <li>• retained consultant, with a contract in place for the periodic provision of advice, and</li> <li>• project consultant, to work on defined and time limited projects relating to strategy, structure or management.</li> </ul>
1.03	This will be backed up by changes to account coding and procurement procedures, and communication of the changes to management. A team, led by Internal Audit with colleagues from finance, procurement and P2P,

	has been set up to ensure that the changes are made before the year end, so that consultancy costs can be analysed correctly during the next financial year.
1.04	After the previous audit in 2012 an interim procedure was set up to control the appointment of consultants, before the full implementation of P2P. A general review of the database showed that it had not been fully used. As P2P has now been rolled out, that system will be used in the future for the appointment of consultants.
1.05	All new consultancy engagements should be supported by a business case. In the past these have been inadequate or not in place. A new template has been produced by Internal Audit, which will be used in the future to ensure the robustness and authorisation of business cases.
1.06	Contract Procedure Rules were not always followed in the engagement, performance monitoring and review of consultants. The new processes should ensure tighter controls are in place. These include more interventionist control such as the authorisation of all business cases – over £25,000 by the Chief Executive, under £25,000 by the Chief Officer, Governance, and the ongoing monitoring of consultancy contracts.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None other than officer time and associated costs to implement the recommendations within the report. In the future, enhanced identification and control over costs for consultants.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Chief Executive, Chief Officer Team, and officers within Finance and Procurement.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The recommendations increase the controls and mitigate the risks around the procurement of consultants.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Internal Audit Report Appendix B – Sample of Consultancy Engagements Appendix E – Interim Procedure Appendix F – National Procurement Service Business Case Template Appendix G – National Procurement Service Post Assignment Review Appendix H – Consultancy Business Case

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Appendix C – <a href="#">WG Public Accounts Committee Hearing Report</a>  Appendix D – <a href="#">WG Response to Public Accounts Committee Hearing</a></p> <p><b>Contact Officer:</b> David Webster, Internal Audit Manager  <b>Telephone:</b> 01352 702248  <b>E-mail:</b> david.webster@flintshire.gov.uk</p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>P2P.</b> Purchase to Pay. An electronic system used within the Authority to manage purchasing</p> <p><b>National Procurement Service</b> The National Procurement Service (NPS) for Wales is hosted by the Welsh Government, established to work on behalf of the wider public sector across Wales. By using combined purchasing power the goal is to ensure significant annual savings within procurement. In this endeavour it is engaging collaboratively with public sector member organisations in seeking to find the best available deals in common and repetitive spend.</p> <p><b>Contract Procedure Rules</b> A set of rules that must be complied with when purchasing goods and services.</p> <p><b>Matrix</b> A system for the recruitment of temporary employees / agency staff.</p>



# Flintshire Internal Audit

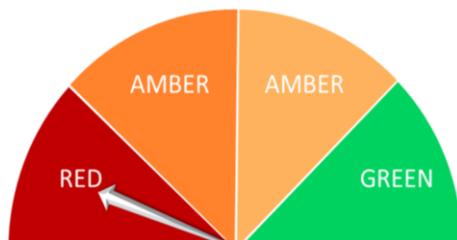
# Audit Report

**Title:** Consultancy Costs  
**Portfolio:** Corporate  
**Issued Dated:** January 2016  
**Report No:** 06-14/15  
**Report Status:** FINAL

Internal Audit engagements are conducted in conformance with the Public Sector Internal Audit Standards.

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## Audit Opinion



# 1. Executive Summary:

## Introduction and Scope:

The purpose of this review is to give assurance that appropriate specification, procurement and contract management processes are in place around the appointment of consultants to ensure appropriate use, quality and value for money for each appointment.

The scope of the review includes:

- Assessment of compliance with existing controls and best practice around the appointment and management of consultants.
- Consideration of the extent to which consultancy costs are being contained at a time of unprecedented cuts to funding.
- Review of the appropriateness of the current definitions of consultancy costs being used to classify consultancy spend on the general ledger.

Consultancy spend on the general ledger in 2014/15 totalled **£2,830,954** (2013/14: £2,131,082).

The consultancy spend figure on the general ledger is not considered to be accurate due to the level of miscoding to the general ledger, exacerbated by misinterpretation of the consultancy definitions supporting the general ledger consultancy codes. A significant amount of work would be required to clean up the general ledger to obtain an accurate figure for consultancy costs in 2014/15 – this work has not been carried out as part of this audit.

Data released in response to an FOI request in February 2015 showed Consultancy costs from 1<sup>st</sup> April 2014 to 17<sup>th</sup> March 2015 totalled £414,426 – this figure was not taken from the general ledger but was instead based on a request to Finance Officers for details of consultancy spend within their services. Finance are aware that the reported figure of £414,426 for 2014/15 (£893,604 for 2013/14) is understated as it was not possible to analyse all costs in the available timescale.

## Audit Opinion:

In each report we provide management with an overall assurance opinion on how effectively risks are being managed within the area reviewed. See page 19 of this report for details of our assurance levels:

Assurance:	Explanation
<b>Red – Limited</b>	<p><b>Urgent system revision required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>▪ Key controls are absent or rarely applied</li> <li>▪ Evidence of (or the potential for) significant financial / other losses</li> <li>▪ Key management information does not exist</li> <li>▪ System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.</li> </ul> <p>Impact: a lack of adequate or effective controls leading to a high probability of loss, fraud, impropriety, waste, damage to reputation and / or failure to deliver organisational objectives.</p>

The table below highlights the number and priority of agreed actions to be implemented.

Priority	High	Medium	Low	Total
No.	1	11	2	14

A sample of ten consultancy engagements were selected for detailed testing as part of this audit as detailed at Appendix B.

An audit of Use of Consultants was carried out in January 2011 which resulted in the then Corporate Management Team agreeing an interim procedure for the appointment of consultants which required all engagements (excluding those through Matrix) to be recorded on the Consultancy Procurement Planning Database, and approved by the Head of Service or Director. The Interim procedure applied to all new engagements post 18<sup>th</sup> June 2012. The audit also recommended strengthening of the Contract Procedure Rules around the engagement of consultants. An audit of this interim procedure was carried out in June 2013.

Some of the issues identified in the previous two audit reports have not been addressed, specifically;

- There are still instances of non-compliance with the Contract Procedure Rules;
- Business Cases are not always in place to support Consultancy engagements;
- There is still no evidence of skills transfer at the end of consultancy engagements.

## 2. Summary Findings:

Areas Managed Well	Areas for Further Improvement
<ul style="list-style-type: none"> <li>▪ There is evidence that the higher profile, large spend consultancy contracts have been well managed.</li> <li>▪ All consultancy spend is appropriately authorised through the P2P system.</li> <li>▪ The Consultancy Procurement Planning database includes Business Case templates to support consultancy engagements.</li> <li>▪ Business Cases are in place to support some of the consultancy appointments reviewed.</li> <li>▪ The Contract Procedure Rules have been complied with for some of the consultancy appointments reviewed.</li> <li>▪ Chief Officers are confident that the sample of consultancy engagements reviewed provide value for money.</li> </ul>	<ul style="list-style-type: none"> <li>▪ It is not clear where overall responsibility lies for the control and management of consultancy spend.</li> <li>▪ Contract Procedure Rules have not been complied with for 6 of the 10 consultancy engagements reviewed as part of the audit.</li> <li>▪ One individual consultant has been awarded work totalling £160k over the last three financial years (covering 9 separate projects) for ‘project management’. We need to consider whether it would be more cost effective to directly employ a part time Project Manager to carry out this work.</li> <li>▪ The employment status of long term consultants needs to be considered to ensure they do not meet the HMR&amp;C definition of ‘disguised employees’.</li> <li>▪ Consultancy costs on the general ledger do not include those consultancy costs which have gone through Matrix (e.g. consultancy costs associated with the SHARP project).</li> <li>▪ There is currently no requirement for consultancy costs through Matrix to be supported by a business case.</li> <li>▪ The extent of miscoding to the general ledger suggests that there may be confusion and inconsistency around the identification and coding of consultancy spend.</li> <li>▪ There are no business cases in place to support 2 of the sample of 10 consultancy engagements reviewed as part of this audit, 2 of the remaining 8 engagements were supported by ‘informal’ business cases (verbal / email agreement).</li> <li>▪ A number of business cases on the Consultancy Procurement Planning Database are brief, with limited reference to ‘skills and knowledge transfer’, and limited reference to the ‘specific expertise and skills required’ and the ‘budget / procurement route’.</li> <li>▪ No evidence of formal monthly contract reviews for strategic, high value, high profile engagements (all contract monitoring has been informal).</li> </ul>

### 3. Action Plan:

Priority	Description
High	Action is imperative to ensure that the objectives of the area under review are met.
Medium	Requires action to avoid exposure to significant risks in achieving the objectives of the area.
Low	Action encouraged to enhance control or improve operational efficiency.

No.	Findings and Implications	Agreed Action	Who	When
1	<p>It is not clear where overall responsibility lies for the control and management of consultancy spend.</p> <p>There is no officer or service area responsible for ensuring compliance with the procedures put in place in 2012 to ensure consultancy spend is robustly managed.</p>	<p>For the immediate future the Chief Executive will be responsible for driving tighter controls around consultancy spend.</p> <p>Spend of £25k and over will be authorised by the Chief Executive, spend under £25k will be authorised by the Chief Officer, Governance.</p> <p>A communication will be put together for the Chief Officer Team detailing the new controls and processes to be put in place around consultancy spend.</p>	Colin Everett	1 <sup>st</sup> January 2016
2	<p>There are four general ledger codes on Masterpiece against which consultancy costs are coded;</p> <ul style="list-style-type: none"> <li>423A: Retained consultants, e.g. advisor's to the pension fund.</li> <li>423B: Retained for special projects, longer term.</li> <li>423C: Consultants for specific purposes, e.g. consultants appointed to look at the voids process in Housing; Consultants appointed to advice on new technology.</li> <li>423D: Consultants employed for specialist services such as training, e.g. social services trainers.</li> </ul> <p>Consultancy spend on 'Matrix' is coded to detailed code 0968 (Agency Costs) and not to the consultancy ledger</p>	<p>The scope for system development within Matrix will be explored, with the aim of ensuring all non-agency staff costs are appropriately identified and coded.</p>	Arwel Staples	1 <sup>st</sup> February 2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>codes. As such consultancy costs on the general ledger are understated.</p> <p>A review of a sample of 2014/15 Matrix invoices identified two consultancy appointments which are not reflected in the consultancy cost codes on the general ledger (both appointments are coded to Agency costs);</p> <ul style="list-style-type: none"> <li>• Procurement Manager, SHARP project - Total spend April 2014 to Feb 2015 £118,715.</li> <li>• Project Manager, ICT – Total spend April 2014 to Feb 2015 £50,119.</li> </ul> <p>It is probable that there is further consultancy spend through Matrix not picked up in the sample of invoices reviewed as part of this audit.</p>			
3	<p>Review of general ledger transactions between April 2014 and March 2015 show that ledger code 423D is the most widely used consultancy code, there are however a number of payments coded to 423D which are not true consultancy costs, (423D includes IT support; provision of occupational health services; traffic surveys; fork lift truck training; debt collection fees, etc.).</p> <p>The extent of miscoding to the ledger and the number of transactions going through each of the consultancy ledger codes suggests that there is confusion and inconsistency around the identification and coding of consultancy spend, and a more concise definition of consultancy spend may be required.</p> <p>In February 2013 Wales Audit Office (WAO) carried out a review into the use of consultants across the Welsh Public Sector (“The Procurement and Management of Consultancy Services”), and recommended that public bodies should agree and adopt a common definition of consultancy services, and align their categorisation and</p>	<p>The new consultancy definition will need to be mapped against the Procurement Classification (PC) codes to enable category management / appropriate authorisation hierarchies to be set up within the P2P system.</p> <p>Some system development may be required to enable the 2 stage category management processes to be implemented.</p>	Arwel Staples / Consultancy Project Group	29 <sup>th</sup> February 2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>coding of consultancy services in their financial systems and procurement databases.</p> <p>The WAO review was followed by a Welsh Government Public Accounts Committee (PAC) hearing in September 2013 (Appendix C), which included a recommendation that “The Welsh Government works in collaboration with other public sector bodies to develop a common understanding and definition of consultancy services”.</p> <p>The Welsh Government response to the PAC recommendations states that 'a common understanding and definition of consultancy services will be developed by the Head of Category for Professional Services, National Procurement Service (NPS) and agreed with stakeholders from across the public sector by March 2014' (Appendix D).</p> <p>As part of this audit we met with the Head of Category for Professional Services NPS, to discuss the work carried out in response to the PAC recommendations, and to consider their definitions of consultancy spend.</p> <p>The definitions provided by the NPS were discussed with the Chief Executive, who did not consider they were appropriate for use within the Authority, and as such a definition was proposed by Internal Audit which is a hybrid of the NPS definitions and the FCC definitions. This definition has now been agreed with the Chief Officer Team (COT);</p> <p>“The provision of objective advice relating to strategy, structure or management. Consultancy is likely to include the identification of options with recommendations, and may also include assistance with the implementation of solutions;</p> <ul style="list-style-type: none"> <li>Retained Consultant: Contract in place for the periodic provision of objective advice (e.g. advisors to the Pension Fund).</li> </ul>			

No.	Findings and Implications	Agreed Action	Who	When								
	<ul style="list-style-type: none"> <li>Project Consultant: Work on defined and time limited strategic projects relating to strategy, structure or management (e.g. Consultants appointed to provide advice around Single Status or consultants appointed to look at processes)".</li> </ul> <p>Using these definitions the bulk of FCCs 'consultancy' spend on our general ledger would actually be reclassified as payments for professional services allowing us clear sight of where our actual consultancy spend is incurred.</p>											
4	<p>It is difficult to reach an opinion on the extent to which consultancy costs are being contained due to the amount of miscoding to the general ledger, the lack of a concise definition of consultancy spend, and the difficulties in identifying and excluding consultancy costs which are fully or partially funded.</p> <p>As raw figures from the general ledger would not provide meaningful trend data, figures were obtained from the ledger of spend coded to consultancy codes 423A, 423B, 423C &amp; 423D where the suppliers had been classified under Procurement Classification (PC) codes 12100 (Business &amp; Management Consultants) and 61860 (Project Management Services).</p> <p><b>These figures have been used to provide indicative trend data only.</b> It is recognised that there are other consultancy costs on the general ledger which would not fall within PC codes 12100 and 61860 (e.g. Treasury Management, Fleet Management, Planning Consultants, etc.).</p> <table border="1" data-bbox="286 1366 1034 1444"> <thead> <tr> <th>Financial Year</th> <th>12100 (Business &amp;</th> <th>61860 (Project</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Financial Year	12100 (Business &	61860 (Project						<p>A joint communication will be issued to Finance Managers / Finance Officers and Budget Holders re the new consultancy definition and the new processes to be implemented around consultancy spend.</p> <p>Once the new consultancy definition has been introduced Finance will be responsible for monitoring posting to the general ledger code for accuracy, and liaising with budget holders to address miscoding.</p> <p>There will be no retrospective clean-up of the 15/16 ledger, with a report going to Audit Committee (Jan 2016) explaining that the 15/16 figures are 'unreliable' and explaining the new processes to be implemented to address the audit findings.</p>	Sara Dulson / Consultancy Project Group	29 <sup>th</sup> February 2016
Financial Year	12100 (Business &	61860 (Project										



No.	Findings and Implications			Agreed Action	Who	When	
		Management Consultants)	Management Services)	Total			
	12/13	£297,392	£9,272	£306,664			
	13/14	£455,985	-	£455,985			
	14/15	£332,232	£101,218	<b>£433,450</b>			
5	<p>Based on spend under PC codes 12100 and 61860 only, the data shows an increase in consultancy spend since 2012/13, with a peak in 2013/14, however without detailed information re the extent of 'funded' costs it is not possible to reach a conclusion as to the effectiveness of the processes in place for containing consultancy spend.</p> <p>It is clear however that at a time of unprecedented cuts to funding there should be robust challenge of all consultancy engagements, with robust business cases in place, exit strategies to ensure the appropriate transfer of skills at the end of engagements and clear evidence that the market has been tested and value for money has been achieved in the procurement process.</p> <p>Robust data should be in place around consultancy costs to enable trends in spend to be identified and appropriately managed. This has been raised as an issue in the previous two audit reports.</p> <p>In June 2012 an interim procedure was introduced which required the appointment of all consultants (excluding those appointed through Matrix) to be recorded on the Consultancy Procurement Planning Database.</p>			<p>Going forward the Consultancy Procurement Planning Database will no longer be used.</p> <p>Order originators will be required to attach a completed Business Case template to all P2P orders raised against suppliers with a</p>	Kevin Patterson / Arwel Staples / Consultancy Project Group	29 <sup>th</sup> February 2016	

No.	Findings and Implications	Agreed Action	Who	When
	<p>The interim procedure (which is documented within the Consultancy Procurement Planning Database) is copied at Appendix E.</p> <p>The database was set up to capture Business Cases to support the proposed appointment of consultants, together with the then Head of Service / Director approval of the appointment.</p> <p>General review of the database confirmed;</p> <ul style="list-style-type: none"> <li>• The database stands alone, processes are not work flowed from the database to P2P or the general ledger, likewise there is no interface between the database and our other financial / procurement systems;</li> <li>• As the database is completed before the consultant is engaged, the database does not hold the name of the consultant or the actual value of the contract, as such it can be difficult to reconcile spend on the ledger to approved engagements on the database.</li> <li>• Whilst some of the engagement requests on the database are supported by detailed business cases (attachments to the database), others only contain a few lines of narrative outlining the work to be undertaken.</li> <li>• Generally the business cases are not robust. Whilst there is a requirement to include information regarding 'specific expertise &amp; skills required, estimated length of engagement; outcomes &amp; outputs expected; skills &amp; knowledge transfer; budget &amp; procurement route' in many cases this information is missing.</li> <li>• In a number of cases the 'Commissioning Officer' and the 'Head of Service' are the same person, as such</li> </ul>	<p>consultancy procurement classification (PC) code.</p> <p>The Chief Officer / category manager responsible for authorising consultancy spend will be responsible for ensuring an authorised Business Case is in place.</p>		

No.	Findings and Implications	Agreed Action	Who	When
	<p>the Head of Service is both submitting and approving Business Cases.</p> <ul style="list-style-type: none"> <li>Only one new engagement was added to the database in 2014/15.</li> </ul> <p>Based on the issues identified, the Consultancy Procurement Planning Database is not currently adding value to the consultancy appointment process.</p> <p>The database was initially set up as an interim measure awaiting the full implementation of P2P. Now that the P2P system has been fully rolled out (excluding schools and costing systems) there may be scope to implement additional controls around consultancy spend within the system.</p>			
6	<p>As stated in para 2, Consultants have been engaged through the Matrix Agency system as follows;</p> <ul style="list-style-type: none"> <li>Procurement Manager, SHARP project - Total spend April 2014 to Feb 2015 £118,715.</li> <li>Project Manager, ICT – Total spend April 2014 to Feb 2015 £50,119.</li> </ul> <p>There is no requirement for consultancy appointments through Matrix to be supported by an approved Business Case.</p> <p>This inconsistency in the application of controls may result in appointments being made which have not been approved by the relevant Chief Officer.</p>	<p>The communication to Chief Officers referred to in paragraph 1 will reiterate the requirement for Business Cases (or evidence of an equivalent level of consideration of the value of an engagement) to be in place to support all consultancy engagements, including those sourced through Matrix.</p>	Colin Everett	1 <sup>st</sup> January 2016
7	<p>A sample of consultancy engagements since 2012 was chosen to ensure each engagement could be supported by an approved business case.</p> <p>The sample covered five different consultants; one of the consultants had been awarded six separate pieces of work since 2012 and as such each piece of work was</p>	<p>The new processes introduced as a result of this audit should ensure formal business cases (or evidence of an equivalent level of consideration of the value of an engagement) are in place to support all consultancy engagements.</p>	n/a	n/a

No.	Findings and Implications	Agreed Action	Who	When
	<p>reviewed to ensure due process had been followed and there was an approved business case in place.</p> <p>It was confirmed that Business Cases were in place for five of the sample of ten engagements, three further engagements within the sample did not require a Business Case as in two instances the consultant was appointed pre June 2012, and the third instance the appointment was made through Matrix.</p> <p>Of the five Business Cases in place two were fully approved on the Consultancy Procurement Planning Database, one was on the database but had not been fully approved, and two were supported by 'informal business cases', i.e. verbal / email discussion / approval of engagement.</p> <p>Two engagements in the sample were not supported by Business Cases.</p> <p>The Chief Executive considers that business cases are the 'lynchpin' which ensures the appropriate management of consultancy spend, and as such there should be business cases of some type in place for all consultancy spend, and these business cases should be appropriately authorised.</p>			
8	<p>The three business cases on the Consultancy Procurement Planning Database referred to in point 7 were reviewed, with a view to assessing robustness.</p> <p>In each case the content within the business case was brief, and the template had not been fully completed (no references have been made to 'skills and knowledge transfer', and there is limited reference to the 'specific expertise and skills required' and the 'budget / procurement route).</p> <p>As part of their tool box for the management of consultancy spend the National Procurement Service</p>	<p>The Business Case template proposed by Internal Audit will be used going forward (recognising that the document may need to be amended to ensure it remains fit for purpose).</p>	Colin Everett	1 <sup>st</sup> January 2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>have developed a Business Case template (Appendix F) which seeks to bring together all the information required to effectively authorise and manage an engagement in one document. In addition to the information captured in our existing business case template, the NPS template also captures 'measures of success' (identified at the planning stage), 'resource requirements', 'key benefits to be delivered', 'exit strategy', risks associated with the engagement and key measures for effective contract management.</p> <p>The NPS Business Case template was discussed with the Chief Executive who considered it was not appropriate for use within the Authority, as such a template was drafted by Internal Audit which is a hybrid of the NPS template and the Business Case Template on the Consultancy Procurement Planning Database (Appendix H).</p>			
9	<p>The sample of ten consultancy engagements (used for detailed testing) were reviewed to ensure each engagement complied with the Authority's Contract Procedure Rules.</p> <p>The Contract Procedure Rules had not been complied with for six of the engagements in the sample (6 engagements relating to the same firm of consultants).</p> <p>In each case the Service Manager / Chief Officer stated that the Contract Procedure Rules had not been applied as the consultant had extensive experience within the Authority, was charging a competitive day rate, and came with recommendations from other Chief Officers. No exemptions from tendering were claimed.</p> <p>The Contract Procedure Rules state that value for money should be demonstrated for all contracts less than £10,000. For contracts between £10,001 and £25,000 a minimum of three tenders must be invited, and for</p>	<p>The new processes introduced as a result of this audit should ensure tighter controls around consultancy spend.</p> <p>The proposed procurement route for each consultancy engagement will be identified in the Business Case which will be authorised by the Chief Officer, Governance (or by the Chief Executive if the estimated cost of the engagement exceeds £25k).</p> <p>Chief Officers will be reminded that there must be transparency around the appointment of all consultants.</p>	Colin Everett	1 <sup>st</sup> January 2016

No.	Findings and Implications	Agreed Action	Who	When
	contracts between £25,001 and the OJEU limit a minimum of four tenders should be invited which must be sourced through public advertisement via the National Procurement Website.			
10	<p>In addition to the issue around failure to comply with the Contract Procedure Rules (point 9) there is also the risk that if contracts are repeatedly awarded to the same consultant, and the contracts constitute a large part of the consultants' workload over a sustained period of time, HM Revenue &amp; Customs may question the consultants' employment status.</p> <p>HM Revenue &amp; Customs may view a consultant as a "disguised employee" being paid through a Ltd Co to avoid the payment of income tax.</p>	See Agreed Action at point 9.	n/a	n/a
11	<p>Review of the general ledger and the P2P system confirmed that one consultancy firm had been awarded consultancy work totalling circa £160k over the three financial years from 2012/13 to 2014/15 for project management work across a number of different projects.</p> <p>We need to consider whether efficiency savings could be achieved through the direct employment of a part or full time Project Manager in place of the consultant.</p>	<p>Chief Officers will be asked to identify all significant consultancy appointments within their service areas and review the progress of each project against the scope of the work agreed at the start of each project.</p> <p>Reviews need to take place around value, timescales, cost, etc.</p> <p>Going forward the completion of Business Plans will ensure alternatives to the appointment of a consultant are adequately considered. These are reported through Programme Boards.</p>	Colin Everett	1 <sup>st</sup> January 2016
12	Paragraph 38 of the Contract Procedure Rules states that "all contracts which are strategically critical and / or high risk and / or high value and / or high profile as determined by the relevant Head of Service within their own service area, are to be subject to a minimum monthly formal contract review with the contractor."	<p>Contract monitoring requirements will need to be identified in the Business Case completed prior to the engagement of the consultant.</p> <p>Contract monitoring will also be picked up as part of the 'post assignment review' which</p>	Colin Everett	1 <sup>st</sup> January 2016

No.	Findings and Implications	Agreed Action	Who	When
	<p>Of the sample of ten consultancy engagements selected for detailed testing, there are possibly two which would fall within paragraph 30 of the CPR's in that they could be defined as 'strategically critical' or 'high profile' as follows;</p> <ul style="list-style-type: none"> <li>• Senior Management Restructure;</li> <li>• Single Status Project Management.</li> </ul> <p>There is no evidence of 'formal' monthly contract reviews for either of these engagements, all contract monitoring has been informal (discussions re fee billing, work requirements, quality of output, scope delivery, monitoring of spend and informal monitoring of progress as part of the invoice approval process, etc.).</p> <p>As part of their tool box for the management of consultancy spend the National Procurement Service (NPS) have developed a Post Assignment Review template (Appendix G) which provides a minimum set of considerations for gathering "lessons learned" from each consultancy engagement. The template is considered to be an important part of the due diligence and is designed to be completed with a view to the original Business Case.</p>	<p>will be work flowed through the Proactis contract management module.</p>		
13	<p>Paragraph 39 of the Contract Procedure Rules states that "all contractors shall be subject to regular contract performance reviews, through feedback received from external and internal stakeholders. If practical, a performance review shall be undertaken at the end of each completed contract / job".</p> <p>Discussions with commissioning managers confirmed that informal contract reviews are being carried out (ongoing discussions re progress, timetabling, quality of delivery, etc.) but these are not formally documented.</p>	<p>See Agreed Action at point 12.</p>	n/a	n/a

No.	Findings and Implications	Agreed Action	Who	When
	<p>For some projects regular updates have also been provided to the Chief Executive and Members.</p> <p>Performance reviews have not been carried out at the end of consultancy engagements to identify areas in which the engagement has been successful and areas in which it was less successful. This type of review may be useful in informing future procurement exercises, and future contract monitoring.</p>			
14	<p>Category management has been introduced within the P2P system to control some costs. Each supplier on P2P has been allocated a procurement classification (PC code) and all proposed spend within certain PC codes must be pre-authorised by the designated category manager.</p> <p>There is no category management in place around spend on Business and Management Consultants (PC code 12100). A category manager was in place between January 2014 and October 2014 but the post was not reallocated on the retirement of the post holder.</p> <p>If robust business cases are in place to support consultancy engagements there is limited value added by requiring the pre authorisation of all consultancy spend, however if consultants continue to be engaged without business cases category management would provide an additional layer of control to ensure senior management are aware of spend.</p>	<p>Going forward all consultancy purchase orders entered onto the P2P system will be authorised by the Chief Officer, Governance (as category manager).</p> <p>Orders will only be authorised if supported by a robust Business Case.</p> <p>All orders in excess of £25k will be authorised by the Chief Executive.</p>	Colin Everett	1 <sup>st</sup> January 2016



## 4. Additional Audit Comments:

The purpose of this section is to inform Managers of those areas where:

- A finding has been discussed but which has not been included within the overall audit opinion.
- Value for money has been considered and areas of opportunity for further improvement have been identified.

No.	VFM Findings / Suggestions	Management Comment
<b>Value for Money:</b>		
1	<p>On the adoption of the new definition of consultancy spend we need to be mindful that robust controls remain in place around the engagement of ‘Specialist Contractors’ and other professional services to ensure this spend is appropriately managed.</p>	<p>It is recognised that professional fees, etc. will increase as a result of the implementation of the new consultancy cost definition.</p>
2	<p>Any amended definition of consultancy costs and changes to the General Ledger coding structure needs to allow for the clear identification of those consultancy costs which are fully or partially funded from outside the Authority (e.g. costs funded through external grants, costs met through regional partnerships, contributions from other Local Authorities, etc.). This would allow us to clearly identify our consultancy spend as a Local Authority, and going forward allow us to identify trends in spend and manage them appropriately.</p> <p>The existing general ledger coding structure does not allow for the easy identification of funded costs (this could be determined from a review of the cost centre codes for each transaction on the ledger, but would be a time consuming task).</p>	<p>This is something which is being looked at by Corporate Finance but is actually quite problematic.</p> <p>A ‘Practitioners Group’ is in the process of being put together to look at the use of separate codes within the ledger for accounting for grants, and the outcomes of this group will also apply to funded consultancy costs.</p>

Suggestion:		
3	<p>The Contract Procedure Rules state that ‘the engagement of consultants must be approved in the first instance by relevant Head of Service / Director and such approval shall be recorded on the Corporate Register of Consultants that may be in place centrally’.</p> <p>The Contract Procedure Rules should be updated to reflect any decisions made around continuing use of the Consultancy Procurement Planning Database.</p>	Accepted.

## 5. Distribution List:

Name	Title
Colin Everett	Chief Executive (Accountability Officer)
Helen Stappleton	Chief Officer (People & Resources)
Gareth Owens	Chief Officer (Governance)
Ian Budd	Chief Officer (Education & Youth)
Neil Ayling	Chief Officer (Social Services)
Claire Budden	Chief Officer (Community & Enterprise)
Steve Jones	Chief Officer (Streetscene & Transportation)
Andy Farrow	Chief Officer (Planning & Environment)
Neal Cockerton	Chief Officer (Organisational Change)
Dan Bancroft	Chief Officer (Organisational Change)
Arwel Staples	Strategic Procurement Manager
Kevin Patterson	Project Manager P2P
Gary Ferguson	Corporate Finance Manager
Sara Dulson	Finance Manager
Andy Argyle	Senior Procurement Officer
Lisa Price	Procurement Officer
Suzanne Rogers	Accountant

## Audit Opinion:

The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Some** or **Limited** assurance audits will be reported to the Audit Committee.

Assurance	Explanation
<b>Green - Substantial</b>	<p><b>Strong controls in place (all or most of the following)</b></p> <ul style="list-style-type: none"> <li>▪ Key controls exist and are applied consistently and effectively</li> <li>▪ Objectives achieved in a pragmatic and cost effective manner</li> <li>▪ Compliance with relevant regulations and procedures</li> <li>▪ Assets safeguarded</li> <li>▪ Information reliable</li> </ul> <p>Impact: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p>
<b>Amber Green – Reasonable</b>	<p><b>Key Controls in place but some fine tuning required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>▪ Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact</li> <li>▪ Some refinement or addition of controls would enhance the control environment</li> <li>▪ Key objectives could be better achieved with some relatively minor adjustments</li> </ul> <p>Impact: key controls generally operating effectively but there remains a potential risk of loss, fraud, impropriety or damage to reputation and / or failure to deliver organisational objectives.</p>
<b>Amber Red – Some</b>	<p><b>Significant improvement in control environment required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>▪ Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively</li> <li>▪ Evidence of (or the potential for) financial / other loss</li> <li>▪ Key management information exists but is unreliable</li> <li>▪ System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.</li> </ul> <p>Impact: key controls are generally inadequate or ineffective and there is an increased probability of loss, fraud, impropriety, waste, damage to reputation and / or failure to deliver organisational objectives.</p>
<b>Red – Limited</b>	<p><b>Urgent system revision required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>▪ Key controls are absent or rarely applied</li> <li>▪ Evidence of (or the potential for) significant financial / other losses</li> <li>▪ Key management information does not exist</li> <li>▪ System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.</li> </ul> <p>Impact: a lack of adequate or effective controls leading to a high probability of loss, fraud, impropriety, waste, damage to reputation and / or failure to deliver organisational objectives.</p>

## Appendix B – Sample of Consultancy Engagements:

A sample of ten consultancy engagements were selected for detailed testing as part of this audit.

Some of these contracts were well managed, the contracts which were not well managed have been referred to in Section 3.

<b>Project</b>	<b>Invoiced 12/13 to 14/15</b>	<b>Approved PO's not invoiced at 25/3/15</b>
1	£19,750	-
2	£70,924	-
3	£264,000	-
4	£72,800	-
5	£8,000	£10,600
6	£7,800	£16,800
7	£28,000	-
8	-	-
9	£10,000	-
10	£118,715	-

## Consultancy Procurement Plan

**How to Use:** The Consultancy Procurement Plan must be completed before engaging any external consultants. Before completion consideration must be given to using internal resources and expertise. These resources and expertise may not exist within your own service area or directorate so please consult with colleagues in other directorates and even within other North Wales Councils before engaging external resources, The plan must be authorised by your Head of Service. In terms of the procurement route to follow please refer to the Council's Contract Procedure Rules or seek advice from the Corporate Procurement Unit. A copy of the completed procurement plan must be forwarded to the Corporate Procurement unit to enable a pan Council awareness of external consultancy for relevant reporting.

**Directorate & Service Area**

**Commissioning Manager**

**Category of Consultancy**

*See definitions overleaf.*

**Statement of requirements**

*i.e. project description, specific expertise and skills required, estimated length of engagement, previous experience etc*

**Objectives of the engagement.**

*i.e. outcomes and outputs expected, wherever possible these should be measurable. Skills and knowledge transfer must be included in objectives.*

<b>Business Case for engagement of external consultants</b> <i>i.e. have we considered internal resources, partner resources etc</i>	
-----------------------------------------------------------------------------------------------------------------------------------------	--

<b>Budget and Procurement Route</b> <i>i.e. The budget must be identified in advance of the engagement and the procurement route as per CPR's and agreed with the corporate procurement unit</i>	
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

The approver is responsible for the procurement of the external consultancy services. They will also ensure that a work plan is agreed and monitored with the consultant and that all identified outputs and outcomes as identified above are met. The approver will also ensure that staff work alongside the consultant to ensure appropriate knowledge and skills transfer.

	Name & Position	Date
<b>Approved By</b>		

**Consultant Category Definitions**

1. Retained consultant, e.g. advisors to the pension fund
2. Retained for special projects, longer term
3. Consultants for specific processes, e.g. consultants appointed to look at the voids process in Housing, consultants appointed to advise on a new technology
4. Consultants employed for specialist services such as training, e.g. social services trainers

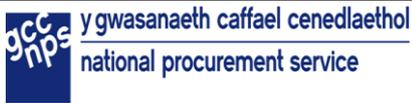
 <b>y gwasanaeth caffael cenedlaethol</b> national procurement service		<b>BUSINESS CASE FOR PROFESSIONAL SERVICES</b>			
<b>APPROVAL FOR PROFESSIONAL SERVICES REQUIREMENTS ABOVE £25K</b> <i>PLEASE ENSURE THAT YOU READ THE GUIDANCE WHEN COMPLETING THE TEMPLATE</i>					
Business Case Ref		Parent Business Case		Directorate or Business Area	
Title				Submission Date	
<b>SECTION 1 – STRATEGIC CASE</b> To be completed by the Business Stream					
<b>1. Role Objectives.</b> Outline SMART deliverables and parameters for the project			<b>Measure of Success</b>		
<b>2. Person Responsible for Managing the Contract.</b>					
<b>3. Requirement.</b> Summarise the resource requirement and how the solution should operate					
<b>3a. Requirement</b>			<input type="checkbox"/> New Role <input type="checkbox"/> Extension Please provide Justification for extension:-		
<b>3b. Consideration of Employment Status</b> What is the employment status of the individual or group or workers that you are potentially contracting with. (If contracting direct with individuals or groups of workers there could be potential VAT and National Insurance implications / liabilities for the contracting body). Please complete The HMRC Employment Status Indicator, and record the ESI reference. <a href="http://www.hmrc.gov.uk/calcs/esi.htm">http://www.hmrc.gov.uk/calcs/esi.htm</a>			Employment Status:-  HMRC ESI Reference:-  		
<b>4. Proposed Procurement Route.</b> Please indicate the proposed procurement route and give an explanation below.			<input type="checkbox"/> NPS FW (Mini Competition) <input type="checkbox"/> Other Framework (Mini Competition) <input type="checkbox"/> Competitive Tender <input type="checkbox"/> Single Tender Action <input type="checkbox"/> Competitive Quotes <input type="checkbox"/> Extension		





**BUSINESS CASE FOR PROFESSIONAL SERVICES**

<b>5. Proposed Start Date.</b>					<b>6. Estimated End Date.</b>				
<b>6. Retrospective Business Case?</b>					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
					Please provide explanation for retrospective business case:--				
<b>7. Benefits.</b>  Describe key benefits (indicate benefits type)			Please provide description of key benefits that will be delivered as a result of this engagement:- <b>Eg Quantitative</b> – rate reduction, £ savings, £ cost reductions to existing processes, up skilling of staff. <b>Qualitative</b> – community benefits.						
			Description of key benefits:-						
			<input type="checkbox"/> Quantitative <input type="checkbox"/> Qualitative						
<b>8. Category</b>			<input type="checkbox"/> Professional Services Consultancy <input type="checkbox"/> Professional Services Interim & Specialist <input type="checkbox"/> Professional Services Other  <input type="checkbox"/> Research <input type="checkbox"/> Administrative Staff (Agency)						
<b>9a. Consultancy - Sub Category.</b>  <b>Add in Link to defs</b>			<input type="checkbox"/> Strategy <input type="checkbox"/> Financial <input type="checkbox"/> Legal <input type="checkbox"/> HR <input type="checkbox"/> PPM <input type="checkbox"/> IT  <input type="checkbox"/> Organisational <input type="checkbox"/> Property / Estates <input type="checkbox"/> Marketing <input type="checkbox"/> Technical  <input type="checkbox"/> Procurement						
<b>9b. Temporary Staff - Sub Category.</b>			<input type="checkbox"/> Interim Manager <input type="checkbox"/> Specialist Contractor <input type="checkbox"/> Administrative Staff (Agency)						
<b>10. Skills Transfer and Exit Strategy.</b>  Outline how the desired skills of the resource will be transferred to internal staff and monitored. (If appropriate).  Define the exit plan(s)									



**BUSINESS CASE FOR PROFESSIONAL SERVICES**

<b>11. Budget.</b>	<b>Year 1 (state year below)</b>				<b>Year 2 (state year below)</b>	<b>Year 3 (state year below)</b>	<b>Total</b>
	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>			
	<b>Total £</b>				<b>£</b>	<b>£</b>	<b>£</b>

**12. Risks Identified: Specify top two (2).**

Risk Description	Consequence	Probability (High/Medium/Low)	Who is responsible for managing this risk? (Supplier / Organisation)

**13. Contract Management.**

Name of Contact Manager responsible for monitoring performance / delivery	Key Measure (Quantity/Price/Risk/Time)	Frequency of Measurement
	Eg Achievement of milestones	Quarterly/ Monthly
	Draft / finalised reports	

**SECTION 2 – ECONOMIC CASE**  
To be completed by the Business Stream

**1. What alternatives options to letting this contract have been explored and what are the reasons for not pursuing them?**

Option	Impact	Recommended Option
Do Nothing		<input type="checkbox"/> Yes <input type="checkbox"/> No
Do Internally (if possible)		<input type="checkbox"/> Yes <input type="checkbox"/> No
Do Minimal (do what is done now but with minor adjustments to maintain status quo)		<input type="checkbox"/> Yes <input type="checkbox"/> No

 y gwasanaeth caffael cenedlaethol national procurement service		<b>BUSINESS CASE FOR PROFESSIONAL SERVICES</b>			
Additional Resource				<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Confirmation given for expenditure from budget?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>SECTION 1 &amp; 2 – STRATEGIC AND ECONOMIC CASE – SIGNOFF</b> to be signed off by the Director of the Business Stream					
Position		Name		Date	e-Signature
<b>SECTION 3 – HR CASE (RECOMMENDATIONS)</b> to be completed by HR Business Partner					
1. Other Options Checked?		<input type="checkbox"/> Managed Moves <input type="checkbox"/> Loan <input type="checkbox"/> Secondee <input type="checkbox"/> FTA <input type="checkbox"/> PPM Pool			
2. Skills Available Internally?		<input type="checkbox"/> Yes <input type="checkbox"/> No			
3. Business Area Consulted?		<input type="checkbox"/> Yes <input type="checkbox"/> No		4. Date	
<b>SECTION 3 – HR CASE – SIGNOFF</b> to be signed off by the HR Business Partner					
Position		Name		Date	e-Signature
<b>SECTION 4 – COMMERCIAL CASE (RECOMMENDATIONS)</b> to be completed by Procurement					
1. Recommended Procurement Route.		NPS Framework    Alternative <input type="checkbox"/> (Mini Competition) <input type="checkbox"/> Framework (Mini Competition) <input type="checkbox"/> Competitive Tender <input type="checkbox"/> Single Tender Action <input type="checkbox"/> Competitive Quotes <input checked="" type="checkbox"/> Extension			
2. Recommended Category		<input type="checkbox"/> Professional Services Consultancy <input type="checkbox"/> Interim & Specialist <input type="checkbox"/> Administrative Staff (Agency) <input type="checkbox"/> Professional Services Other <input type="checkbox"/> Research			

**Appendix F to Audit report of 27.01.16**

<b>2a. Consultancy - Sub Category.</b>	<input type="checkbox"/> Strategy <input type="checkbox"/> Financial <input type="checkbox"/> Legal <input type="checkbox"/> HR <input type="checkbox"/> PPM <input type="checkbox"/> IT  <input type="checkbox"/> Organisational <input type="checkbox"/> Property / Estates <input type="checkbox"/> Marketing <input type="checkbox"/> Technical  <input type="checkbox"/> Procurement				
<b>2b. Temporary Staff - Sub Category.</b>	<input type="checkbox"/> Interim Manager <input type="checkbox"/> Specialist Contractor <input type="checkbox"/> Administrative Staff (Agency)				
<b>3. Explanation of Recommendation.</b>					
<b>4. Business Area Consulted?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		<b>5. Date</b>		
<b>SECTION 4 – COMMERCIAL CASE – SIGNOFF</b>					
to be signed off by the Procurement Category Manager/ Strategic Procurement Lead					
<b>Position</b>	<b>Name</b>	<b>Date</b>			<b>e-Signature</b>
<b>SECTION 5 – BUSINESS CASE – SIGNOFF</b>					
To be signed off by the appropriate level of delegated authority in line with the Organisations delegated authority and operating procedures (E.g. Director / Head of Finance, Head of Dept. etc.)					
<b>1. Business Case Accepted or Rejected?</b>		<input type="checkbox"/> Rejected <input type="checkbox"/> Accepted			
<b>Position</b>	<b>Name</b>	<b>Date</b>			<b>e-Signature</b>
<b>FINAL AUTHORISATION TO BE SIGNED OFF BY A PERMANENT SECRETARY/ MINISTER – IN LINE WITH DELEGATIONS / DEPARTMENTAL PROCESSES</b> (For requirements above £100k)					
<b>Position</b>	<b>Name</b>	<b>Date</b>			<b>Signature</b>



**Post- Assignment Review Template**

**This is required for projects in excess of £10,000 and is advised for all other assignments.**

**What is this document for?**

In order to ensure that the Welsh Government buys consultancy services as effectively as possible, it is necessary to take every opportunity to further refine and improve our processes. This template provides a minimum set of considerations for gathering “lessons learned” from every consultancy purchase we make. This template is an important part of the due diligence and should be completed in light of the original justification / Business Case. Completion should involve senior staff from the project team. The template has two parts. The first relates to the project as a whole, including, but not limited to those tasks performed by the consultants. The second part relates only to the consultants’ performance.

The aim of the review is to ensure VFM is achieved from consultancy engagements, and where appropriate successful skills and knowledge transfer. Completion and submission of this template enables routine collection of performance information, and the ability for NPS to implement Strategic Supplier Relationship Management, thus further increasing supplier performance and driving further value from Welsh Government consultancy expenditure.

**How will it be used?**

Business areas should use this document, alongside the original Business Case (or other type of justification) to inform their understanding of the reasons they buy consultancy and the factors that contribute to project success, project failure or any variation in predicted spend, timelines or resources. Business Cases and Post-Project Reviews will also be used to support reviews of the types of external resource purchased, to seek alternatives (like recruiting those types of skills that we buy regularly) and to review and continue to improve the Welsh Government’s use of consultants.

**Who should be involved in the review?**

The number of people involved in the review will depend on the scale of the project but should involve at least the people listed in the table below. For small projects, one individual may fulfil several of the roles listed.

<b>Individual</b>	<b>Description</b>	<b>Minimum Role During the Review</b>
Senior Responsible Owner	The most senior individual in the Directorate who had ultimate responsibility for the project	To sign-off the completed review
Project Manager	The staff member that was responsible for monitoring the consultants activity	Present throughout the review
Impacted Staff	Any staff member whose work or position is affected by the project itself and/or by its recommendations	Input to questions regarding communication, lessons learned and what would be done differently next time.
External Stakeholders	Any external individual or organisation that is affected by the project itself and/or by its recommendations	To provide input to questions regarding communication and lessons learned



**Post-Project Review Template - Part One – General Project Review**

<b>Project Name</b>		<b>Directorate</b>	
<b>Name of Project Manager</b>		<b>Name of Senior Responsible Owner</b>	
<b>Cost Centre Number</b>		<b>Purchase Order Number</b>	
<b>Project Cost agreed with the supplier at initial Engagement has documented in approved business case)</b>		<b>Total expenditure paid to supplier by end of engagement, including expenses (detail separately a forecast of any expenditure yet to be paid).</b>	
<b>Estimated project completion date at initial engagement</b>		<b>Actual project completion date</b>	
<b>Please state any Expected Efficiency Savings delivered or secured by the project (£)</b>		<b>Expected Return on Investment – ROI (Efficiency saving divided by actual cost)</b>	
<b>Actual project duration</b>			
<b>Please state the reasons for any delay in project completion</b>			
<b>Please state the original objectives (refer to Business Case)</b>			
<b>Were the original objectives met? (if “No”, please detail in comments)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>Comments:-</b>	

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<p><b>Were any additional benefits delivered?</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<p><b>Please describe the additional benefits</b></p>		
<p><b>Might other business areas benefit from the outputs of this work? (Please detail the top two business areas in the Comments field)</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><b>Comments:-</b></p>
<p><b>Did the engagement recommend what was already suspected or planned? (If "Yes", please use the Comments field to state why the work was still necessary)</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><b>Comments:-</b></p>
<p><b>Will the project recommendations be implemented? (If "No", please explain why not in the Comments field)</b></p>	<p><b>Comments:-</b></p>	
<p><b>What were the key critical success factors that enabled this project to be a success, or the lack of which resulted in project failure?</b></p>		
<p><b>What are the key lessons you would take on board if repeating this exercise?</b></p>		

Post-Project Review Template - Part Two – Consultant Performance Review								
How effective was communication?	Between Staff & Consultants	<input type="checkbox"/>	Very Good	<input type="checkbox"/>	Very Good	Between Consultants and internal Stakeholders	<input type="checkbox"/>	Very Good
		<input type="checkbox"/>	Satisfactory	<input type="checkbox"/>	Satisfactory		<input type="checkbox"/>	Satisfactory
		<input type="checkbox"/>	Poor	<input type="checkbox"/>	Poor	External Stakeholders	<input type="checkbox"/>	Poor
		<input type="checkbox"/>	Very Poor	<input type="checkbox"/>	Very Poor		<input type="checkbox"/>	Very Poor
		<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A		<input type="checkbox"/>	N/A
Were any changes to specification, project timescales and/or total cost authorised through an agreed change protocol. (If “Yes”, please explain key rationale)		<input type="checkbox"/>	Yes	Comments:-				
		<input type="checkbox"/>	No					
Will internal staff now be able to carry out this work in the future? (If “No”, please explain why the necessary skills were not transferred to “in-house” staff).		<input type="checkbox"/>	Yes	Comments:-				
		<input type="checkbox"/>	No					
Did the consultants deliver against their original brief as set-out in the Statement of Requirements? (If “No” please explain what was not delivered and why)		<input type="checkbox"/>	Yes	Comments:-				
		<input type="checkbox"/>	No					
Overall, please rate the services purchased. (If less than “Good”, please explain in the comments field)		<input type="checkbox"/>	Very Good	Comments:-				
		<input type="checkbox"/>	Satisfactory					
		<input type="checkbox"/>	Poor					
		<input type="checkbox"/>	Very Poor					

**Project Team Sign-Offs**

Senior Staff involved in the project should indicate their endorsement of this review document by placing their signatures in the spaces provided below

Name of Senior Responsible Owner		Signature of Senior Responsible Owner	
Project Manager		Signature of Project Manager	
Additional Signatories			



**BUSINESS CASE FOR CONSULTANCY SPEND**

TO BE COMPLETED AND AUTHORISED PRIOR TO THE ENGAGEMENT OF ALL CONSULTANTS		
Portfolio & Service Area:		
Person responsible for managing the contract:		
Proposed contract start date:	Proposed contract end date:	
Agreed Consultancy hours per week / agreed hours across project		
Total estimated cost of engagement:	Budget code:	
£		
Reason for engagement of consultant: Summarise the resource requirements and provide a description of the key benefits that will be delivered as a result of this engagement.		
Objectives of the engagement: Outline SMART deliverables and Measures of Success for the engagement.		
Proposed procurement route: Indicate the proposed procurement route (with explanation as appropriate).		
Skills transfer & exit strategy: Outline how skills will be transferred to internal staff at the end of the engagement.		
Risks to the success of the engagement: What are the main risks to the success of the engagement and how will they be managed?		
Contract Monitoring		
Name of contract manager responsible for monitoring performance / delivery	Key performance measures	Frequency of measurement

**BUSINESS CASE FOR CONSULTANCY SPEND**

**What alternatives to the appointment of a consultant have been explored and what are the reasons for not pursuing them?**

Option	Reason for not pursuing

**Business Case Completed by:**

Position	Name	Date	Signature
<b>Contact number</b>		<b>Email address</b>	

**Business Case Authorisation and Sign off:**

**ALL CONSULTANCY ENGAGEMENTS UNDER £25K TO BE APPROVED BY THE CHIEF OFFICER, GOVERNANCE.  
ALL PROPOSED SPEND OF £25K AND OVER TO BE APPROVED BY THE CHIEF EXECUTIVE**

<b>Business Case accepted or rejected?</b>	<b>Accepted</b> <input type="checkbox"/>	<b>Rejected</b> <input type="checkbox"/>
--------------------------------------------	---------------------------------------------	---------------------------------------------

Position	Name	Date	Signature

**Comments**

**BUSINESS CASE FOR CONSULTANCY SPEND**

TO BE UPDATED FOLLOWING PROCUREMENT OF THE CONSULTANT		
Portfolio & Service Area:		
Post Procurement Information		
Project Name		
Consultant appointed		
Agreed price & budget code	£	
Is the agreed price in line with the estimated cost in the original business plan? If not then reasons to be provided.		
Agreed start and end date for contract	Start Date:	End Date:

TO BE UPDATED ON COMPLETION OF THE CONSULTANCY PROJECT	
Post Assignment Review	
Total Cost Incurred	£
State the reason for any increase in costs above the 'agreed price'.	
State the reason for any delay in project completion.	
Detail any efficiency savings delivered or secured by the project.	
Were the original business objectives met?	
Were any additional benefits identified?	
Will internal staff now be able to carry out this work in the future (transfer of skills)?	
Was formal contract monitoring undertaken as outlined at the planning stage?	
Please rate the overall service purchased (with explanations for any rating less than 'satisfactory').	<input type="checkbox"/> Very good <input type="checkbox"/> Poor <input type="checkbox"/> Good <input type="checkbox"/> Very Poor <input type="checkbox"/> Satisfactory
Comments:	

**BUSINESS CASE FOR CONSULTANCY SPEND**

<b>Completed by:</b>	<b>Date of Completion:</b>
<b>Consultant 360° review of engagement</b>	
Summary of comments from consultant following the completion of the engagement (comments re procurement process / management of engagement, etc).	

**These documents are to be retained for 6 years following the end of the consultancy engagement for review by Internal Audit and for other cost management and monitoring purposes.**



## CORPORATE RESOURCES OVERVIEW AND SCRUTINY

<b>Date of Meeting</b>	Thursday 17 March 2016
<b>Report Subject</b>	Revenue Budget Monitoring (Month 9) and Capital Programme Monitoring (Month 9)
<b>Cabinet Member</b>	Leader of the Cabinet and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2015/16 (Month 9) Report and the Capital Programme 2015/16 (Month 9) Report.

### RECOMMENDATIONS

1	That the committee considers and comments on the Revenue Budget Monitoring 2015/16 (Month 9) report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report.
2.	That the committee considers and comments on the Capital Programme 2015/16 (Month 9) report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report.

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2015/16 (MONTH 9) AND CAPITAL PROGRAMME 2015/16 (MONTH 9)</b>
1.01	The Revenue Budget Monitoring 2015/16 (Month 9) report will be presented to Cabinet on Tuesday 22 March 2016. A copy of the report is attached as Appendix A to this report.
1.02	The Capital Programme 2015/16 (Month 9) report will be presented to Cabinet on Tuesday 22 March 2016. A copy of the report is attached as Appendix B to this report.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out in Appendix A; Revenue Budget Monitoring 2015/16 (Month 9) and in Appendix B; Capital Programme 2015/16 (Month 9).

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	As set out in Appendix A; Revenue Budget Monitoring 2015/16 (Month 9) and in Appendix B; Capital Programme 2015/16 (Month 9).

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A; Revenue Budget Monitoring 2015/16 (Month 9). Appendix B; Capital Programme 2015/16 (Month 9).

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

7.00	GLOSSARY OF TERMS
7.01	<p>(1) <b>Revenue:</b> a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>(2) <b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>(3) <b>Capital Programme:</b> The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p>

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<b>CABINET MEETING</b>
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<b>Date of Meeting</b>	Tuesday, 22 March 2016
<b>Report Subject</b>	Revenue Budget Monitoring 2015/16 (Month 9)
<b>Portfolio Holder</b>	Leader of the Council and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This regular monthly report provides the latest revenue budget monitoring position for 2015/16 for the Council Fund and Housing Revenue Account. The position is based on actual income and expenditure as at Month 9, and projects forward to year-end.

The projected year end position is as follows:

#### **Council Fund**

- Net in year expenditure forecast to be £1.242m lower than budget
- Projected contingency reserve balance at 31 March 2016 of £4.878m

#### **Housing Revenue Account (HRA)**

- Net in year expenditure forecast to be £0.082m lower than budget
- Projected closing balance as at 31 March 2016 of £1.319m

### **RECOMMENDATIONS**

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

Account.
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## REPORT DETAILS

<b>1.00</b>	<b>THE REVENUE BUDGET MONITORING POSITION FOR MONTH 9 - 2015/16</b>																																																																											
<b>1.01</b>	<p><b><u>Council Fund Latest In Year Forecast</u></b></p> <p>The table below shows the projected position by portfolio.</p> <table border="1"> <thead> <tr> <th><b>TOTAL EXPENDITURE AND INCOME</b></th> <th><b>Original Budget</b></th> <th><b>Revised Budget</b></th> <th><b>Projected Outturn</b></th> <th><b>In-Year Over/ (Under) spend</b></th> </tr> <tr> <td></td> <th><b>£m</b></th> <th><b>£m</b></th> <th><b>£m</b></th> <th><b>£m</b></th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>59.696</td> <td>59.031</td> <td>59.108</td> <td>0.077</td> </tr> <tr> <td>Community &amp; Enterprise</td> <td>12.598</td> <td>12.872</td> <td>12.345</td> <td>(0.527)</td> </tr> <tr> <td>Streetscene &amp; Transportation</td> <td>27.782</td> <td>28.427</td> <td>29.324</td> <td>0.897</td> </tr> <tr> <td>Planning &amp; Environment</td> <td>4.887</td> <td>5.331</td> <td>5.453</td> <td>0.122</td> </tr> <tr> <td>Education &amp; Youth</td> <td>13.760</td> <td>11.523</td> <td>11.522</td> <td>(0.001)</td> </tr> <tr> <td>Schools</td> <td>82.670</td> <td>84.877</td> <td>84.877</td> <td>0.000</td> </tr> <tr> <td>People &amp; Resources</td> <td>4.595</td> <td>4.617</td> <td>4.503</td> <td>(0.114)</td> </tr> <tr> <td>Governance</td> <td>8.689</td> <td>8.715</td> <td>8.848</td> <td>0.133</td> </tr> <tr> <td>Organisational Change</td> <td>9.569</td> <td>9.546</td> <td>9.027</td> <td>(0.519)</td> </tr> <tr> <td>Chief Executive</td> <td>3.296</td> <td>3.097</td> <td>2.923</td> <td>(0.174)</td> </tr> <tr> <td>Central &amp; Corporate Finance</td> <td>23.915</td> <td>23.421</td> <td>22.285</td> <td>(1.136)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>251.457</b></td> <td><b>251.457</b></td> <td><b>250.215</b></td> <td><b>(1.242)</b></td> </tr> </tbody> </table>	<b>TOTAL EXPENDITURE AND INCOME</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>In-Year Over/ (Under) spend</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	Social Services	59.696	59.031	59.108	0.077	Community & Enterprise	12.598	12.872	12.345	(0.527)	Streetscene & Transportation	27.782	28.427	29.324	0.897	Planning & Environment	4.887	5.331	5.453	0.122	Education & Youth	13.760	11.523	11.522	(0.001)	Schools	82.670	84.877	84.877	0.000	People & Resources	4.595	4.617	4.503	(0.114)	Governance	8.689	8.715	8.848	0.133	Organisational Change	9.569	9.546	9.027	(0.519)	Chief Executive	3.296	3.097	2.923	(0.174)	Central & Corporate Finance	23.915	23.421	22.285	(1.136)						<b>Total</b>	<b>251.457</b>	<b>251.457</b>	<b>250.215</b>	<b>(1.242)</b>
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1.02	The reasons for the projected variances occurring to date are summarised within appendix 2 with movements between periods summarised in appendix 1.																																																																											
1.03	<p><b>Significant budget movements between original and revised budget</b></p> <p>There has been a significant budget movement in month 9 with £1.605m having been transferred from Education &amp; Youth to the delegated Schools budget. This relates to the Additional Learning Needs delegated funding being moved from the Inclusion Service to Schools.</p>																																																																											
1.04	<p><b>Streetscene and Transportation</b></p> <p>The overall overspend within Streetscene &amp; Transportation has decreased from a projected £0.975m overspend at Month 8 to £0.897m as at Month 9.</p>																																																																											

	The projected overspend within the service is due in part to the delay in the implementation of a number of efficiencies as reported to the Programme Board. In addition fluctuations in recycle sales due to a volatile market has led to an increased pressure on income projections which have resulted in a shortfall of £0.390m. Full details of movements are explained in Appendix 2.
1.05	<b>Programme of Efficiencies</b>  The 2015/16 budget contains £12.874m of specific efficiencies which are being tracked.
1.06	Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.
1.07	This shows that it is currently projected that £10.744m (83%) will be achieved resulting in a net underachievement of £2.130m. The underachieved efficiencies are included within the projected outturn figure. The position will continue to be monitored and reported throughout the monthly monitoring process.
1.08	<b>Inflation</b>  Included within the 2015/16 budget are provisions for pay (£1.304m), targeted price inflation (£0.421m), non-standard inflation (£0.102m) and income (£0.254m).
1.09	For 2015/16 the amounts for non-standard inflation (NSI) include an allocation for food (£0.064m) and an allocation for Non Domestic Rates (£0.038m).
1.10	There is an amount of £0.240m remaining from 2014/15 which is also being held centrally. Areas subject to NSI increases will be monitored throughout the year and allocations made to portfolio areas only where a critical funding need is evidenced.
1.11	It is anticipated that the £0.064m for food inflation will not be required. In addition to this there is a surplus of £0.061m remaining from inflation set aside for pay. Therefore £0.125m is now projected to underspend. The balance of the 2014/15 inflation and £0.110m from the in-year inflation have been included as an efficiency within the 2016/17 budget.
	<b>Reserves and Balances</b>
1.12	<b>Unearmarked Reserves</b>  The 2014/15 outturn reported to Cabinet on 14 <sup>th</sup> July 2015 showed unearmarked reserves at 31 March 2015 (above the base level of £5.769m) of

	£4.746m.		
1.13	Taking into account previous allocations and the current underspend at Month 9 the balance on the contingency reserve at 31 <sup>st</sup> March 2016 is projected to be £4.878m.		
1.14	<p><b>Earmarked Reserves</b></p> <p>The Council has developed a reserves protocol which was considered by Audit Committee and approved by County Council on 24<sup>th</sup> September 2015. This sets out the principles around how the council will determine, manage and review the level of its reserves and includes reference to regular reporting of the latest position to Cabinet and Corporate Resources Overview and Scrutiny Committee.</p>		
1.15	The table below gives a summary of earmarked reserves as at 1 <sup>st</sup> April 2015 and provides an estimate of projected balances as at the end of the current financial year.		
	<p><b>Reserve Type</b></p>	<p><b>Actual 31/03/2015 as per Final Accounts £</b></p>	<p><b>Month 9 Estimated 31/03/2016 £</b></p>
	Schools	3,540,315	973,846
	<b>Specific Reserves:</b>		
	Single Status/Equal Pay	12,864,332	7,325,819
	General Reserve - Review of Reserves	4,666,025	3,871,630
	General Reserve - Investment in Organisational Change (Flintshire Futures)	855,391	721,807
	Self Insurance Funds	813,486	777,509
	Benefits Equalisation Reserve	213,044	104,740
	Supporting People Reserve	1,511,083	832,163
	County Elections	154,310	154,310
	Winter Maintenance	250,000	250,000
	Waste Disposal Sites	367,475	217,475
	Car Park Reserve	217,494	0
	Building Control Trading	97,697	57,697
	Countryside Projects	190,510	190,510
	Flintshire Enterprise Reserve	96,932	96,932
	Design Fees	120,000	120,000
	Other Specific Reserves of less than £0.025m	64,965	60,886
	Service Balances	4,047,376	1,506,357
	<b>Total</b>	<b>30,070,435</b>	<b>17,261,681</b>

	<b>Housing Revenue Account</b>
1.16	On 17 February 2015 the Council approved a Housing Revenue Account (HRA) budget for 2015/16 of £30.776m. The budget provided for a closing balance of £1.396m.
1.17	The 2014/15 Outturn Report to Cabinet on 14 July 2015 showed a closing balance at the end of 2014/15 of £1.510m.
1.18	The Month 9 monitoring report for the HRA is projecting in year expenditure to be £0.082m lower than budget and a projected closing balance as at 31 March 2016 of £1.319m, which at 4.25% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.

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

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None Required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p><b>Municipal Mutual Insurance (MMI)</b></p> <p>MMI was the predominant insurer of public sector bodies prior to 1992 when it failed. To ensure an orderly "run off" Flintshire, along with other local authorities, was required to pay a levy of 15% of its share of claims paid previously and of any future claims. MMI's administrator has recently published their 2015 accounts which shows that due to an increase in the number of claims generally, there will be a need to increase the levy in the future, affecting claims paid previously and future claims. A recommendation was approved to meet a significant liability which reflects a 20% increase in the levy however there remains a risk that the future provision may escalate further.</p> <p>Status: stable/green risk.</p>
4.02	<p><b>Recycling</b></p> <p>The recycling market (paper in particular) is going through a volatile period with fluctuating re-cycle sale values. This will impact on 2015/16 recycling income levels for the Council. The current impact is reflected in the Month 9 projections and continues to be monitored throughout the year. A budget</p>

	<p>pressure for this income has been included in the 2016/17 budget to help mitigate this risk for future years. Status: unstable/red risk.</p>
4.03	<p><b>Car Parking</b> Due to car parking charges being introduced in some Flintshire towns later than anticipated during 2015/16, there will be a shortfall in achieving the increased car park income targets. The full impact is built into the projected outturn position, and also reflected in the approved 2016/17 budget. Status: risk closed.</p>
4.04	<p><b>Out of County Placements</b> The risk is the volatility in demand and the impacts on service costs which cannot be predicted with any certainty. Therefore there is always a risk of significant variances occurring although this area continues to be closely monitored. Status: unstable/amber risk.</p>
4.05	<p><b>Former Euticals Site</b> Monthly costs for ongoing security and maintenance of the site are in the region of £0.030m and will accumulate throughout the financial year until site disposal. A detailed site clearance plan with an agreed budget is now in place. Status: risk closed.</p>

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Council Fund – Movement in Variances from Month 8 – Appendix 1 Council Fund – Budget Variances – Appendix 2 Council Fund – Programme of Efficiencies – Appendix 3 Council Fund – Movement on unearmarked reserves – Appendix 4 Housing Revenue Account Variances – Appendix 5</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None required</p> <p><b>Contact Officer:</b> Sara Dulson Finance Manager</p> <p><b>Telephone:</b> 01352 702287</p> <p><b>E-mail:</b> <a href="mailto:sara.dulson@flintshire.gov.uk">sara.dulson@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
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7.01	<b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.
7.02	<b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.
7.03	<b>Financial Year:</b> the period of twelve months commencing on 1 April.
7.04	<b>Housing Revenue Account:</b> the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
7.05	<b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	<b>Reserves:</b> these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	<b>Revenue:</b> a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
7.08	<b>Underspend:</b> when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
7.09	<b>Variance:</b> difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
7.10	<b>Virement:</b> the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.







COUNCIL FUND - REVENUE BUDGET 2015/16  
FLINTSHIRE COUNTY COUNCIL

Budget Monitoring (Month 9)  
Summary of Movement from Month 8

	£m	£m
<b>Month 8</b>		
Portfolios	0.272	
Central and Corporate Finance	(1.015)	
<b>Variance as per Cabinet Report</b>		<b>(0.743)</b>
<b>Month 9</b>		
Portfolios	(0.106)	
Central and Corporate Finance	(1.136)	
<b>Variance as per Directorate Returns</b>		<b>(1.242)</b>
<b>Change Requiring Explanation</b>		<b>(0.499)</b>
<b><u>Social Services</u></b>		
<b>Services For Adults</b>		
• Minor Adaptations (Older People Purchasing) - reallocation of costs to grant	(0.100)	
• Professional Support (Older People Purchasing) -staffing savings due to vacancies	(0.043)	
• Reablement (Older People - Provider Services) increased CHC income from Health board	(0.025)	
• Residential Placements (Mental Health & Substance Misuse Service) - increase in numbers of placements including one at high cost	0.070	
• Forensic budget (Mental Health & Substance Misuse Service) - increase in projected placement costs.	0.035	
<b>Minor variances of less than £0.025m</b>		
• Learning Disabilities	(0.023)	
• Older People (Provider Services)	(0.017)	
• Older People (Purchasing)	0.001	
• Mental Health Services	0.010	
<b>Subtotal: Services for Adults</b>		<b>(0.092)</b>
<b>Development &amp; Resources</b>		
• Other minor changes of less than £0.025m.	0.013	
<b>Subtotal: Development &amp; Resources</b>		<b>0.013</b>
<b>Children's Services</b>		
• Family Placement - increased costs of payments for fostering due to increased foster placements	0.037	
• Flying Start - Reallocation of expenditure from grant funding to Council funding	0.050	
• Out of County placements - three placements ending earlier than anticipated including one high cost placement.	(0.066)	
<b>Minor variances of less than £0.025m</b>		
• Training	(0.024)	
• Grants	(0.002)	
• Family Support	0.005	
• Prevention & Support	0.020	
• Residential	0.017	
• Professional Support	0.010	
• Early Years	0.005	
• Safeguarding	0.019	
<b>Subtotal: Children's Services</b>		<b>0.071</b>
<b>Total: Social Services</b>		<b>(0.008)</b>

**Community & Enterprise**

<b>Customer &amp; Housing Services</b>	
• In-year underspend in respect of the Switchboard closure	(0.026)
• Additional underspend on Flintshire Connects	(0.015)
<b>Subtotal: Customer &amp; Housing Services</b>	<b>(0.041)</b>
<b>Regeneration</b>	
• Reduced shortfall in Markets income	(0.008)
<b>Subtotal: Regeneration</b>	<b>(0.008)</b>
<b>Revenues &amp; Benefits</b>	
• Additional Surplus on the Council Tax Collection Fund	(0.068)
• Further underspend on the Council Tax Reduction Scheme provision	(0.098)
• Additional DWP New Burdens funding	(0.076)
<b>Subtotal: Revenues &amp; Benefits</b>	<b>(0.242)</b>
<b>Minor changes of less than £0.025m.</b>	
• Customer & Housing Services	0.016
• Council Fund Housing	(0.011)
• Regeneration	(0.017)
• Revenues & Benefits	0.017
• Housing Programmes	0.009
<b>Total minor variances of less than £0.025m</b>	<b>0.014</b>
<b>Total: Community &amp; Enterprise</b>	<b>(0.277)</b>

**Streetscene & Transportation Portfolio**

<b>Ancillary Services &amp; Performance</b>	
• Increase in projected waste treatment tonnages through to 31st March	0.042
<b>Subtotal: Ancillary Services &amp; Performance</b>	<b>0.042</b>
<b>Transport &amp; Logistics</b>	
• Reduction in fuel prices and more efficient usage of vehicles	(0.100)
<b>Subtotal: Transport &amp; Logistics</b>	<b>(0.100)</b>
<b>Minor variances of less than £0.025m</b>	
• Ancillary Services & Performance	0.010
• Highway Network	(0.008)
• Transport & Logistics	(0.022)
<b>Total minor variances of less than £0.025m</b>	<b>(0.020)</b>
<b>Total: Streetscene &amp; Transportation</b>	<b>(0.078)</b>

**Planning & Environment Portfolio**

<b>Minor variances of less than £0.025m</b>	
• Business	(0.009)
• Community	(0.013)
• Development	(0.010)
• Access	0.001
• Shared Service	(0.005)
• Strategy	0.010
• Administration	0.010
• Vacant Posts	(0.016)
<b>Total minor variances of less than £0.025m</b>	<b>(0.032)</b>
<b>Total: Planning &amp; Environment</b>	<b>(0.032)</b>

**Education & Youth****Inclusion Services**

- 2 new placements, increased provisions and a new 8 week assessment have been partially offset by 2 placements ending.

0.039

**Subtotal: Inclusion Services**0.039**Minor variances of less than £0.025m**

- Primary & Early Years Education
- Access (School Planning & Provision)
- Commissioning & Performance
- Youth Justice Service
- Community Centres
- Youth & Community Service

0.002

0.001

0.003

(0.001)

(0.006)

0.010

**Total minor variances of less than £0.025m**0.009**Total: Education & Youth**0.048**People & Resources****Minor variances of less than £0.025m**

- HR & OD
- Corporate Finance

(0.004)

0.020

**Total minor variances of less than £0.025m**0.016**Total: People & Resources****Governance****Minor variances of less than £0.025m**

- Legal Services
- Democratic Services
- Internal Audit

(0.004)

0.002

(0.001)

**Total minor variances of less than £0.025m**(0.003)**Total: Governance**(0.003)**Organisational Change****Property Design & Consultancy**

- Additional design fees over budgeted income target achieved.

(0.034)

**Subtotal: Property Design & Consultancy****Minor variances of less than £0.025m**

- Public Libraries & Arts, Culture & Events
- County Archives
- Valuation & Estates
- Facilities

(0.008)

(0.001)

(0.009)

(0.006)

**Total minor variances of less than £0.025m**(0.058)**Total: Organisational Change**(0.058)**Chief Executive****Minor variances of less than £0.025m**

- Minor variances less than £0.025m

0.014

**Total: Chief Executive**0.014**Central & Corporate Finance**

- Reduction in external audit fees
- Lower than anticipated bank charges
- Minor variances

(0.088)

(0.030)

(0.003)

**Total: Central & Corporate Finance**(0.121)**Total Changes**(0.499)



MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Social Services Locality Teams (Localities)	14.677	14.207	(0.470)	(0.475)	<p><b>Domiciliary Care</b> There are some significant compensating variances in this area. The main area of pressure is Domiciliary Care, which is still being influenced by clients returning to the service following successful past rehabilitation, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The current level of projected overspend is £0.483m which has significantly reduced from the 2014/15 outturn position of £0.837m, which has been partly influenced by the cessation of one complex package.</p> <p><b>Residential Care</b> The significant projected overspend on Domiciliary care is being more than offset by a projected underspend of (£0.732m) on residential care, which includes, an underspend of (£0.214m) on payments to care home providers, an underspend of (£0.478m) due to an increase in the level of property related income, plus further increases in income above budget including (£0.040m) for free nursing.</p> <p><b>Professional Support</b> A further area of significant underspend is the professional support within the area Localities teams. There is a total projected underspend of (£0.240m) which relates to staffing due to Social Worker vacancies, which includes a total of (£0.119), relating to the Hospital Social Work team which has transferred into Localities from Intake &amp; Reablement (Resources and Regulated Services).</p> <p><b>Other</b> Other minor variances amount to a net £0.019m within Day care and other services.</p>	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
						Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Reablement Services (Intake and Reablement)	0.429	0.362	(0.067)	(0.043)	The projected under spend is mainly due to the reallocation of an officer to another service promoting Continuing Health Care independence.	Keep under review.
Resources & Regulated Services (Disability Services)	15.239	15.398	0.159	0.201	This service is now reflecting the transfer of budget in relation to the Independent Living fund (ILF) to Central and Corporate as a one off efficiency. The remaining element is in relation to the additional administration capacity needed to manage the payments to service users and for obligations to fund employer liability insurance payments for service users who employ carers.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Vulnerable Adults and Disability Service (Disability Services)	2.299	2.433	0.134	0.203	Reflects current care packages for 2015/16, estimated commitment with additional transition clients.	Keep under review.
Administrative Support (Disability Services)	0.304	0.398	0.094	0.077	This overspend is mainly due to pressures on employees costs, including use of agency staff.	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.813	0.995	0.182	0.112	Increases in Residential and Domiciliary packages alongside additional new package costs.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.317	0.199	(0.118)	(0.153)	Reflects current care packages for 2015/16.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts.

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Other Services for Adults variances (aggregate)	11.061	10.989	(0.072)	0.012	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services - Charging Policy Income	(1.673)	(1.891)	(0.218)	(0.218)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £55 per week to £60 per week.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Training	0.047	0.163	0.116	0.114	The base budget for this service has naturally reduced as a consequence of the combined impact of Single Status outcomes and EVRNR determinations. As a consequence the match funding element of the budget has fallen below the level required to meet the grant conditions for the Social Care Workforce Development Programme Grant (SCWDP). It will be necessary therefore to realign the budget from elsewhere within Social Services to top up to the level required.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Other Development & Resources variances (aggregate)	2.418	2.538	0.120	0.109	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.474	0.247	0.210	The £0.247m overspend is a result of an increase in the number of foster care placements within the service. Part of this is also due to the increasing number of court orders for Residence and Special Guardianship orders which invariably attract an ongoing allowance for the carers.	A review of the Family Placement Team has been undertaken, the outcome of which is being considered and will inform future planning and possible efficiencies.

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Professional Support	4.997	5.122	0.125	0.115	There is a reduced projected overspend of £0.126m on agency pay costs within the Duty & Assessment team, which is due to the need to deploy staff to address key risks within this area of the service. This overspend has been partly mitigated by way of an allocation of £0.100m from the contingency reserve as approved by Cabinet when considering the Month 7 budget monitoring report. There is a further pressure of £0.111m which relates to the Children's and Young Adults Support team (CYAST). This is due to pressures within payments to external providers of £0.097m and Transport £0.051m, with some offsetting underspends against pay budgets due to vacancies. There are offsetting net underspends of (£0.112m) elsewhere within Children's Services Professional Support, including a significant underspend on staffing within the Family Intervention team.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Out of County Placements	3.416	3.198	(0.218)	(0.152)	Reflects current care packages for 2015/16.	Keep under review.
Other Services for Children variances (aggregate)	2.460	2.523	0.063	(0.027)	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Total Social Services</b>	<b>59.031</b>	<b>59.108</b>	<b>0.077</b>	<b>0.085</b>		



## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	1.654	1.386	(0.268)	(0.243)	Additional in-year saving identified in respect of Homeless Accommodation (£0.094m). Community Centres additional underspend (£0.049m). Underspend on the Flintshire Connects service provision (£0.087m). Switchboard in-year underspend (£0.026m). Other minor variances (£0.012m).	Continue to monitor and review.
Council Fund Housing	(0.035)	(0.024)	0.011	0.022	Telecare income lower than anticipated by £0.061m. Procurement of telecare equipment £0.040m. Savings of (£0.082m) in respect of the Community Based Accommodation Support Service. Other minor variances of (£0.008m).	Continue to monitor and review.
Regeneration	0.550	0.604	0.054	0.079	Estimated shortfall of £0.046m in markets due to income targets increasing in line with inflation each year, where charges have not increased at the same rate. Other minor variances £0.008m.	Continue to monitor and review.
Revenues & Benefits	10.631	10.243	(0.388)	(0.163)	Anticipated surplus on the Council Tax Collection Fund currently stands at (£0.241m) higher than initially estimated. Vacancy savings (£0.058m). Projected underspend on the budgeted provision for the Council Tax Reduction Scheme (£0.326m). Housing Benefit Subsidy budgeted shortfall of £0.350m. Additional New Burdens funding from DWP (£0.076m). Other minor variances of (£0.037m).	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Housing Programmes	0.072	0.136	0.064	0.055	Expenditure of £0.064m to enable the Strategic Housing and Regeneration Programme (SHARP) to move forward with the development of the Over Arching Legal Agreement with Wales Living Space. This expenditure has supported the expedient development of schemes on The Walks, Flint and Custom House School, Connah's Quay which will both be on site by March 2016.	Continue to monitor and review.
<b>Total Community &amp; Enterprise</b>	<b>12.872</b>	<b>12.345</b>	<b>(0.527)</b>	<b>(0.250)</b>		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation Ancillary Services & Waste Performance - Waste Disposal & Waste Collection	6.573	7.456	0.883	0.841	<p>Reduced electricity sales from gas engines following equipment breakdown and fluctuating levels of gas extraction is now estimated at £0.100m.</p> <p>Further options are being considered and consultation undertaken in relation to the proposed closure of Hope recycling centre. In addition, changes to the later than expected introduction of new operating times at Connah's Quay and Flint sites will result in a total projected shortfall on the budgeted efficiency of £0.160m.</p> <p>Delayed implementation of delivery service for waste containers £0.050m and introduction of charge for second waste bin £0.025m.</p> <p>Under achieving in the recycling market due to a volatile period with fluctuating re-cycle sale values £0.390m. Part year income due of £0.020m in 2015-16 for compost from Denbighshire CC (£0.040m shortfall against £0.060m budget) as they will not be using the composting facilities at Greenfield until January 2016.</p> <p>At Period 8, additional costs of £0.040m for Hire of loading shovels at Greenfield HRC Site / protective clothing costs and equipment purchase.</p> <p>At Period 9, increase in estimated waste treatment tonnages of £0.042m through to the 31st March.</p>	<p>Potential for investment to upgrade/install new extraction wells and new management arrangement.</p> <p>Reported through Programme Board Efficiency Tracker.</p> <p>Reported through Programme Board Efficiency Tracker.</p> <p>Monitor recycling market closely throughout 2015/16 and amend projections accordingly.</p> <p>Monitor Supplies &amp; services and implement commitment challenge.</p> <p>Continue to monitor and review.</p>

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Ancillary Services & Performance - Parking & Enforcement	0.076	0.175	0.099	0.096	Shortfall from Business Planning proposals following delays in the implementation of car parking charges across the County.	Monitor Car Parking Income closely and amend projections accordingly.
Ancillary Services & Performance - Other Variances	0.799	0.794	(0.005)	(0.012)	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Logistics & Resource Services - Fleet	4.808	4.711	(0.097)	0.013	Projected reduction in annual fuel costs, due to reducing fuel prices and more efficient usage of vehicles.	Continue to review.
Transportation & Logistics - other Variances	8.564	8.511	(0.053)	(0.041)	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Highways Strategy & Network	7.416	7.486	0.070	0.078	Delay in the full externalisation of grass cutting service resulting in a net shortfall of £0.030m. The implementation of the reduced cleansing standards is now anticipated to be 1st January 2016 which will result in an estimated shortfall in the efficiency of £0.090m. Reduced commitment for Ground Work operations following transition into winter related work (£0.032m).	Reported through Programme Board Efficiency Tracker. Reported through Programme Board Efficiency Tracker.
Highway Network - other Variances	0.191	0.191	0.000	0.000	Due to the below average winter up to the end of January 2016, there is a potential underspend of £0.100m within winter maintenance if current weather patterns continue to the 31st March.	No variance currently reported in the monitoring figures. Monitor Employee Costs.
<b>Total Streetscene &amp; Transportation</b>	<b>28.427</b>	<b>29.324</b>	<b>0.897</b>	<b>0.975</b>		Continue to review.

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Planning & Environment Pest Control Dog Warden	0.043	0.061	0.018	0.016	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income commitment as appropriate.
Licensing	(0.008)	(0.010)	(0.002)	0.020	At Period 9, there is an increase in the level of fees received and the projections to financial year end indicate an improving position.	Monitor level of services provided and adjust income commitment as appropriate.
Community - Aggregate of other Variances	0.668	0.675	0.007	(0.001)	At Period 9, commitment challenge has been successful in reducing the level/value of future projected expenditure and updated income projections.	Continue to monitor committed expenditure and reduce/remove where possible
Animal Health & Defra	0.126	0.170	0.044	0.044	Reduced DEFRA Grant Funding, resulting in the partnership with Wrexham CBC ending in December 2015 and the income target remaining within the service.	Investigate ways to reduce Grant Income target through potential budget realignment as total funding will cease from 2016/17.
Business - Aggregate of other Variances	1.466	1.448	(0.018)	(0.009)	At Period 9, commitment challenge has been successful in reducing the level/value of future projected expenditure.	Continue to monitor committed expenditure and reduce/remove where possible
Planning Control & Enforcement	(0.133)	(0.004)	0.129	0.138	Shortfall from Planning Application fees not being increased by 15% until October, 2015 under the Planning (Wales) Bill. This was originally proposed for April, 2015 and reflected in Business Planning efficiencies. At Period 9 commitment challenge has been successful in reducing the level/value of future projected expenditure.	Planning Fee Income levels will be closely monitored.
Development - Aggregate of other Variances	0.133	0.119	(0.014)	(0.013)	Estimated surplus from additional land charges income.	Continue to review.
Portfolio Aggregate of other Variances	3.036	2.994	(0.042)	(0.041)	Continued commitment challenge across the portfolio.	Continue to monitor committed expenditure and reduce/remove where possible.
Total Planning & Environment	5.331	5.453	0.122	0.154		

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	0.868	0.863	(0.005)	(0.007)	Minor Variances.	Continue to review.
Secondary, 14-19 & Continuing Education	1.122	1.129	0.007	0.007	Minor Variances.	Continue to review.
Inclusion Services	6.855	6.964	0.109	0.070	Out of County placements are an area of risk to the authority due to the volatile nature of the service and the potential for high cost placements and unpredictability of demand.	Continue to review.
Access (School Planning & Provision)	0.508	0.484	(0.024)	(0.025)	Minor Variances.	Continue to review.
21st Century Schools	0.196	0.196	0.000	0.000	No Variance.	Continue to review.
Youth Services	1.436	1.434	(0.002)	(0.005)	Minor Variances.	Continue to review.
Commissioning & Performance	0.346	0.307	(0.039)	(0.042)	Vacancy savings following a Senior Management Restructure with Education and Youth Portfolio.	Continue to review.
School Management & Information Team	0.192	0.145	(0.047)	(0.047)	Vacancy savings following a Senior Management Restructure with Education and Youth Portfolio.	Continue to review.
<b>Total Education &amp; Youth</b>	<b>11.523</b>	<b>11.522</b>	<b>(0.001)</b>	<b>(0.049)</b>		
<b>Schools</b>						
Primary & Early Years Education	45.220	45.220	0.000	0.000	No Variance.	Continue to review.
Secondary, 14-19 & Continuing Education	35.751	35.751	0.000	0.000	No Variance.	Continue to review.
Inclusion Services	3.906	3.906	0.000	0.000	No Variance.	Continue to review.
<b>Total Schools</b>	<b>84.877</b>	<b>84.877</b>	<b>0.000</b>	<b>0.000</b>		

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
People & Resources HR&OD	2.243	2.228	(0.015)	(0.011)	A 2015/16 budget efficiency of £0.105m is being reported as not achievable. In addition to this there is an overspend on the Disclosure & Disbarring Service of £0.015m and Software of £0.030m. These overspends are being partially offset by workforce underspends of (£0.152m). There are minor variances of (£0.013m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Corporate Finance	2.374	2.275	(0.099)	(0.119)	A 2015/16 budget efficiency is being reported as being partially achieved with a shortfall of £0.027m. This is being offset by temporary workforce underspends of (£0.134m). There are minor variances of £0.008m.	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
<b>Total People &amp; Resources</b>	<b>4.617</b>	<b>4.503</b>	<b>(0.114)</b>	<b>(0.130)</b>		
Governance Legal Services	0.610	0.628	0.018	0.022	Minor Variances.	Overspend is not expected to be recurrent.
Democratic Services	1.911	2.009	0.098	0.096	The overspend is due a delay in achieving an efficiency of £0.110m which was agreed within the 2014/15 budget. An underspend of (£0.012m) is due to minor variances.	The efficiency is expected to be achieved in full next year.
Internal Audit	0.416	0.413	(0.003)	(0.002)	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.138	0.150	0.012	0.012	Minor Variances.	Overspend is not expected to be recurrent.
Business Support	0.740	0.703	(0.037)	(0.037)	Minor Variances.	Underspend is not expected to be recurrent.
Records Management	0.174	0.191	0.017	0.017	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.726	4.754	0.028	0.028	Minor Variances.	Overspend is not expected to be recurrent.
<b>Total Governance</b>	<b>8.715</b>	<b>8.848</b>	<b>0.133</b>	<b>0.136</b>		

## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.764	1.749	(0.015)	(0.007)	Minor Variances.	Continue to review.
Museums Service	0.064	0.066	0.002	0.002	Minor Variances.	Continue to review.
County Archives	0.260	0.259	(0.001)	0.000	Minor Variances.	Continue to review.
Leisure Services	3.970	3.986	0.016	0.016	£0.070m Deeside Ice rink income pressure offset by premises & supplies cost savings of (£0.054m).	Continue to review.
Community Assets	0.018	0.018	0.000	0.000	No Variance.	Continue to review.
Valuation & Estates	(0.813)	(0.957)	(0.144)	(0.135)	Workforce efficiencies of (£0.135m) achieved following staff releases within this Service area. Other minor variances of (£0.009m).	Continue to review.
Property Design & Consultancy	2.629	2.351	(0.278)	(0.244)	An additional (£0.200m) in Design fees over the budgeted income target has been identified, this relates to SHARP and 21st Century schools feasibility works. Projected costs of (£0.078m) relating to the demolition of Connah's Quay office has been met through alternative funding.	Continue to review.
Engineering Services	0.000	0.000	0.000	0.000	No Variance.	Continue to review.
Facilities Services	1.654	1.555	(0.099)	(0.093)	(£0.075m) additional income anticipated over and above income target from increased uptake in school meals. (£0.011m) salary savings from the Team Leader post that is currently vacant. Other minor variances within the service of (£0.013m).	Continue to review.
<b>Total Organisational Change</b>	<b>9.546</b>	<b>9.027</b>	<b>(0.519)</b>	<b>(0.461)</b>		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Chief Executives	3.097	2.923	(0.174)	(0.188)	The underspend is due to workforce savings of (£0.106m) and also a reduction in Core Funding Agreements of (£0.028m). There is an underspend of (£0.042m) relating to the budget required for performance related increments. An overspend of £0.020m is due to a projected spend for public consultation on the Medium Term Financial Strategy. The balance of (£0.018m) underspend is due to minor variances.	The employee savings of (£0.106m) are expected to be in-year only.
<b>Total Chief Executives</b>	<b>3.097</b>	<b>2.923</b>	<b>(0.174)</b>	<b>(0.188)</b>		



## MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance	23.421	22.285	(1.136)	(1.015)	HRA Financing - The settlement amount changed after the budget was set. Based on all original assumptions this equates to a reduction in efficiencies of approximately £0.600m. However, there is no need to borrow this financial year, as capital expenditure is later than planned, resulting in short term savings from interest costs built into the budget.	Review of CLIA will identify overall position for possible mitigation.
					Balance of unused Non Standard Inflation from previous year (£0.240m) and current year (£0.125m). Pension Actuarial Review (£0.912m) due to lower than anticipated costs of additional contributions.	Review as part of Medium Term Finance Strategy, Corporate Financing Options. Consider realignment options.
					Estimated Workforce Efficiency of £0.300m considered unachievable in year.	Currently looking at other options.
					One off identified efficiencies (£0.300m) in relation to the Independent Living Fund (ILF).	Continue to review.
					Higher than projected income as a result of Rent Review for Unilever (£0.189m).	Continue to review.
					Historic budget efficiencies of (£0.073m).	Keep under review.
					External Audit Fees are anticipated to be lower than budget (£0.088m) this is under review with Wales Audit Office. Received no charge on three quarters of the year in relation to corporate Bank Charges (£0.030m). Matrix rebates - lower income received due to less agency staff £0.050m.	Keep under review.
					Unrealised Corporate Admin efficiency of £0.067m, which is under review. Efficiencies have been identified but from 2016/17.	Keep under review.
					One off / time limited, Unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site.	Keep under review.
					Minor Variances of £0.004m.	Keep under review.
<b>Total Central &amp; Corporate Finance</b>	<b>23.421</b>	<b>22.285</b>	<b>(1.136)</b>	<b>(1.015)</b>		
<b>TOTAL</b>	<b>251.457</b>	<b>250.215</b>	<b>(1.242)</b>	<b>(0.743)</b>		



**2015/16 Efficiencies Month 9 - Under or Over Achieved**

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2015/16 £(m)	2015/16 £(m)	2015/16 £(m)
<b>People &amp; Resources</b>			
Review of specialist finance functions to identify efficiencies in process	0.170	0.166	(0.004)
Ensure continuation of grant maximisation opportunities identified in 2014/15	0.100	0.066	(0.034)
Review of specialist human resources functions to identify efficiencies in process	0.105	0.000	(0.105)
<b>Total People &amp; Resources</b>	<b>0.375</b>	<b>0.232</b>	<b>(0.143)</b>
<b>Central and Corporate Finance</b>			
Workforce efficiency proposal	0.300	0.000	(0.300)
Central Loans and Investment Review	1.830	1.230	(0.600)
<b>Total Central &amp; Corporate Finance</b>	<b>2.130</b>	<b>1.230</b>	<b>(0.900)</b>
<b>Social Services</b>			
Develop means testing approach for minor adaptations	0.100	0.000	(0.100)
Review model/costs contracts for catering	0.050	0.000	(0.050)
Rationalise the number of sites where In-House short term care is provided	0.075	0.110	0.035
Develop a 'progression' model for Supported Living	0.250	0.145	(0.105)
Review commissioning with Action for Children	0.075	0.015	(0.060)
Regional approach to advocacy	0.053	0.005	(0.048)
Review and realign funding to voluntary sector	0.203	0.065	(0.138)
<b>Total Social Services</b>	<b>0.806</b>	<b>0.340</b>	<b>(0.466)</b>
<b>Community &amp; Enterprise</b>			
Close the personal answering service for main switchboard telephone calls	0.099	0.125	0.026
Welfare Rights Team Review	0.020	0.035	0.015
Community Centres	0.048	0.096	0.048
Community Based Accommodation Support Service	0.030	0.090	0.060
Telecare Charging	0.200	0.139	(0.061)
Stopping sending remittance advices to Landlords	0.054	0.013	(0.041)
In-house bailiff service	0.100	0.070	(0.030)
Removal of Post Office as payment option	0.028	0.017	(0.011)
Review Single Person Discount	0.150	0.270	0.120
<b>Total Community &amp; Enterprise</b>	<b>0.729</b>	<b>0.855</b>	<b>0.126</b>
<b>Streetscene &amp; Transportation</b>			
Introduce non-generic Streetscene roles (3 year plan)	0.080	0.115	0.035
Develop Energy Production at Landfill	0.050	0.000	(0.050)
Rationalise HRC Sites	0.400	0.240	(0.160)
Removing the Waste Containers delivery service	0.150	0.100	(0.050)
Introduce Charge for 2nd Garden Waste Bin	0.050	0.025	(0.025)
Car Parking Charges	0.400	0.290	(0.110)
Cancel Real Time Info System	0.020	0.025	0.005
Charge Maintenance of Bus Shelters	0.005	0.000	(0.005)
Review subsidised bus routes	0.075	0.050	(0.025)
Externalise grass cutting service	0.075	0.025	(0.050)
Reduced Street Lighting resource	0.050	0.038	(0.013)
Remove second grass cut for highway verges	0.030	0.025	(0.005)
Reduce Cleansing standards zero tolerance litter	0.150	0.060	(0.090)
Part night street lighting in residential areas	0.020	0.030	0.010
Winter Maintenance (Car Parks and standard)	0.150	0.170	0.020
<b>Total Streetscene &amp; Transportation</b>	<b>1.705</b>	<b>1.193</b>	<b>(0.513)</b>
<b>Planning &amp; Environment</b>			
Staffing & Management Restructure (incl. all vacancies)	0.295	0.207	(0.088)
Staffing & Collaboration	0.024	0.040	0.016
Animal & Pest Control	0.030	0.007	(0.023)
Increased Planning Fees (15% WG increase)	0.135	0.050	(0.085)
Increase in number of Planning Applications	0.060	0.030	(0.030)
Additional elements of charging (discharge of conditions)	0.050	0.025	(0.025)
<b>Total Planning &amp; Environment</b>	<b>0.594</b>	<b>0.359</b>	<b>(0.235)</b>
<b>Total 2015/16 Budget Efficiencies</b>		<b>%</b>	<b>£</b>
<b>Total Projected 2015/16 Budget Efficiencies Underachieved</b>		<b>100</b>	<b>12.874</b>
<b>Total Projected 2015/16 Budget Efficiencies Achieved</b>		<b>17</b>	<b>2.130</b>
		<b>83</b>	<b>10.744</b>



## APPENDIX 4

### Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2015	10.515	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		<b>4.746</b>
Less - Allocation from the Contingency Reserve for the costs of the speed limit review		(0.210)
Less - Allocation from the Contingency Reserve for the contribution to meet the estimated increase in levy required to meet past and future claim liabilities in relation to the former Municipal Mutual Insurance company		(0.800)
Less - Allocation from the Contingency Reserve to meet the resource requirements for specialist social work for child protection		(0.100)
Plus projected underspend as at Month 9		1.242
<b>Total projected Contingency Reserve as at 31<sup>st</sup> March 2016</b>		<b>4.878</b>



## HRA Major Variance Report - Period 9

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Estate Management	1,634	1,570	(0.064)	(0.042)	Salary projections have contributed a (£0.054m) underspend. The remaining (£0.010m) relates to other minor efficiencies.	Keep under review.
Repairs & Maintenance	8,394	8,187	(0.207)	(0.193)	The projected underspend of (£0.207m) relates to stores materials. A (£0.029m) profit share relating to last year and careful monitoring has contributed to this underspend although this is a volatile area which could see spend increase in the remaining winter months.	Keep under review.
Finance & Support	2,427	2,305	(0.122)	(0.015)	Removal of the projection for delivering the Handyman Service releases a (£0.038m) underspend. (£0.020m) of the projected underspend relates to consultancy and conferences. Redistribution of salaries across departments and services has realised a (£0.149m) underspend. Agile working equipment for HRA is projected to cost £0.050m. The remaining £0.035m relates to other minor costs.	Keep under review.
Landlord Services	0,882	1,074	0.192	0.070	Cleaning charges for the community centres brought into the HRA from Council Fund have received a charge in the amount of £0.051m which was an unexpected cost. Utility costs relating to the transferred community centres are set to overspend by £0.031m. Recharges of subcontractor works from R&M have increased to £0.110m due to a review of all subcontractor costs, this will be a recharge at yearend.	Keep under review.
Other variances (aggregate)	12,305	(12,984)	0.119	0.032	£0.122m relates to a potential post audit adjustment relating to Housing Subsidy. The remaining (£0.003m) relates to minor efficiencies.	Keep under review.
<b>Total :</b>	<b>0,234</b>	<b>0,152</b>	<b>(0.082)</b>	<b>(0.148)</b>		







<b>CABINET MEETING</b>
------------------------

<b>Date of Meeting</b>	Tuesday 22 March 2016
<b>Report Subject</b>	Capital Programme Monitoring 2015/16 (Month 9)
<b>Portfolio Holder</b>	Leader of the Council and Cabinet Member for Finance
<b>Report By</b>	Corporate Finance Manager
<b>Strategic / Operational</b>	Operational

### EXECUTIVE SUMMARY

The Capital Programme has decreased by £3.320m in the period (changes £2.885m, M6 rollover £0.435m), due to the impact of:-

- Reduction in year to the 21C schools programme (£5.724m) and Wales Housing Quality Standard (WHQS) Improvements (£0.152m);
- Pre-approved Rollover into 2016/17 (£0.435m); and
- Other Aggregate Decreases (£0.052m).

Offset by:-

- Additional Welsh Government (WG) Vibrant & Viable Places (VVP) grant (£1.367m); Introduction of European Regional Development Fund (ERDF) funding for Town Centre Regeneration (£0.561m);
- Additional Funding for Waste Services (£0.358m);
- Additional grant/contributions for Private Sector Renewal (£0.279m);
- Introduction of funding for play areas (£0.220m); and
- Other Aggregate Increases (£0.256m).

Resources available for funding future capital expenditure currently c£2.986m.

## RECOMMENDATIONS

(1)	Approve the Report.
(2)	Approve the rollover adjustments at 1.16.
(3)	Approve the request for additional resources at 1.17.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE CAPITAL PROGRAMME MONITORING POSITION FOR MONTH 9 - 2015/16</b>																																																																																																																																		
	<b>Background</b>																																																																																																																																		
1.01	The Council approved a Housing Revenue Account (HRA) capital programme for 2015/16 of £21.200m and a Council Fund (CF) capital programme of £50.359m at its meeting of 17 <sup>th</sup> February, 2015.																																																																																																																																		
1.02	For presentational purposes the capital programme is shown as a whole, with sub-totals for the Council Fund and HRA. In reality the HRA programme is ring fenced and can only be used for HRA purposes.																																																																																																																																		
	<b>Changes since Budget approval</b>																																																																																																																																		
1.03	Table 1 below sets out how the programme has changed during 2015/16. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-																																																																																																																																		
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1.04	Rollover sums from 2014/15 to 2015/16, totalling £5.767m (CF £5.255m, HRA £0.512m), were approved by Cabinet.																																																
1.05	<p><b>Changes during this period</b></p> <p>Changes during this period have resulted in a net decrease in the programme total of £2.885m (CF (£2.683m, HRA £0.202m). A summary of the changes, showing major items, is in Table 2 below:-</p> <p><b>Table 2</b></p> <table border="1" data-bbox="300 560 1369 1594"> <thead> <tr> <th colspan="2" data-bbox="300 560 1369 638"><b>CHANGES DURING THIS PERIOD</b></th> </tr> <tr> <th data-bbox="300 638 1197 683"></th> <th data-bbox="1197 638 1369 683"><b>£m</b></th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="300 683 1197 716"><b><u>COUNCIL FUND</u></b></td> </tr> <tr> <td colspan="2" data-bbox="300 716 1197 750"><b>Increases</b></td> </tr> <tr> <td data-bbox="300 750 1197 784">Vibrant &amp; Viable Places (VVP) - Additional WG Grant</td> <td data-bbox="1197 750 1369 784">1.367</td> </tr> <tr> <td data-bbox="300 784 1197 817">Town Centre Regeneration - Introduction of ERDF Funding</td> <td data-bbox="1197 784 1369 817">0.561</td> </tr> <tr> <td data-bbox="300 817 1197 851">Waste Services - Additional Funding</td> <td data-bbox="1197 817 1369 851">0.358</td> </tr> <tr> <td data-bbox="300 851 1197 884">Private Sector Renewal/Improv't - Additional Grants &amp; Contributions</td> <td data-bbox="1197 851 1369 884">0.279</td> </tr> <tr> <td data-bbox="300 884 1197 918">Play Areas - Introduction of Funding</td> <td data-bbox="1197 884 1369 918">0.220</td> </tr> <tr> <td data-bbox="300 918 1197 952">Other Aggregate Increases</td> <td data-bbox="1197 918 1369 952">0.256</td> </tr> <tr> <td data-bbox="300 952 1197 985"></td> <td data-bbox="1197 952 1369 985"><b>3.041</b></td> </tr> <tr> <td colspan="2" data-bbox="300 985 1197 1019"><b>Decreases</b></td> </tr> <tr> <td data-bbox="300 1019 1197 1052">Reduction in Programme Spend - 21C Schools</td> <td data-bbox="1197 1019 1369 1052">(5.724)</td> </tr> <tr> <td data-bbox="300 1052 1197 1086">Other Aggregate Decreases</td> <td data-bbox="1197 1052 1369 1086">0.000</td> </tr> <tr> <td data-bbox="300 1086 1197 1120"></td> <td data-bbox="1197 1086 1369 1120"><b>(5.724)</b></td> </tr> <tr> <td data-bbox="300 1120 1197 1153"><b>Total</b></td> <td data-bbox="1197 1120 1369 1153"><b>(2.683)</b></td> </tr> <tr> <td colspan="2" data-bbox="300 1153 1197 1187"><b><u>HRA</u></b></td> </tr> <tr> <td colspan="2" data-bbox="300 1187 1197 1220"><b>Increases</b></td> </tr> <tr> <td data-bbox="300 1220 1197 1254"></td> <td data-bbox="1197 1220 1369 1254"><b>0.000</b></td> </tr> <tr> <td colspan="2" data-bbox="300 1254 1197 1288"><b>Decreases</b></td> </tr> <tr> <td data-bbox="300 1288 1197 1321">WHQS Improvements - Reduction in need for Prudential Borrowing</td> <td data-bbox="1197 1288 1369 1321">(0.152)</td> </tr> <tr> <td data-bbox="300 1321 1197 1355">Other Aggregate Decreases</td> <td data-bbox="1197 1321 1369 1355">(0.050)</td> </tr> <tr> <td data-bbox="300 1355 1197 1388"></td> <td data-bbox="1197 1355 1369 1388"><b>(0.202)</b></td> </tr> <tr> <td data-bbox="300 1388 1197 1422"><b>Total</b></td> <td data-bbox="1197 1388 1369 1422"><b>(0.202)</b></td> </tr> </tbody> </table>	<b>CHANGES DURING THIS PERIOD</b>			<b>£m</b>	<b><u>COUNCIL FUND</u></b>		<b>Increases</b>		Vibrant & Viable Places (VVP) - Additional WG Grant	1.367	Town Centre Regeneration - Introduction of ERDF Funding	0.561	Waste Services - Additional Funding	0.358	Private Sector Renewal/Improv't - Additional Grants & Contributions	0.279	Play Areas - Introduction of Funding	0.220	Other Aggregate Increases	0.256		<b>3.041</b>	<b>Decreases</b>		Reduction in Programme Spend - 21C Schools	(5.724)	Other Aggregate Decreases	0.000		<b>(5.724)</b>	<b>Total</b>	<b>(2.683)</b>	<b><u>HRA</u></b>		<b>Increases</b>			<b>0.000</b>	<b>Decreases</b>		WHQS Improvements - Reduction in need for Prudential Borrowing	(0.152)	Other Aggregate Decreases	(0.050)		<b>(0.202)</b>	<b>Total</b>	<b>(0.202)</b>
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1.06	There has been a reduction in the budgeted level of expenditure for the 21C Schools programme. This has reduced the need to Prudentially Borrow in the current year, however this borrowing will now take place in future years.																																																
1.07	The Council has recently been successful in its application for additional capital funding towards the VVP project.																																																
1.08	ERDF funding has been received to match the expenditure previously incurred.																																																
1.09	Within Waste Services additional funding has been introduced from:-																																																

	<ul style="list-style-type: none"> <li>• Collaborative Change Programme (CCP) - Additional WG grant (£0.147m); and</li> <li>• Standard Landfill - Upon the liquidation of AD Waste a capital receipt was realised (£0.871m) to fund certain works at Standard Landfill site. This represents the final drawdown from that receipt (£0.153m); and</li> <li>• Revenue funding has been introduced to finance additional expenditure on Sandycroft Household Recycling Centre (HRC) (£0.023m) and Greenfield (£0.035m).</li> </ul>
1.10	The introduction of grant funding in relation to home improvements has increased resources within the Private Sector Renewal area (£0.202m), whilst client contributions to energy efficiency schemes have added a further £0.077m.
1.11	The rebate received from London Housing Corporation (£0.152m), as reported in the Month 6 report to Cabinet on 15 <sup>th</sup> December 2015, was to have been used to expand the kitchen replacement programme, however, this will now be used to fund existing in year expenditure, thereby reducing the need for Prudential Borrowing for the HRA.
	<b>Capital Expenditure compared to Budget</b>
1.12	Actual expenditure as at Month 9 (end of December 2015) across the whole of the capital programme is £120.587m. The breakdown of expenditure is analysed in Table 3 overleaf, along with the percentage spend against budget. This shows that 63.51% of the budget has been spent (CF 64.12%, HRA 62.30%). Corresponding figures for Month 9 2014/15 were 54.04% (CF 51.84%, HRA 59.39%). The HRA capital programme is significantly larger than in previous years, requiring more initial planning and therefore the bulk of expenditure will occur later in the year. These figures exclude the HRA Subsidy Buyout (£79.248m) which was paid in its entirety early in the financial year.
1.13	The table also shows the current projected outturn of £140.826m. This indicates a projected underspend (pending adjustments) of £2.013m on the Council Fund and £1.500m on the HRA.

**Table 3**

EXPENDITURE	Revised Budget	Cumulative Expenditure Month 9	Percentage Spend v Budget	Projected Outturn	Variance Budget v Outturn (Under)/Over
	£m	£m	%	£m	£m
Chief Executives	0.026	0	0	0.026	0
People & Resources	0.143	0	0	0.143	0
Governance	0.923	0.458	49.61	0.758	(0.165)
Education & Youth	27.242	19.840	72.83	26.789	(0.453)
Social Care	0	0	0	0	0
Community & Enterprise	8.284	4.443	53.64	8.204	(0.080)
Planning & Environment	1.810	0.562	31.08	1.142	(0.668)
Transport & Streetscene	3.238	1.681	51.90	3.144	(0.094)
Organisational Change 1	0.307	0.273	88.82	0.307	0
Organisational Change 2	1.311	0.495	37.79	0.758	(0.553)
<b>Council Fund Total</b>	<b>43.284</b>	<b>27.752</b>	<b>64.12</b>	<b>41.271</b>	<b>(2.013)</b>
<b>Housing Revenue Account</b>	<b>21.807</b>	<b>13.587</b>	<b>62.30</b>	<b>20.307</b>	<b>(1.500)</b>
<b>Programme Total (Excl HRA Subsidy)</b>	<b>65.091</b>	<b>41.339</b>	<b>63.51</b>	<b>61.578</b>	<b>(3.513)</b>
HRA Subsidy Buyout	79.248	79.248	100.00	79.248	0
<b>Programme Total</b>	<b>144.339</b>	<b>120.587</b>	<b>83.54</b>	<b>140.826</b>	<b>(3.513)</b>

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

**Rollover into 2016/17**

1.15 As at Month 9 EIR of £3.538m (CF £2.038m, HRA £1.500m) has been identified which reflects reviewed spending plans across all programme areas; these committed amounts have been identified as now required to meet the cost of programme works in 2016/17.

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

**Table 4**

ROLLOVER INTO 2016/17	Month 4	Month 6	Month 9	Total
	£m	£m	£m	£m
Governance	0	0	0.165	0.165
Education & Youth	0.345	0.068	0.453	0.866
Planning & Environment	0	0	0.685	0.685
Transport & Streetscene	0	0	0.182	0.182
Organisational Change 2	0	0.367	0.553	0.920
<b>Council Fund</b>	<b>0.345</b>	<b>0.435</b>	<b>2.038</b>	<b>2.818</b>
<b>Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>1.500</b>	<b>1.500</b>

**Pressures**

1.17 Two pressure areas totalling £0.088m have been identified within the Transport & Streetscene portfolio:-

- Overspend on remediation works at Standard Landfill due to the presence of asbestos (£0.035m); and
- Higher than expected contract price for Queensferry roundabout improvement works (£0.053m).

**Savings**

1.18 Additional savings of £0.080m have been identified in the Flintshire Connects budget as all capital works have now been completed.

**Financing**

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

**Table 5**

FINANCING RESOURCES	General Financing <sup>1</sup>	Specific Financing <sup>2</sup>	Total Financing
	£m	£m	£m
Latest Monitoring			
Council Fund	5.836	37.448	43.284
Housing Revenue Account	5.110	95.945	101.055
<b>Total Financing Resources</b>	<b>10.946</b>	<b>133.393</b>	<b>144.339</b>

1 Supported Borrowing / General Capital Grant / Capital Receipts / MRA  
2 Grants & Contributions / CERA / Reserves / Prudential & Other Borrowing

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

**Funding of 2015/16 Approved Schemes**

1.21 The position as at Month 9 is summarised in Table 6 below:-

**Table 6**

<b>FUNDING OF APPROVED SCHEMES</b>		
	<b>£m</b>	<b>£m</b>
<b>Surplus from 2014/15</b>		<b>(1.314)</b>
<b>Increases</b>		
Previously reported	0.793	
Queensferry Roundabout (If approved)	0.053	
Standard Landfill (If approved)	0.035	0.881
<b>Decreases</b>		
Actual In year receipts	(1.619)	
Identified Savings (Previously reported)	(0.521)	
Additional Savings - Flintshire Connects	(0.080)	
Unallocated Headroom	(0.333)	(2.553)
<b>Funding Available</b>		<b>(2.986)</b>

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

Additional allocations in year, as previously reported, amount to £0.793m, whilst an additional £0.088m is requested in this period.

Savings in the resources required for Flintshire Connects (as previously reported in Month 4 Capital Monitoring report to Cabinet 13<sup>th</sup> October, 2015) amount to £0.521m, whilst an additional £0.080m has been identified in this period.

Actual receipts to Month 9 amount to £1.619m and unallocated headroom remains unaltered at £0.333m.

Taken as a whole this indicates that c£2.986m is available to fund capital schemes. However, if the additional resources requested at Section 1.17 are not approved, this amount will increase to £3.074m.

1.23	Portfolios through their business plans have identified significant capital investment needed to improve services and achieve revenue efficiencies. Business cases are in the process of being written, the intention being to bring additional capital schemes to Cabinet for approval in the current and/or future financial years.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Financial implications - As set out in the body of the report.
2.02	Personnel implications - None directly as a result of this report.

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

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

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

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



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



## CAPITAL PROGRAMME - CHANGES DURING 2015/16

	Original Budget 2015/16	Rollover from 2014/15	Previously Reported			Changes (Current)	Revised Budget 2015/16
			Changes	Rollover to 2016/17	Savings		
	£m	£m	£m	£m	£m	£m	£m
<b>Council Fund :</b>							
<b>Chief Executives</b>							
Clwyd Theatr Cymru	0.020	0.006	0	0	0	0	0.026
	<b>0.020</b>	<b>0.006</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.026</b>
<b>People &amp; Resources</b>							
Corporate Finance	0.075	0.086	(0.018)	0	0	0	0.143
	<b>0.075</b>	<b>0.086</b>	<b>(0.018)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.143</b>
<b>Governance</b>							
Information Technology	0.170	0.753	0	0	0	0	0.923
	<b>0.170</b>	<b>0.753</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.923</b>
<b>Education &amp; Youth</b>							
Education - General	1.950	0	(1.950)	0	0	0.241	0.241
Primary Schools	0.040	0.293	0.829	(0.021)	0	0	1.141
Schools Modernisation	42.987	0.942	(13.594)	(0.050)	0	(5.724)	24.561
Secondary Schools	0	0.254	0.341	(0.012)	0	0	0.583
Special Education	0	0.444	0.548	(0.300)	0	0	0.692
Minor Works, Furn & Equip	0.045	0.009	0	(0.030)	0	0	0.024
Community Youth Clubs	0	0	0.241	0	0	(0.241)	0
	<b>45.022</b>	<b>1.942</b>	<b>(13.585)</b>	<b>(0.413)</b>	<b>0.000</b>	<b>(5.724)</b>	<b>27.242</b>
<b>Social Care</b>							
Partnerships & Performance	0	0	0	0	0	0	0
	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Community &amp; Enterprise</b>							
Flintshire Connects	0.250	0.451	0	0	(0.521)	0	0.180
Community Coastal Fund	0	0	0.043	0	0	0.047	0.090
Town Centre Regeneration	0.130	0.349	0	0	0	0.561	1.040
Vibrant & Viable Places	0	0.005	2.960	0	0	1.367	4.332
Private Sector Renewal/Improv't	2.311	0.052	0	0	0	0.279	2.642
Travellers' Sites	0.150	0	(0.150)	0	0	0	0
	<b>2.841</b>	<b>0.857</b>	<b>2.853</b>	<b>0.000</b>	<b>(0.521)</b>	<b>2.254</b>	<b>8.284</b>
<b>Planning &amp; Environment</b>							
Engineering	0.115	0.674	0	0	0	0	0.789
Energy Services	0.100	0	0	0	0	0.060	0.160
Rights of Way	0	0	0.013	0	0	0	0.013
Planning Grant Schemes	0	0	0.019	0	0	0	0.019
Ranger Services	0.027	0.347	0.020	0	0	0	0.394
Townscape Heritage Initiatives	0.309	0.126	0	0	0	0	0.435
	<b>0.551</b>	<b>0.052</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.060</b>	<b>1.810</b>

**CAPITAL PROGRAMME - CHANGES DURING 2015/16**

	Original Budget 2015/16	Rollover from 2014/15	Previously Reported			Changes (Current)	Revised Budget 2015/16
			Changes	Rollover to 2016/17	Savings		
	£m	£m	£m	£m	£m	£m	£m
<b>Transport &amp; Streetscene</b>							
Waste Services	0	0	0.519	0	0	0.358	0.877
Highways	0.860	0.089	0	0	0	0.083	1.032
Local Transport Grant	0	0.015	1.288	0	0	0.026	1.329
	<b>0.860</b>	<b>0.104</b>	<b>1.807</b>	<b>0.000</b>	<b>0.000</b>	<b>0.467</b>	<b>3.238</b>
<b>Organisational Change 1</b>							
Leisure Centres	0	0.034	0.045	0	0	0	0.079
Recreation - Other	0	0.008	0	0	0	0	0.008
Play Areas	0	0	0	0	0	0.220	0.220
	<b>0.000</b>	<b>0.042</b>	<b>0.045</b>	<b>0.000</b>	<b>0.000</b>	<b>0.220</b>	<b>0.307</b>
<b>Organisational Change 2</b>							
Administrative Buildings	0.820	0.318	0	(0.067)	0	0.040	1.111
Community Asset Transfers	0	0	0.500	(0.300)	0	0	0.200
	<b>0.820</b>	<b>0.318</b>	<b>0.500</b>	<b>(0.367)</b>	<b>0.000</b>	<b>0.040</b>	<b>1.311</b>
<b>Housing Revenue Account :</b>							
HRA Subsidy Buyout	0	0	79.248	0	0	0	79.248
Disabled Adaptations	0	0	1.000	0	0	0	1.000
Energy Schemes	0	0.512	3.900	0	0	0.350	4.762
Major Works	2.871	0	0.550	0	0	0	3.421
Accelerated Programmes	4.350	0	(3.900)	0	0	0.200	0.650
WHQS Improvements	12.979	0	(0.253)	0	0	(0.752)	11.974
Disabled Adaptations	1.000	0	(1.000)	0	0	0	0
	<b>21.200</b>	<b>0.512</b>	<b>79.545</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.202)</b>	<b>101.055</b>
<b>Totals :</b>							
Council Fund	50.359	5.255	(8.346)	(0.780)	(0.521)	(2.683)	43.284
Housing Revenue Account	21.200	0.512	79.545	0.000	0.000	(0.202)	101.055
<b>Grand Total</b>	<b>71.559</b>	<b>5.767</b>	<b>71.199</b>	<b>(0.780)</b>	<b>(0.521)</b>	<b>(2.885)</b>	<b>144.339</b>

CHIEF EXECUTIVES

Capital Budget Monitoring 2015/16 - Month 9

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

PEOPLE & RESOURCES

Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Corporate Finance	0.143	0	0.143	0	0	0		Corporate provision for urgent Health & Safety works, any unspent balance will be rolled forward into 2016/17
<b>Total</b>	<b>0.143</b>	<b>0.000</b>	<b>0.143</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>		

Variance = Budget v Projected Outturn

GOVERNANCE

Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Information Technology	0.923	0.458	0.758	(0.165)	(18)	0	Early Identified Rollover - Conferencing Solution, delays to Exchange & Lync project (£0.065m). EDRMS, full implementation delayed due to need to change contractor (£0.100m)	Request approval to move funding of £0.165m to 2016/17
<b>Total</b>	<b>0.923</b>	<b>0.458</b>	<b>0.758</b>	<b>(0.165)</b>	<b>(18)</b>	<b>0.000</b>		

Variance = Budget v Projected Outturn

## EDUCATION &amp; YOUTH

## Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Education - General	0.241	0.202	0.241	0	0	0		
Primary Schools	1.141	0.615	0.968	(0.173)	(15)	0	Early Identified Rollover - Connahs Quay, Goffyn CP (£0.145m) currently on-site but straddles the financial year. Hawarden, Penarlag CP (£0.010m) and Mold, Glanrafon CP (£0.018m) to cover retentions	Request approval to move funding of £0.173m to 2016/17
Schools Modernisation	24.561	18.216	24.491	(0.070)	(0)	(0.034)	Early Identified Rollover - Hawarden Village CP (£0.070m) currently on-site but straddles the financial year	Request approval to move funding of £0.070m to 2016/17
Community Youth Clubs	0	(0.003)	0	0		0		
Secondary Schools	0.583	0.493	0.583	0	0	0		
Special Education	0.692	0.314	0.482	(0.210)	(30)	(0.004)	Early Identified Rollover - DDA/SEN schemes at Flint, Gwynedd CP (£0.108m), Saltney Ferry CP (£0.016m) and Whitford, Ysgol Y Llan (£0.086m) all schemes on-site/committed but straddle the financial year	Request approval to move funding of £0.210m to 2016/17
Minor Works, Furn & Equip	0.024	0.003	0.024	0.000	0	(0)		
<b>Total</b>	<b>27.242</b>	<b>19.840</b>	<b>26.789</b>	<b>(0.453)</b>	<b>(2)</b>	<b>(0.068)</b>		

Variance = Budget v Projected Outturn

SOCIAL CARE

Capital Budget Monitoring 2015/16 - Month 9

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

Variance = Budget v Projected Outturn



COMMUNITY & ENTERPRISE

Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Flintshire Connects	0.180	0.081	0.100	(0.080)	(44)	0	Saving - All capital works completed	Saving of £0.080m to be returned to centre
Community Coastal Fund	0.090	0	0.090	0	0	0		
Town Centre Regeneration	1.040	1.040	1.040	0	0	0.501		
Vibrant & Viable Places	4.332	0.632	4.332	0	0	0		
Private Sector Renewal/Improvement	2.642	2.672	2.642	0	0	0		
Travellers' Sites	0	0.001	0	0		0		
<b>Total</b>	<b>8.284</b>	<b>4.443</b>	<b>8.204</b>	<b>(0.080)</b>	<b>(1)</b>	<b>0.501</b>		

Variance = Budget v Projected Outturn

**PLANNING & ENVIRONMENT**  
**Capital Budget Monitoring 2015/16 - Month 9**

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Engineering	0.789	0.083	0.189	(0.600)	(76)	0	Early Identified Rollover - Majority of schemes delayed due to re-directing funds to Mold FAS, however due to statutory works being prioritised these will be re-allocated to schemes such as Flour Mill, Green Park Lake	Request approval to move funding of £0.600m to 2016/17
Energy Services	0.160	0.161	0.160	0	0	0		
Rights of Way	0.013	0.020	0.030	0.017	131	0		Additional funding to be introduced to match expenditure
Planning Grant Schemes	0.019	0.019	0.019	0	0	0		
Ranger Services	0.394	0.141	0.344	(0.050)	(13)	0	Early Identified Rollover - Wepre Park Development is substantially funded by HLF. The majority of spend was reprofiled into 2015/16 & works commenced Feb 2015. An extension of 2 months was approved due to delays following poor weather conditions. Delays in the purchase of Ewloe Castle mean this may take place after 31/03/2016 due to legal ramifications.	Request approval to move funding of £0.050m to 2016/17
Townscape Heritage Initiatives	0.435	0.139	0.400	(0.035)	(8)	0	Early Identified Rollover - There are a number of projects both on site & due to start early 2016/17 having recently gained the various consents	Request approval to move funding of £0.035m to 2016/17
<b>Total</b>	<b>1.810</b>	<b>0.562</b>	<b>1.142</b>	<b>(0.668)</b>	<b>(37)</b>	<b>0.000</b>		

Variance = Budget v Projected Outturn

## TRANSPORT &amp; STREETSCENE

## Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Waste Services - Collaborative Change Programme (CCP)	0.701	0.269	0.519	(0.182)	(26)	0	Early Identified Rollover - CCP Grant - expenditure on Greenfield waste handling facility	Request approval to move funding of £0.182m to 2016/17
Waste Services - Standard Landfill	0.153	0.182	0.188	0.035	23	0.035	Pressure - Overspend on remediation work required adjacent to former Standard landfill site due to location of asbestos hotspot	Request additional funding of £0.035m in 2015/16
Waste Services - Sandycroft HRC	0.023	0.023	0.023	0	0	0		
Highways	1.032	0.866	1.032	0	0	0		
Local Transport Grant	1.329	0.341	1.382	0.053	4	0	Pressure - Overspend in the Queensferry roundabout improvement scheme due to final tender price being higher than expected	Request additional funding of £0.053m in 2015/16
<b>Total</b>	<b>3.238</b>	<b>1.681</b>	<b>3.144</b>	<b>(0.094)</b>	<b>(3)</b>	<b>0.035</b>		

Variance = Budget v Projected Outturn

ORGANISATIONAL CHANGE 1

Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Leisure Centres	0.079	0.053	0.079	0	0	0		
Recreation - Other	0.008	0	0.008	0	0	0		
Play Areas	0.220	0.220	0.220	0	0	0.120		
<b>Total</b>	<b>0.307</b>	<b>0.273</b>	<b>0.307</b>	<b>0.000</b>	<b>0</b>	<b>0.120</b>		

Variance = Budget v Projected Outturn

## ORGANISATIONAL CHANGE 2

## Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Administrative Buildings	1.111	0.495	0.758	(0.353)	(32)	(0.067)	<b>Early Identified Rollover -</b> Minor works to County Hall Campus Upgrade, works delayed (£0.145m). Ongoing Fire Risk Assessments at various locations (£0.079m). DDA Improvements, delayed start to works at Mynydd Isa Community Centre & Connahs Quay Youth Club (£0.059m). Legionella works at DLC commenced and ongoing into 2016/17 (£0.070m)	Request approval to move funding of <b>£0.353m to 2016/17</b>
Community Asset Transfers	0.200	0	0	(0.200)	(100)	(0.300)	<b>Early Identified Rollover -</b> £0.200m had been allocated to potential CAT's in year, however this will now be required in 2016/2017	Request approval to move funding of <b>£0.200m to 2016/17</b>
<b>Total</b>	<b>1.311</b>	<b>0.495</b>	<b>0.758</b>	<b>(0.553)</b>	<b>(42)</b>	<b>(0.367)</b>		

Variance = Budget v Projected Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
HRA Subsidy Buyout	79.248	79.248	79.248	0	0	0		
Disabled Adaptations	1.000	0.523	1.000	0	0	0		
Energy Services	4.762	3.645	4.762	0	0	0		
Major Works	3.421	2.393	3.421	0	0	0		
Accelerated Programmes	0.650	0.583	0.650	0	0	0		
WHQS Improvements	11.974	6.442	10.474	(1.500)	(13)	0	Early Identified Rollover - Whole House Envelope Scheme, delayed start due to new contractor being appointed (£1.500m). Work now committed & complete within the 1st quarter of 2016/17	Request approval to move funding of £1.500m to 2016/17
<b>Total</b>	<b>101.055</b>	<b>92.835</b>	<b>99.555</b>	<b>(1.500)</b>	<b>(1)</b>	<b>0.000</b>		

Variance = Budget v Projected Outturn

## SUMMARY

## Capital Budget Monitoring 2015/16 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required
Chief Executive's	0.026	0	0.026	0	0	0		
People & Resources	0.143	0	0.143	0	0	0		
Governance	0.923	0.458	0.758	(0.165)	(18)	0		
Education & Youth	27.242	19.840	26.789	(0.453)	(2)	(0.068)		
Social Care	0	0	0	0		0		
Community & Enterprise	8.284	4.443	8.204	(0.080)	(1)	0.501		
Planning & Environment	1.810	0.562	1.142	(0.668)	(37)	0		
Transport & Streetscene	3.238	1.681	3.144	(0.094)	(3)	0.035		
Organisational Change 1	0.307	0.273	0.307	0	0	0.120		
Organisational Change 2	1.311	0.495	0.758	(0.553)	(42)	(0.367)		
<b>Sub Total - Council Fund</b>	<b>43.284</b>	<b>27.752</b>	<b>41.271</b>	<b>(2.013)</b>	<b>(5)</b>	<b>0.221</b>		
Housing Revenue Account	101.055	92.835	99.555	(1.500)	(1)	0		
<b>Total</b>	<b>144.339</b>	<b>120.587</b>	<b>140.826</b>	<b>(3.513)</b>	<b>(2)</b>	<b>0.221</b>		

Variance = Budget v Projected Outturn
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## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 17 <sup>th</sup> March, 2016
<b>Report Subject</b>	Quarter 3 Improvement Plan Monitoring Report
<b>Cabinet Member</b>	Cabinet Member for Corporate Management
<b>Report By</b>	Member Engagement Manager
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

The Improvement Plan 2015/16 was adopted by the Council in June 2015. This report presents the monitoring of progress for the third quarter of 2015/16 focusing on the areas of under performance relevant to the Corporate Resources Overview & Scrutiny Committee.

This report is an exception based report and therefore detail focuses on the areas of under-performance.

### RECOMMENDATIONS

1	That the Committee consider the Quarter 3 Improvement Plan Monitoring Report to be i) assured of progress and performance and ii) challenge any areas of under-performance as appropriate.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE QUARTER 3 IMPROVEMENT PLAN MONITORING REPORT</b>
1.01	The Improvement Plan monitoring report gives an explanation of the progress being made towards the delivery of the impacts set out in the 2015/16 Improvement Plan. The narrative is supported by performance indicators and/or milestones which evidence achievement. In addition, there is an assessment of the strategic risks and the level to which they are controlled.
1.02	The detailed sub-priority report, shown at Appendix 1, is in a new format, which has been generated from the new performance management solution, CAMMS.
1.03	<p>CAMMS has been purchased to provide benefits which include:</p> <ul style="list-style-type: none"> <li>• efficiencies by reducing duplication and data entry;</li> <li>• a single version of the truth;</li> <li>• improved visibility and accountability for performance and programme / project management objectives; including an audit trail; and</li> <li>• dynamic, exception based reporting with dashboards and standard reports.</li> </ul>
1.04	<p>Analysis of performance against the Improvement Plan measures is undertaken using the RAG (Red, Amber and Green) status. This is defined as follows:-</p> <p><b><u>Performance</u></b></p> <ul style="list-style-type: none"> <li>• RED – equates to a position of under-performance against target.</li> <li>• AMBER – equates to a mid-position where improvement may have been made but performance has missed the target.</li> <li>• GREEN – equates to a position of positive performance against target.</li> </ul> <p><b><u>Outcome</u></b></p> <ul style="list-style-type: none"> <li>• RED – equates to a forecast position of under-performance against target at year end.</li> <li>• AMBER – equates to a forecast mid-position where improvement may have been made but performance will miss target at year end.</li> <li>• GREEN – equates to a forecast position of positive performance against target at year end.</li> </ul>
1.05	The high level (RED) risk areas identified for the Corporate Resources Overview & Scrutiny Committee, are as follows:-
1.05.1	<p><b>Priority: Modern and Efficient Council (Developing Communities)</b>  <b>PI: The number of public assets transferred to the community</b>  <b>Q3 Target 2 – Q3 Actual 0</b></p>

	<p>Nine applications are awaiting completion. It is anticipated that these will be complete by the end of the financial year, which would exceed the annual target of eight.</p>
1.05.2	<p><b>Priority: Modern and Efficient Council (Improving Resource Management)</b>  <b>PI: Amount of efficiency targets achieved</b>  <b>Q3 Target £12,874,000 – Q3 Actual £10,702,000</b></p> <p>Progress against the annual efficiency target is reported monthly to Cabinet and Corporate Resources Overview &amp; Scrutiny Committee. As at month eight position the expected efficiencies for 2015/16 are forecast to be £10,702,000 which equates to 83%.</p>
1.05.3	<p><b>Priority: Modern and Efficient Council</b>  <b>Risk: The scale of the financial challenge</b></p> <p>Part 2 of the MTFS 'Meeting the Financial Challenge' was published in September 2015, setting out how the Council plans to meet the challenge.</p> <p>The Welsh Government published the Provisional Local Government Settlement for the 2016/17 financial year on 9 December. The detail and implications of the Settlement for Flintshire were summarised in a report to Cabinet on 19<sup>th</sup> January, 2016.</p> <p>The average reduction in funding across Wales was 1.4% with Flintshire being advised of a reduction of 1.5%. Although this was still a significant reduction in core funding for Flintshire, it was less than had been assumed in the initial forecast and had the effect of improving the overall position by £3.770m.</p> <p>The Settlement also notified of some intended reductions in specific grants such as the Single Environment Grant and the Families First Grant which will add further pressure to specific service areas.</p> <p>The announcement is later than previous years due to the next UK Spending Review and notification of the final amount of funding will not be known until the Welsh budget is approved in March 2016. However, it is not envisaged that there will be any significant change to the funding notified at the provisional stage and the budget for 2016/17 will be set based on the provisional settlement figures.</p> <p>The risk remains red due to the uncertainty over future national financial planning and fiscal policy.</p>
1.05.4	<p><b>Priority: Modern and Efficient Council</b>  <b>Risk: The capacity and capability of the organisation to implement necessary changes</b></p> <p>The extensive programme to consider alternative delivery models across a</p>

	range of services will continue to impact on available resources across portfolios and support services. Support services will need to be prioritised for those services progressing to the feasibility stage, although the numbers progressing to feasibility at this time is lower than originally anticipated. Additional/external support may be needed to support the services and support services as we near the commissioning stage. This risk will change to amber once decisions have been made on the businesses cases to covert to alternative delivery models and there are agreed and resourced transition plans in place.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	There are no specific financial implications for this report; however the Council's Medium Term Financial Plan is aligned to resource the priorities of the Improvement Plan.
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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3.01	The Chief Officer Team and the Performance Leads from across the Authority have contributed to help shape the new approach to reporting.
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
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4.01	Progress against the risks identified in the Improvement Plan have been reported on for quarter 3 and the detail is included in the report at Appendix 1.
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	Appendix 1 – Quarter 3 Improvement Plan Progress Report – Modern and Efficient Council
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	<p><b><u>Improvement Plan 2015/16</u></b></p> <p><a href="http://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Improvement-Plan.aspx">http://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Improvement-Plan.aspx</a></p> <p><b>Contact Officer:</b> Robert Robins Member Engagement Manager</p> <p><b>Telephone:</b> 01352 702320</p> <p><b>E-mail:</b> <a href="mailto:robert.robins@flintshire.gov.uk">robert.robins@flintshire.gov.uk</a></p>
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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Improvement Plan</b> – the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.
7.02	<b>CAMMS</b> – is an integrated planning, risk management and programme/project management and reporting software. It was purchased in April 2015 and work to commence implementation began in May; focusing initially on the Council’s Improvement Plan and the Portfolio of Social Services. The link below provides further information about CAMMS. <a href="http://cammsgroup.com/">http://cammsgroup.com/</a>
7.03	<b>Medium Term Financial Strategy</b> – a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

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# Appendix 1 - Quarter 3 Improvement Plan Progress Report – Modern and Efficient Council

Flintshire County Council

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## Actions

### 8 Modern and Efficient Council

#### 8.1 Supporting communities to become more resilient

##### 8.1.1 Developing Communities

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.1.1.1 Develop the Community and Social Sector through developing and growing social enterprises in Flintshire, in turn supporting and creating new forms of local business	Ian Bancroft - Chief Officer - Organisational Change 1	In Progress	01-Apr-2015	31-Mar-2016	30.00%		

#### **ACTION PROGRESS COMMENTS:**

The Community Asset Transfer (CAT) scheme and Alternative Delivery Model (ADM) programme will result in development of new or stronger community organisations and social enterprises. A number of these should be 'starting up' in 2016. Action 8.1.1.5 below details progress on Community Asset Transfers including the number nearing completion. The ADM programme has proposals for 5 services to develop ADMs by 2017. With final business plans and transition plans having been robustly considered and scrutinised a number of risks that will need to be addressed in transition could affect the timescale for outcome, hence the change of the outcome RAG to Amber. The 30% complete relates to this being a three year plan of work.

Last Updated: 25-Feb-2016

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.1.1.2 Encourage volunteers and active citizens	Ian Bancroft - Chief Officer - Organisational Change 1	In Progress	01-Apr-2015	31-Mar-2016	40.00%		

#### **ACTION PROGRESS COMMENTS:**

Developing and publicising a volunteering policy by November 2015-Work has started in a number of services to develop and implement localised approaches to volunteering. The aim will be to take best practice to these approaches from best practices from elsewhere to finalise a volunteering policy. The Policy will include the following documents: A Policy Framework; A Guide for Volunteers, A Guide for Supervisors of Volunteers and an Application to Volunteer form. The first of these two documents are now in draft and being commented on.

Last Updated: 25-Jan-2016



ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.1.1.3 Ensure community benefit through our commissioning of goods and services	Arwel Staples - Strategic Procurement Manager	In Progress	01-Apr-2015	31-Mar-2016	75.00%		
<p><b>ACTION PROGRESS COMMENTS:</b>  A revised draft version of the Contract Procedure Rules (CPR's) have been developed and are currently out for consultation, The new CPR's that will make it mandatory that all projects above £1m to deliver community benefits  - A new draft Commissioning Form has also been developed, so that Community Benefits can be fully considered at procurement planning stages.  - A Community Benefits Project Board has been set up which will monitor the progress of ensuring Community Benefits are implemented and that the benefits are recorded and captured</p> <p>Last Updated: 22-Feb-2016</p>							

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.1.1.4 Design and implement alternative delivery models to sustain important services to meet future need	Ian Bancroft - Chief Officer - Organisational Change 1	In Progress	01-Apr-2015	31-Mar-2016	50.00%		
<p><b>ACTION PROGRESS COMMENTS:</b>  Feasibility studies have been completed for 5 services, estimating a 5 year saving in these services as a result of delivering alternative models. Final business plans will be presented to Cabinet in February and March with decisions to be made in March.</p> <p>Last Updated: 25-Jan-2016</p>							

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.1.1.5 Empower communities to run and manage facilities in their locality through Community Asset Transfers	Ian Bancroft - Chief Officer - Organisational Change 1	In Progress	01-Apr-2015	31-Mar-2018	30.00%		
<p><b>ACTION PROGRESS COMMENTS:</b>  Twelve Community Asset Transfer (CAT) business plans have now been approved which will progress through to completion and the transfer of 18 assets. Legal completion for these assets is progressing and progress will be reviewed at the end of March.  Connah's Quay swimming pool, Mancot library and Mynydd Isa community centre including the library have all had stage 2 business plans approved and are moving through to legal completion.  To date 103 expressions of interest have been received in total relating to 208 assets. We are on target for the time period that has elapsed, but the risks are quite high for achieving the desired outcomes by the end of the three year plan, hence the amber outcome RAG status.</p>							

Last Updated: 09-Feb-2016

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.1.1.6 Ensure our Armed Forces Community and their families are not disadvantaged when accessing Council Services	Sharron Jones - Executive Manager	In Progress	01-Apr-2014	31-Mar-2018	60.00%		

**ACTION PROGRESS COMMENTS:**

There are no further updates at this time due to the longer term nature of the outstanding action. The position as reported in the last quarter is as follows;  
 A working group has been established to review the Community Covenant Action Plan periodically. The work programme focuses on 6 key work streams as outlined in the Council's Covenant. The majority of planned tasks within the work streams have been completed, for example the establishment of an on-line service library of organisations with a remit to provide assistance and support to members of the Armed Forces Community and training of front line staff. The service library is accessible for members of the Armed Forces Community to find the assistance they need and is for use by council staff as a signposting resource.

One of the key areas within the action plan is to "define" the Armed Forces Community with Flintshire; this is one area of the Action Plan that has not yet been completed as it will take time to build up the statistics for a number of reasons. The Working Group has a number of processes in place to begin to build this picture for example, on face to face contact, service users will be asked if they or any member of their family is in the Armed Forces and / or a Veteran of the Armed Forces. The Working Group is also reviewing the completion of portfolio forms for members of the public to add this question to the form and build up a clearer position. This will probably take a couple of years to determine subject to the practices being applied.

Last Updated: 10-Feb-2016

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## 8.2 Front line services are efficiently and effectively supported

### 8.2.1 Improving Resource Management

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.2.1.1 Develop and implement a four year financial plan that reflects anticipated funding, costs and efficiencies to support strategic decision making.	Gary Ferguson - Corporate Finance Manager	In Progress	01-Apr-2015	31-Mar-2016	50.00%		

**ACTION PROGRESS COMMENTS:**

Part 1 of the Medium Term Financial Strategy (MTFS) was reported to Cabinet in June and Corporate Resources Overview and Scrutiny Committee in July. Part 1 forecasts the resources the Council is likely to have available over the next 3 years and details the cost pressures needing to be met from this reduced funding.

Part 2 of the MTFS sets out the solutions and options for organisational efficiency and service changes, to work to close the challenging financial gap. This was published in September.

The Council has been able to set a balanced budget for 2016/17 by applying the MTF5 Part 2 solutions and taking a balanced risk approach to managing cost pressures and fluctuations in-year. Based on the risk assessment reported to Council when recommending the annual budget the risk of non-achievement of the 2016/17 budget and its planned financial efficiencies and controls can best be described as an amber risk.

However, the achievement of the MTF5 objectives and financial targets for 2017/18 (the third and final year of the current version) and then for 2018/19 (as the third and final year for the new version which is to be published for a rolling three year period 2016/17-2018/19) is classed as a red risk. This is due to the non-availability of an indicative Governmental budget for local government for the medium term, the lack of commitment by Governments to fund emerging and major cost pressures such as workforce costs and the rising costs in the care sector, and the uncertainty of UK budget forecasts and fiscal policy which will underpin the coming Chancellor's budget statement.

Local government cannot plan with any certainty within these public sector funding conditions. Therefore, any financial planning by Flintshire County Council or any other council cannot be done with a sufficient level of certainty and assurance. This position is recognised by the Welsh Local Government Association (WLGA) as the representative body for local government, and independent commentators such as the Independent Commission for Local Government Finance in Wales.

Flintshire is particularly exposed to financial risk as a Council which is low funded per capita and one which has minimal reserves having followed a responsible policy on avoiding accumulating excessive reserves and using balances to fund services wherever possible.

Last Updated: 12-Feb-2016

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.2.1.2 Implement the People Strategy to ensure the council has sufficient capability and capacity to operate effectively as a smaller organisation	Sharon Carney - Lead Business Partner	In Progress	01-Apr-2015	31-Mar-2016	35.00%		

**ACTION PROGRESS COMMENTS:**

A new people strategy has been developed and agreed in principle. An outline action plan in support of the strategy has been drafted, further work is required to finalise, target for completion of action plan - end of December 2015. Some of the component parts of the strategy have been agreed and piloted (for example, new appraisal process including talent management assessment with Chief Officer's direct reports).

Last Updated: 03-Dec-2015

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.2.1.3 Rationalise the Council's use of corporate accommodation	Lisa McLellan - Asset Manager	In Progress	01-Apr-2015	31-Mar-2018	17.00%		

**ACTION PROGRESS COMMENTS:**

The Council has been working through this activity on a number of levels as follows:-

- the intensification of use of our office accommodation, County Offices Flint being a good example of such use;
- the demolition of accommodation no longer fit for purpose. The most recent asset in this area is Connahs Quay Offices which have now been demolished,
- the rationalisation of space. The current work around this relates to County Hall and work to consolidate services into Phases 1 and 2.

Delays in the works being undertaken by contractors to meet fire regulations will result in some service moves (from Phase 4 to Phase 1), being delayed until the first quarter of 2016/17.

Last Updated: 16-Feb-2016

ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.2.1.4 Optimise purchasing efficiencies through the use of regional and national procurement collaborations and through the increased use of electronic solutions	Arwel Staples - Strategic Procurement Manager	In Progress	01-Apr-2015	31-Mar-2016	75.00%		

**ACTION PROGRESS COMMENTS:**

The Proactis e-sourcing portal is currently being rolled-out to service areas that procure the most. The use of the e-sourcing portal will allow service areas to potentially deliver greater cashable savings by undertaking greater market competition especially on low value procurement projects.

The National Procurement Service to date has delivered 22 individual framework agreements. The Collaborative Procurement Service is currently benchmarking these arrangements to determine if they provide value for money and to determine the level of cashable savings.

The National Procurement Service to date has delivered 22 individual framework agreements. The Collaborative Procurement Service is currently benchmarking these arrangements to determine if they provide value for money and to determine the level of cashable savings.

Further discussions have taken place with the National Procurement Service regarding supporting the Council to undertake mini competitions on various framework agreements, in order to obtain further cashable savings.

Last Updated: 22-Feb-2016

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ACTION	LEAD OFFICER	STATUS	START DATE	END DATE	COMPLETE %	PROGRESS RAG	OUTCOME RAG
8.2.1.5 Extend and improve customer access to Council information and services using technology and our Flintshire Connects Centres.	Rebecca Jones - Customer Services Team Leader	In Progress	01-Apr-2015	31-Mar-2016	25.00%		

**ACTION PROGRESS COMMENTS:**

Digital Successes/Technology:

Applicants for Nursery school admissions were all notified of outcome electronically.

Applications for primary and secondary school in 2016 launched and results to be sent electronically in early 2016.

Revenues & Benefits eforms reviewed.

High level digital strategy being developed and actions prioritised.

Live Chat launched on Flintshire's website thus improving digital access to Council services.

SOCITM review of Streetscene (Waste & Recycling) web pages outcome 4\* - cited as best practice in SOCITM's annual survey of Council websites.

Flintshire Connects:

4th Flintshire Connects Centre in Buckley now open.

Increased number of services available in local communities such as Housing Benefits, Council Tax, Access to Housing, Waste and recycling, Payment Facilities and Blue Badges.

Flintshire Connects Centres offer public access computers and actively encourage and support customer's to make applications for council services on line rather than via paper based forms to help enable the efficiencies that can be realised through digital access. A good example of this is Housing Benefits and Council Tax where paper forms are no longer held on site and are printed on demand where a paper copy is needed.

Tablets to be purchased and used in Connects Centres to demonstrate the use of mobile technology such as the Flintshire App to enable staff to support and encourage customers to use this software to make their reports and requests for Council services.

Last Updated: 03-Feb-2016

## Performance Indicators

### 8 Modern and Efficient Council

#### 8.1.1 Developing Communities

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.1.1M04 Percentage of community benefit clauses included in new procurement contracts (including those under £2m)	No Data	100	Not Set			20	Not Set	
<p><b>Lead Officer:</b> Arwel Staples - Strategic Procurement Manager  <b>Reporting Officer:</b> -  <b>Aspirational Target:</b>  <b>Progress Comment:</b> In alignment with the new Wales Procurement Policy from Welsh Government all contracts above £1m have community benefits stipulations incorporated.</p>								

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.1.1M07 The number of public assets transferred to the community	No Data	0	2			0	3	
<p><b>Lead Officer:</b> Neal Cockerton - Chief Officer - Organisational Change 2  <b>Reporting Officer:</b> Lisa McLellan - Asset Manager  <b>Aspirational Target:</b>  <b>Progress Comment:</b> 9 applications awaiting completion. Anticipated that these will be completed by the end of the financial year</p>								

#### 8.2.1 Improving Resource Management

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M08 Amount of efficiency targets achieved.	No Data	10,702,000	12,874,000			10,702,000	12,874,000	

**Lead Officer:** Helen Stappleton - Chief Officer - People and Resources

**Reporting Officer:** Gary Ferguson - Corporate Finance Manager

**Aspirational Target:**

**Progress Comment:** Progress against the annual efficiency target is reported monthly to Cabinet and Corporate Resources Overview and Scrutiny Committee. As at the month 8 position the expected efficiencies for 2015/16 are forecast to be £10,702,000 which equates to 83%.

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M13 CHR/002 The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	No Data	2.77	2.4			7.34	7.2	

**Lead Officer:** Andrew Adams - Business Information and Compliance Adviser

**Reporting Officer:** -

**Aspirational Target:** 8.30

**Progress Comment:** For Q3, the FTE days lost was 2.77, therefore cumulative figures for 2015/16 after Q3 is 7.34. The forecast for 2015/16 is 9.78, which just exceeds the annual target of 9.60.

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M17 Achievement of efficiency savings achieved due to the use of National, Regional and Sectoral procurement frameworks	No Data	225,000.00	175,000			280,470	375,000	

**Lead Officer:** Arwel Staples - Strategic Procurement Manager

**Reporting Officer:**

**Aspirational Target:**

**Progress Comment:** The collation and analysis of cashable efficiencies arising from various procurement agreements is on going and will be further validated prior to financial year end.

However, based on information collated to date the target has been surpassed.

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M18 Efficiencies achieved through the use of end to end electronic purchasing	No Data	No Data	Not Set			No Data	Not Set	

**Lead Officer:** Arwel Staples - Strategic Procurement Manager

**Reporting Officer:**

**Aspirational Target:**

**Progress Comment:** The Welsh Government have recently developed a new e-procurement Benefits Realisation tool that will allow individual organisations to monitor and track efficiencies from electronic purchasing. A training workshop on the new Tool was due to be held in North Wales but had to be cancelled and we are awaiting on a new date, before we can start using the tool in order to populate this particular KPI.

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M19 Digital take up of services via Connects	No Data	1,429	312.5			3,590	937.5	

**Lead Officer:** Katie Clubb - Community Support Services Manager

**Reporting Officer:** Rebecca Jones - Customer Services Team Leader

**Aspirational Target:**

**Progress Comment:** Customer Service Advisors continue to promote and encourage customers to use digital services across all Flintshire Connects Centres. Awaiting delivery and implementation of portable devices to further enhance the digital experience for customers.

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M20 Review of existing services (36) available at Connects Centres to ensure they are fully transactional	No Data	1	Not Set			3	Not Set	

**Lead Officer:** Katie Clubb - Community Support Services Manager

**Reporting Officer:** Rebecca Jones - Customer Services Team Leader

**Aspirational Target:**

**Progress Comment:** Review of services provided at Flintshire Connects Centres is ongoing to identify areas for efficiencies and service improvement.

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator	YTD Actual	YTD Target	YTD RAG
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					Trend			
IP8.2.1M21 The percentage of customers who successfully found what they were looking for on our website: Desktop	No Data	54	55			54	55	
<b>Lead Officer:</b> Katie Clubb - Community Support Services Manager <b>Reporting Officer:</b> Rebecca Jones - Customer Services Team Leader <b>Aspirational Target:</b> <b>Progress Comment:</b> Website feedback continues to be monitored and appropriate action is taken to make improvements accordingly. The number of customers that complete the feedback form is very low (210) compared to the number of unique users of the website.								

KPI Title	Pre. EOY Actual	Period Actual	Period Target	Perf. RAG	Perf. Indicator Trend	YTD Actual	YTD Target	YTD RAG
IP8.2.1M22 The percentage of customers who successfully found what they were looking for on our website: Mobile	No Data	54	55			54	55	
<b>Lead Officer:</b> Katie Clubb - Community Support Services Manager <b>Reporting Officer:</b> Rebecca Jones - Customer Services Team Leader <b>Aspirational Target:</b> <b>Progress Comment:</b> The number of visitors responding to this survey from a mobile device is low at 100.								

## RISKS

### 8 Modern and Efficient Council

#### 8.1.1 Developing Communities

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
The capacity and appetite of the community and social sectors	Ian Bancroft - Chief Officer - Organisational Change 1	Sian Speed - Executive PA - Organisational Change 1 & 2				Open

**Potential Effect:** No increase in the number and strength in community and social sectors, which in turn will mean no increase in the support to local communities to help them become more resilient.

**Management Controls:**

**Progress Comment:** Improving response from Community and Social Sectors with a number of community organisations positively working on such projects as asset transfer and others still at early stages of engagement.

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
The willingness of the workforce and trade unions to embrace change	Ian Bancroft - Chief Officer - Organisational Change 1	Sian Speed - Executive PA - Organisational Change 1 & 2				Open

**Potential Effect:** No increase in strength of community and social sectors and few asset transfers of Alternative Delivery Models established.

**Management Controls:**

**Progress Comment:** Alternative Delivery Model (ADM) work in a number of services has resulted in completed feasibility studies which managers have lead the development of and where appropriate engaged staff. The next phase of work will fully engage the workforce in development of final business plans. Meetings with Unions have agreed a fortnightly meeting to update on ADMs and services are putting in place full staff engagement plans.

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
Market conditions which the new alternative delivery models face	Ian Bancroft - Chief Officer - Organisational Change 1	Sian Speed - Executive PA - Organisational Change 1 & 2				Open

**Potential Effect:** New Alternative Delivery Models will see a decrease in income and ultimately be un-sustainable.

**Management Controls:****Progress Comment:** No changes from Q2 to Q3.

Completed Alternative Delivery Model (ADM) business plans contain some initial considerations of market conditions but further more detailed planning market analysis work will be completed in the transitional phase for those business plans approved by Cabinet. Final Community Asset Transfer (CAT) plans are on the whole progressing. At the end of this, planning market analysis work will be tested with CATs.

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
Limitations on public funding to subsidise alternative models	Ian Bancroft - Chief Officer - Organisational Change 1	Dawn Holt - Alternative Delivery Models and Transforming Social Services Programme Manager				Open

**Potential Effect:** Alternative Delivery Models become unsustainable as it can't meet costs with reduced funding from the Council.

**Management Controls:** Properly plan for reduced levels of council funding for each Alternative Delivery Model and to have worst case scenario plans for both ADM and council if funding decreases to unsustainable levels. Draft business and transition plans are now in place and worst case scenario plans will now be added to these plans.

**Progress Comment:** The "Is the Feeling Mutual" report published on behalf of Welsh Government identified the need to support Alternative Delivery Models (ADMs) and Community Asset Transfers (CATs) with national support and resource. The Action Plan for this work has been published for consultation and identified some funding to support local authorities and new ADMs. As a Council we responded stating the need for this funding to be put in place quickly to help offset this risk.

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**8.2.1 Improving Resource Management**

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
The scale of the financial challenge.	Helen Stappleton - Chief Officer - People and Resources	Gary Ferguson - Corporate Finance Manager				Open

**Potential Effect:** The Council does not have the ability and appetite to make big and challenging decisions for the future.

**Management Controls:**

**Progress Comment:** Part 2 of the MTFS 'Meeting the Financial Challenge' was published in September 2015, setting out how the Council plans to meet the challenge.

The Welsh Government published the Provisional Local Government Settlement for the 2016/17 financial year on 9 December. The detail and implications of the Settlement for Flintshire were summarised in a report to Cabinet on 19 January 2016.

The average reduction in funding across Wales was 1.4% with Flintshire being advised of a reduction of 1.5%. Although this was still a significant reduction in core funding for Flintshire, it was less than had been assumed in the initial forecast and had the effect of improving the overall position by £3.770m.

The Settlement also notified of some intended reductions in specific grants such as the Single Environment Grant and the Families First Grant which will add further pressure to specific service areas.

The announcement is later than previous years due to the next UK Spending Review and notification of the final amount of funding will not be known until the Welsh budget is approved in March 2016. However, it is not envisaged that there will be any significant change to the funding notified at the provisional stage and the budget for 2016/17 will be set based on the provisional settlement figures.

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
The capacity and capability of the organisation to implement necessary changes	Helen Stappleton - Chief Officer - People and Resources	Sharon Carney - Lead Business Partner				Open
<p><b>Potential Effect:</b></p> <p><b>Management Controls:</b></p> <p><b>Progress Comment:</b> The extensive programme to consider alternative delivery models across a range of services will continue to impact on available resources across portfolios and support services. Support services will need to be prioritised for those services progressing to the feasibility stage, although the numbers progressing to feasibility at this time is lower than originally anticipated. Additional/external support may be needed to support the services and support services as we near the commissioning stage.</p>						

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RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
The pace of procurement collaborations and our limited control over their development.	Gareth Owens - Chief Officer - Governance	Arwel Staples - Strategic Procurement Manager				Open
<p><b>Potential Effect:</b> Procurement efficiencies will not be realised.</p> <p><b>Management Controls:</b> Engagement with the NPS where contracts do not represent value for money so that they can drive better value with the contractors, and if necessary securing opt outs from NPS contracts.</p> <p><b>Progress Comment:</b> The National Procurement Service (NPS) have recently put in place 22 framework agreements for various spend areas. The Collaborative Procurement Service is currently benchmarking these framework agreements to determine if they provide value for money. Based on a sample of framework agreements that been benchmarked early indications suggest that only 25% of the framework delivered will provide the Council with any cashable savings. Further meetings are planned with the NPS have now taken place and a proposal has been put forward by the NPS that they will support the Council in undertaking further mini competitions from various framework agreements in order to improve on prices and deliver cashable savings.</p>						

RISK TITLE	LEAD OFFICER	SUPPORTING OFFICERS	INITIAL RISK RATING	CURRENT RISK RATING	TREND ARROW	RISK STATUS
Public attitude to accessing services on-line.	Clare Budden - Chief Officer - Community and Enterprise	Katie Clubb - Community Support Services Manager, Rebecca Jones - Customer Services Team Leader				Open
<p><b>Potential Effect:</b> Targeted efficiencies to be achieved through people switching to accessing services will not be met.</p> <p><b>Management Controls:</b></p> <p><b>Progress Comment:</b> There is evidence to support customers are shifting to accessing Council services electronically - see IP8.2.1M17</p>						



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## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 17 <sup>th</sup> March 2016
<b>Report Subject</b>	Workforce Information Report – Quarter 3 2015/16
<b>Portfolio Holder</b>	Corporate Resources Overview and Scrutiny Committee
<b>Report Author</b>	Sharon Carney (for Chief Officer – People and Resources)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

To provide Members with an update for the third quarter for 2015/16. This report provides details of the following:

- Headcount and Full Time Equivalent (FTE)
- Organisational Age Profile
- Employee Turnover and Stability (Including Redundancies and Early Retirements)
- Attendance (Including 100% Attendance)
- Performance Appraisals and Development
- Resource Management (Agency Workers)
- Equality and Diversity

The format of this report and the accompanying Workforce Information has been redeveloped to focus on the organisational performance and trends, with the information being presented in a dashboard format. The dashboards are designed to be a visual presentation of data, showing the current status and historical trends of the Council's performance against key performance indicators.

The report provides a brief narrative on the overall performance. A more detailed explanation is provided on an exceptional basis where performance is falling below organisational performance indicators or where there has been a significant movement, either upwards or downwards, in the reported trends. The narrative will include an explanation for the movement in trend and details of the actions that are planned to improve or maintain performance.

The performance information for the whole organisation is split to show Schools (with further breakdown into Teaching and Non-Teaching) and Non-Schools data separately.

## RECOMMENDATIONS

1	Members comment on Workforce Information Report for quarter three 2015/16
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE WORKFORCE INFORMATION REPORT</b>
1.01	<b>Headcount and Full Time Equivalent (FTE)</b>  The headcount and FTE for the Council continues to decrease which is expected and planned. Cumulative figures for 2015/16 show an overall decrease of 141 FTE across the Council, Non-schools show a decrease of 77 FTE, and Schools show a decrease of 64 FTE. Within Schools, 29 of the 64 FTE are teaching staff.
1.02	<b>Organisational Age Profile</b>  The purpose of providing the Organisational Age Profile is to enable the Council to provide a guide to the future number of potential retirements and succession plan by identifying any skill gaps that may arise. Without an analysis of age profile, no workable long term planning can be made.
1.03	<b>Employee Turnover and Stability (Including Redundancies and Early Retirements)</b>  Early Retirements and redundancy schemes across the Council continue to be applied.  The Flintshire County Council turnover percentage as at quarter three is 10.30%.  For the comparative figures for last year, the turnover percentage for quarter three was 10.35%, which shows a decrease of 0.05%.
1.04	<b>Attendance (Including 100% Attendance)</b>  The cumulative absence FTE days lost for quarter three is 7.34. The projected out turn for 2015/16 is currently at 9.78 which, if it remains on track, would see Flintshire County Council just miss its annual target of 9.60.  Social Services, and Streetscene and Transportation continue to have higher volumes of absence than other portfolios. There is however, a noticeable improvement when compared to previous years, within those areas and continued focussed and robust interventions in line with the Attendance Management policy should continue to yield further improvements.



	<p>There were four capability dismissals (due to long-term ill-health) during the quarter in Streetscene and Transportation and there are a further 7 'Stage 2' capability hearings scheduled over the next few weeks. This should have a positive impact on long-term absence. There has been an increase in short-term absence during the quarter, which is monitored closely by the Streetscene and Transportation management team who make formal interventions as appropriate (for example, 'Stage 1' capability hearings).</p> <p>Social Services held 22 'Stage 1' and 5 'Stage 2' capability hearings during the quarter, the actions taken should have a positive impact on long-term absence.</p>
1.05	<p><b>Performance Appraisals and Development</b></p> <p>Chief Officers have completed performance appraisals (including talent assessment) for all their direct reports. The 'new' process is now planned to be rolled out across the rest of the organisation.</p> <p>The undertaking of appraisals on a broader scale will be tracked against target completion dates in future reports. However, whilst some issues within the software that were identified have been resolved other outstanding issues are yet to be rectified.</p>
1.06	<p><b>Resource Management (Agency Workers)</b></p> <p>The cumulative agency spend after quarter three is £2.7m. This has exceeded the aspirational target of £1.9m. The majority of the agency spend is within Social Services (£1m), and Streetscene and Transportation (£1.1m) respectively.</p> <p>Streetscene and Transportation had 75 front line vacancies as at 31<sup>st</sup> December 2015 and this has contributed significantly to the requirement for agency workers in order to ensure continuity of service.</p> <p>Social Services have used a number agency workers to cover vacancies and to supplement some of the core workforce allocated to special/ad-hoc projects. This arrangement is not expected to be long-term.</p> <p>Overall, there were 101 active agency placements on 31<sup>st</sup> December 2015. From the 101 placements, 77 have exceeded the 12 week Agency Worker Regulations threshold.</p>
1.07	<p><b>Equality and Diversity</b></p> <p>The importance of collecting equality and diversity information remains a high priority. Equalities monitoring information is regularly reviewed with measures in place to collate missing diversity data from employees. The pilot of iTrent in schools has begun, should the pilot be successful, this will enable school based employees to enter their information on iTrent, therefore increasing the quality of data held for the workforce.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Increased accuracy for reporting will allow the Council to better understand the composition and usage of the workforce and therefore plan and manage the largest single cost of service delivery.
<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None as the dashboard report appended to this report details existing actual out-turns in the various measures.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None arising directly from this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix One: Dashboard – Workforce Information Report Q3 2015/16

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Sharon Carney (for Chief Officer – People and Resources)  <b>Telephone:</b> 01352 702139  <b>E-mail:</b> <a href="mailto:sharon_carney@flintshire.gov.uk">sharon_carney@flintshire.gov.uk</a></p>
<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b><u>Headcount and FTE</u></b></p> <p>This will provide information on the current levels of the Council’s workforce.</p> <p><b><u>Organisational Age Profile</u></b></p> <p>The purpose of providing the Organisational Age Profile is to enable the Council to provide a guide to the future number of potential retirements and succession plan by identifying any skill gaps that may arise. Without an analysis of age profile, no workable long term planning can be made.</p> <p><b><u>Employee Turnover and Stability (Including Redundancies and Early Retirements)</u></b></p> <p>This information will provide the awareness of trends in turnover rates within the Council for potential measure to be put in place for high turnover rates, if applicable.</p> <p><b><u>Attendance</u></b></p> <p>Attendance remains a high priority in the Council and will provide detailed</p>

information on the areas for improvement for absence/attendance. Stage 1 and Stage 2 capability hearings are the formal stages of the Attendance Management policy where sanctions including dismissal take place.

**Performance Appraisals and Development**

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

**Resource Management**

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

**Equality and Diversity**

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

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# **CORPORATE DASHBOARD REPORTS**

**(FLINTSHIRE COUNTY COUNCIL)**

**2015/16 - QUARTER 3**

**(OCTOBER - DECEMBER)**

# 2015/16 DASHBOARD

## FLINTSHIRE COUNTY COUNCIL TOTALS

### TOTAL HEADCOUNT

6,792

TOTAL FTE

5,135

### LEAVERS / TURNOVER

700 / 10.30%

### AGENCY SPEND 2015/16

£2.7m

Q3 TARGET

£1.9m

### DAYS LOST PER FTE 2015/16

7.34

TARGET 2015/16

9.60

**CORPORATE DASHBOARD**  
**REPORTS**  
**(NON SCHOOLS)**  
**2015/16 - QUARTER 3**  
**(OCTOBER - DECEMBER)**

# QUARTER 3 2015/16 DASHBOARD

## HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - NON SCHOOLS

### TOTAL HEADCOUNT

**3,570**

### TOTAL FULL TIME EQUIVALENT

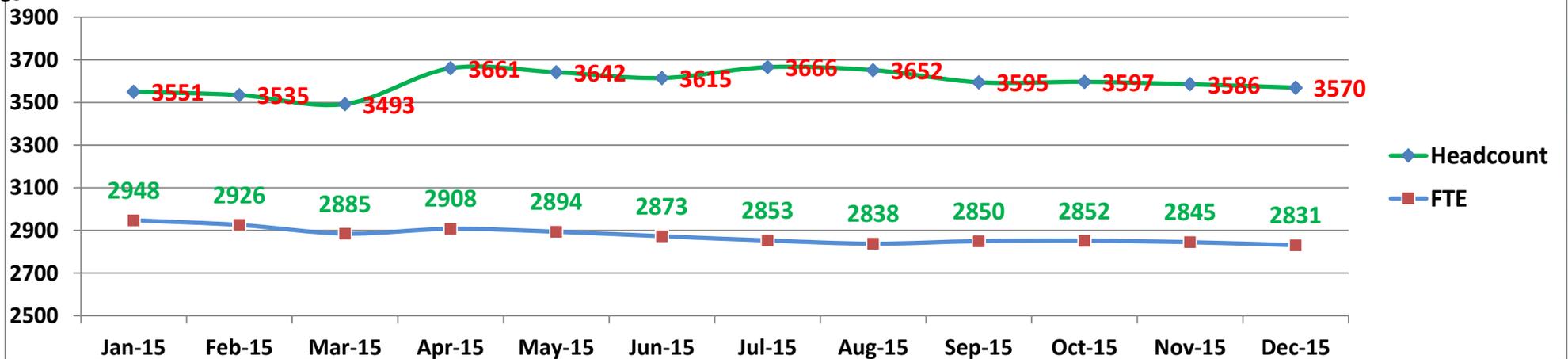
**2,831**

01/04/2015 **3,661**    Decrease of 91 people (-2.49%)    31/12/2015 **3,570**

01/04/2015 **2,908**    Decrease of 77 FTE (-2.65%)    31/12/2015 **2,831**

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### HEADCOUNT AND FTE - 12 MONTH TREND

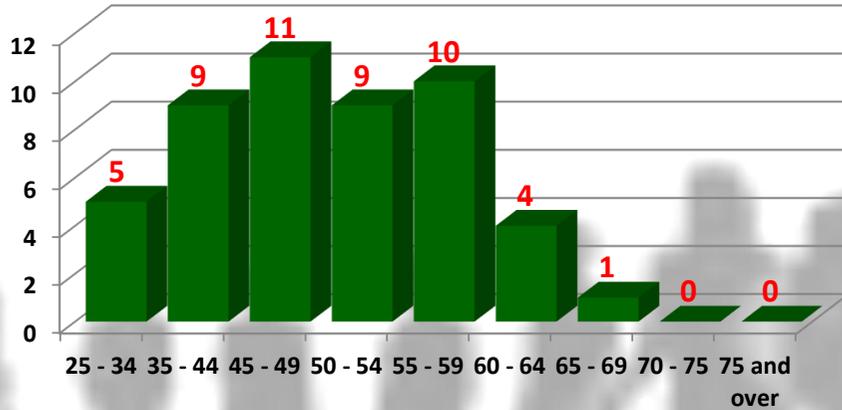




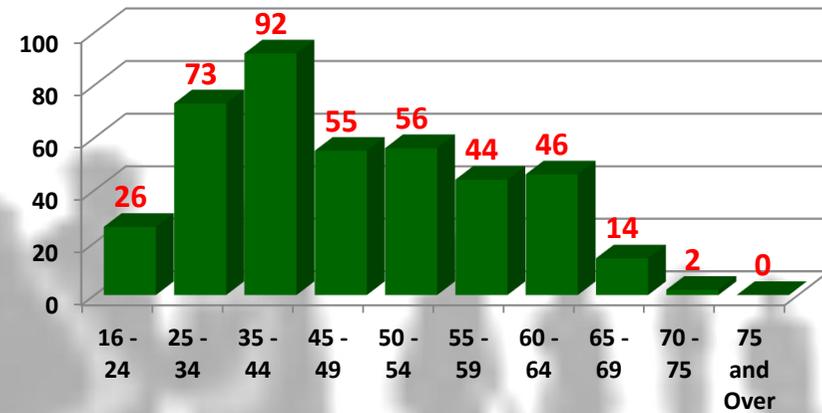
# QUARTER 3 2015/16 DASHBOARD

## AGE PROFILE - NON-SCHOOLS

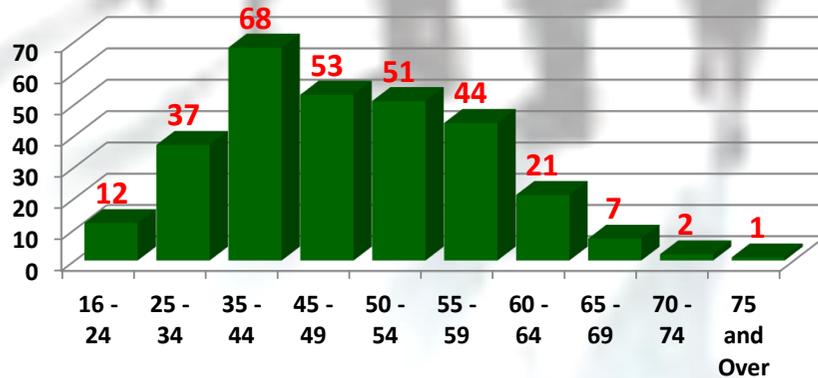
### Chief Executives



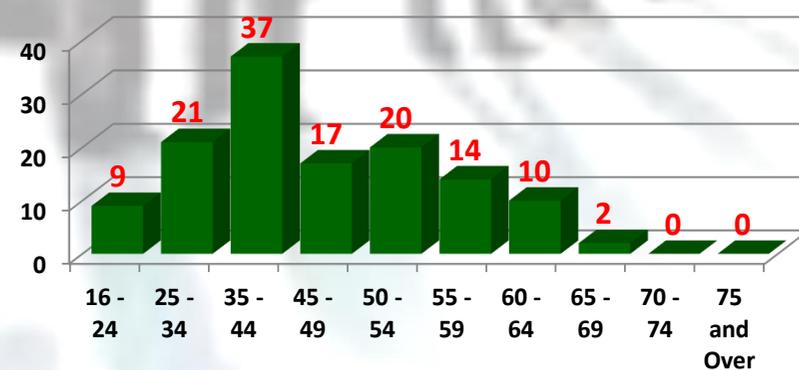
### Community and Enterprise



### Education and Youth



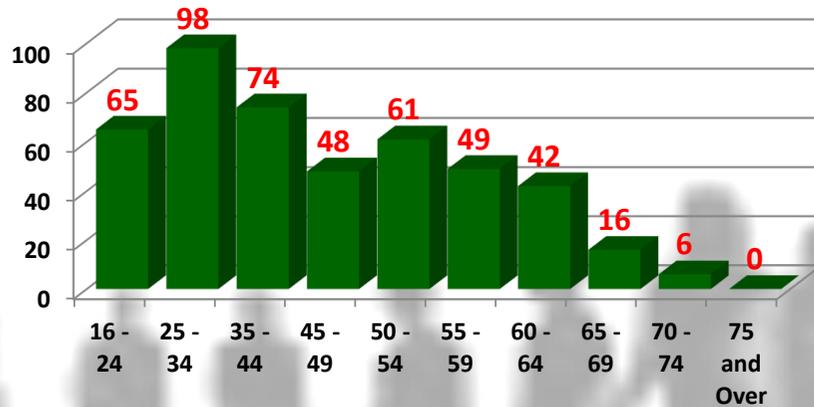
### Governance



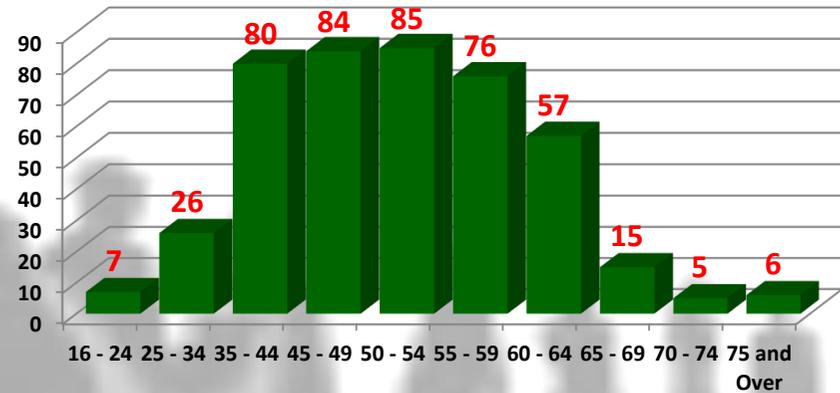
# QUARTER 3 2015/16 DASHBOARD

## AGE PROFILE - NON-SCHOOLS

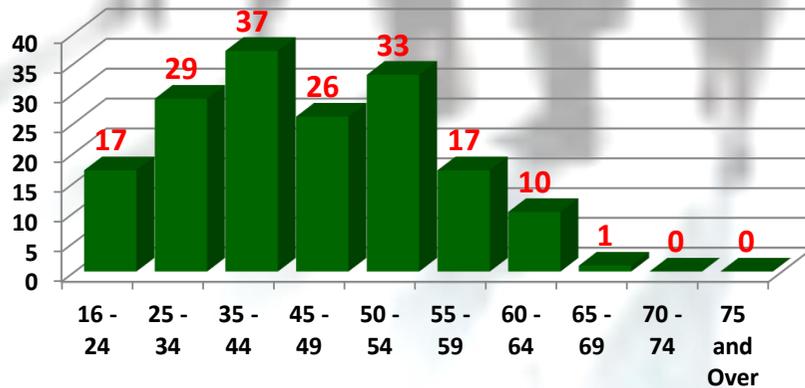
### Organisational Change 1



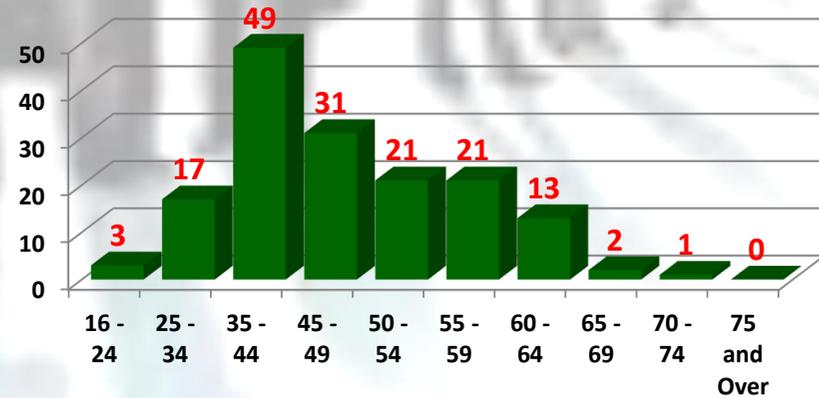
### Organisational Change 2



### People and Resources



### Planning and Environment

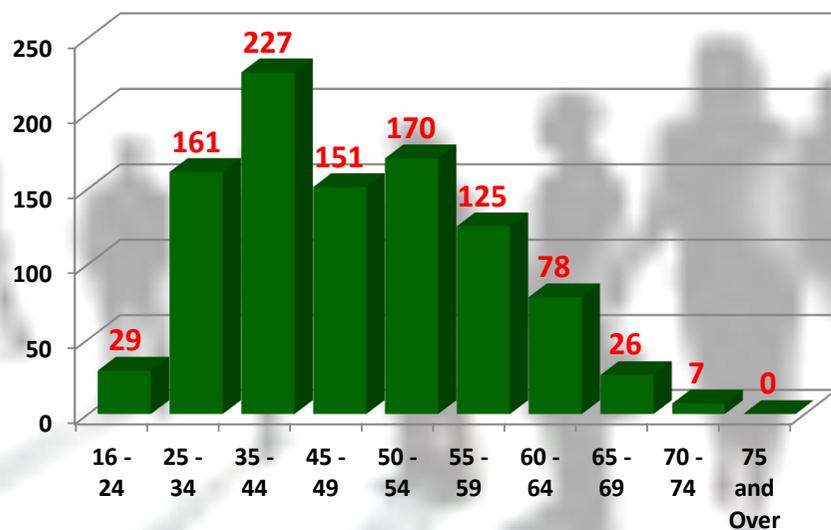


# QUARTER 3 2015-16 DASHBOARD

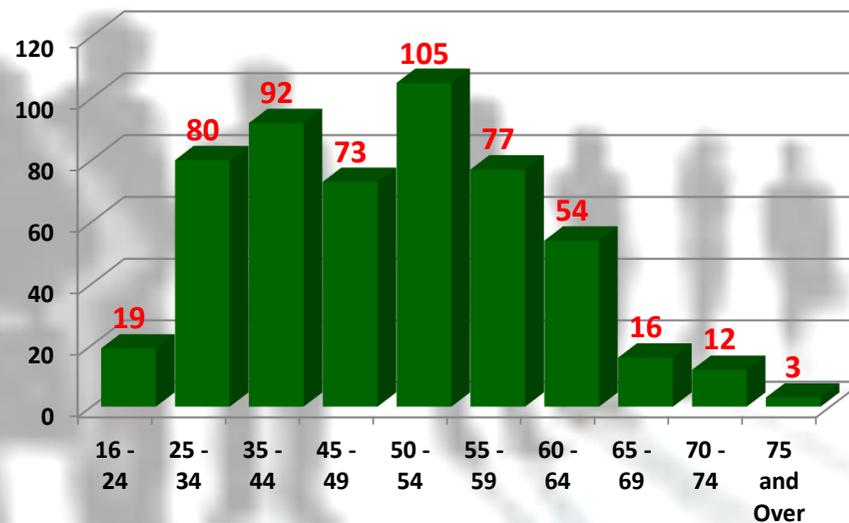
## AGE PROFILE - NON-SCHOOLS

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### Social Services



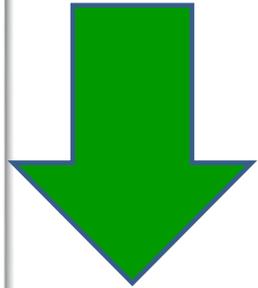
### Streetscene and Transportation



# QUARTER 3 2015/16 DASHBOARD

## ATTENDANCE - NON-SCHOOLS

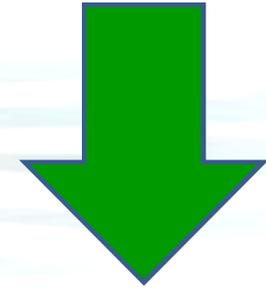
### DAYS LOST PER FTE AT 31/12/2015



31/12/2014  
3.46

**3.42**

31/12/2015  
3.42



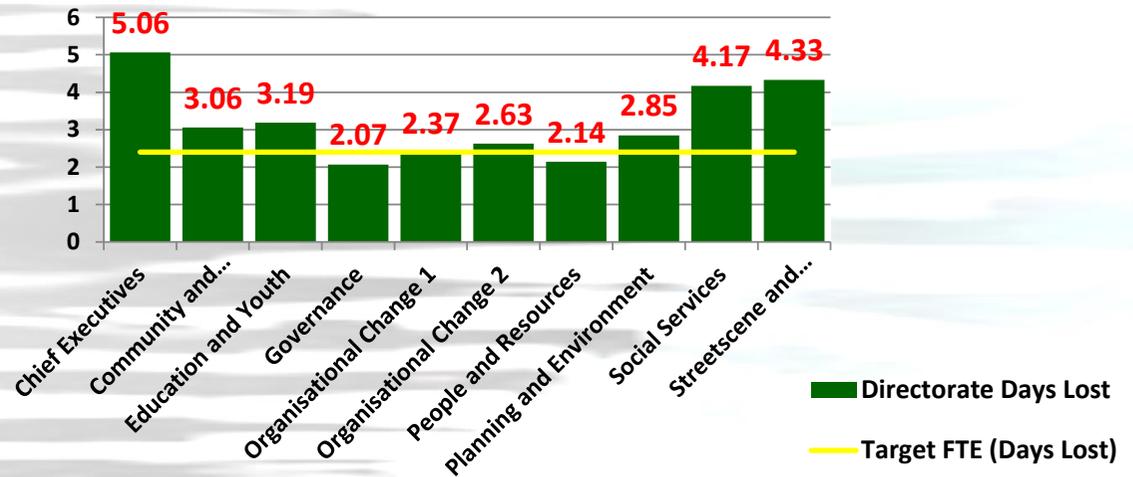
**Decrease of 0.04**

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### TOP 4 REASONS

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

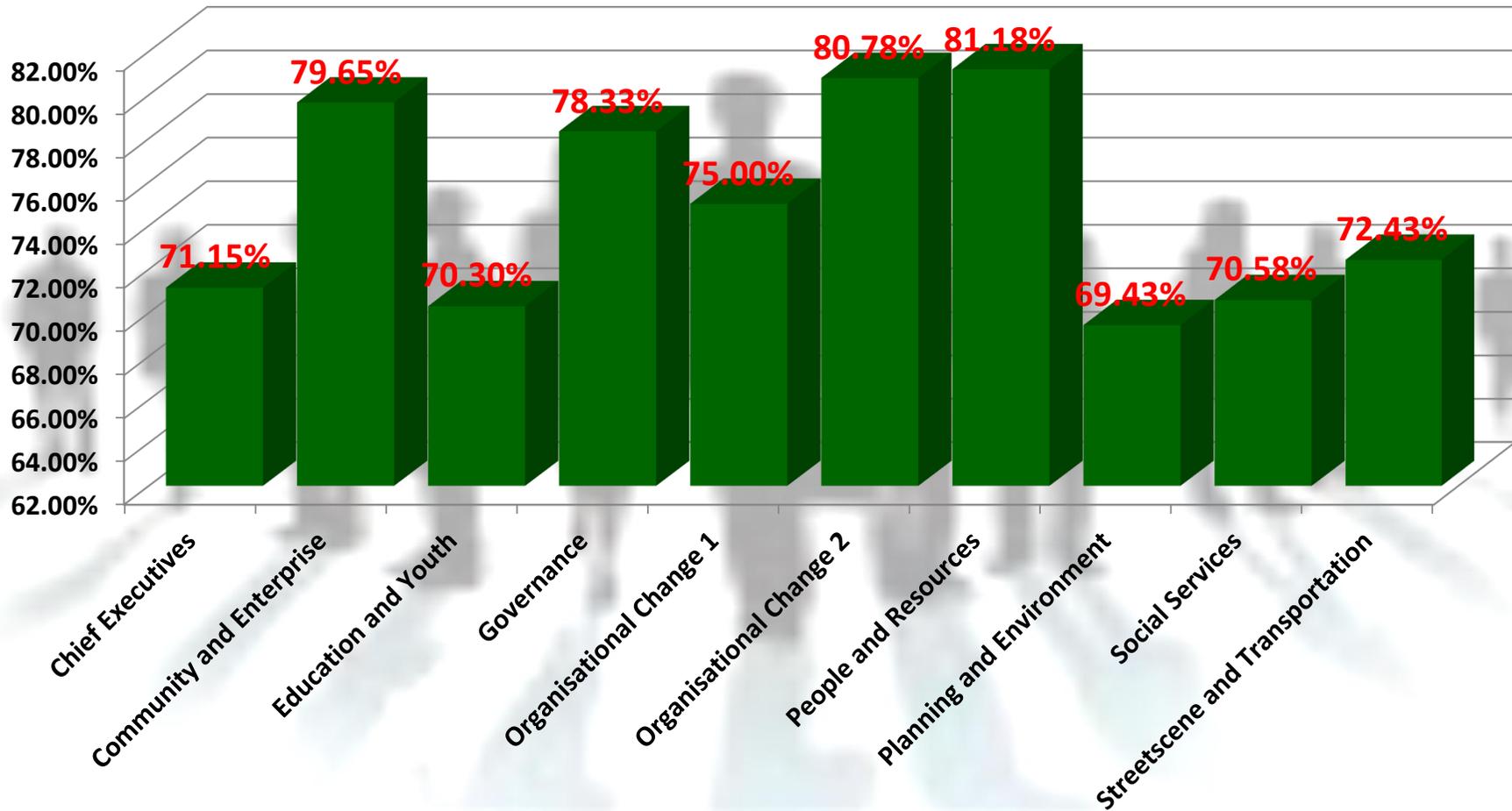
### FTE DAYS LOST BY PORTFOLIO



# QUARTER 3 2015/16 DASHBOARD

## ATTENDANCE CONTINUED - NON-SCHOOLS

100% ATTENDANCE BY PORTFOLIO



# QUARTER 3 2015/16 DASHBOARD

## TURNOVER AND STABILITY - NON SCHOOLS

### LEAVERS - Q3

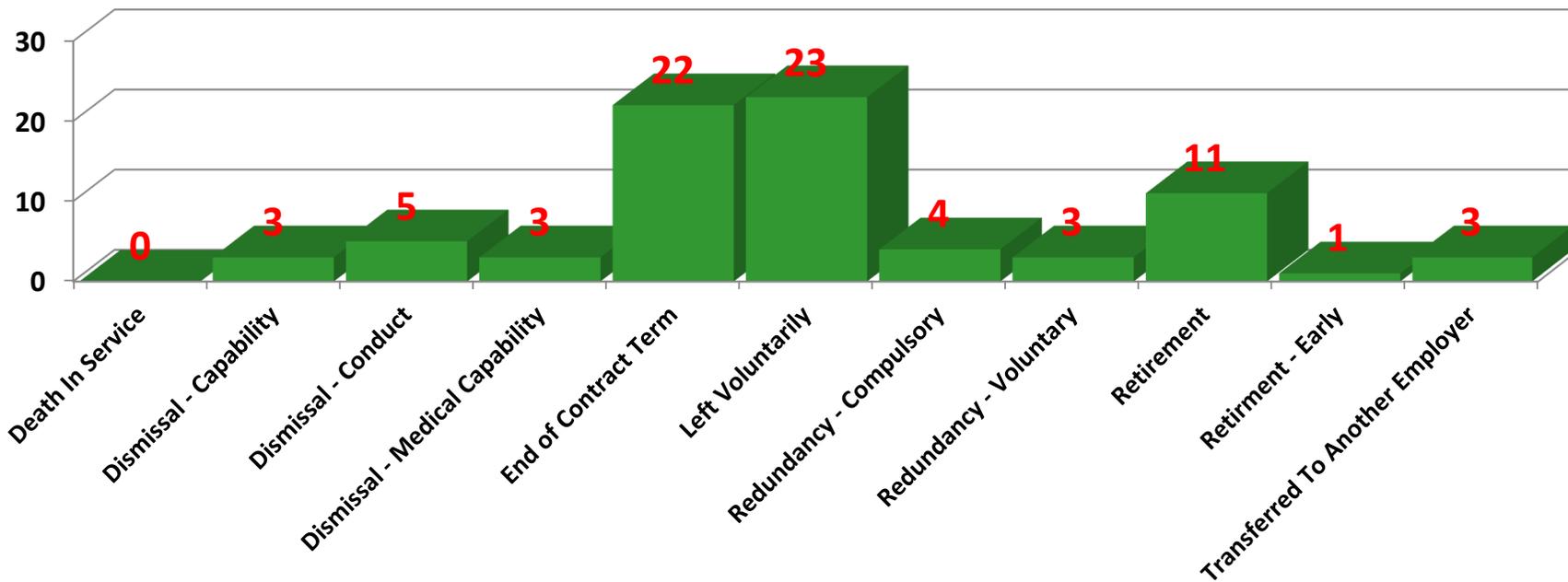
78

### LEAVERS - 2015/16

371

### LEAVER REASON - Q3

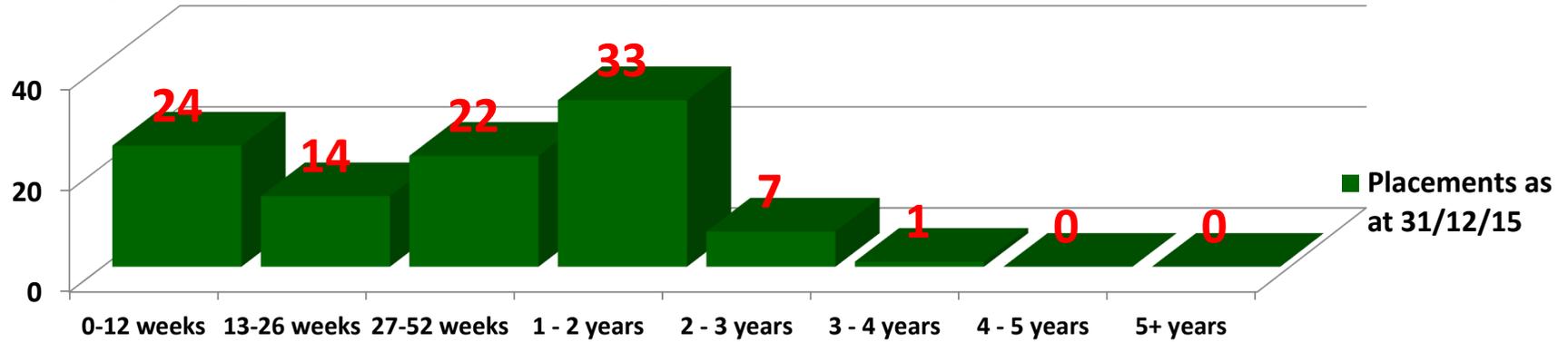
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# QUARTER 3 2015/16 DASHBOARD

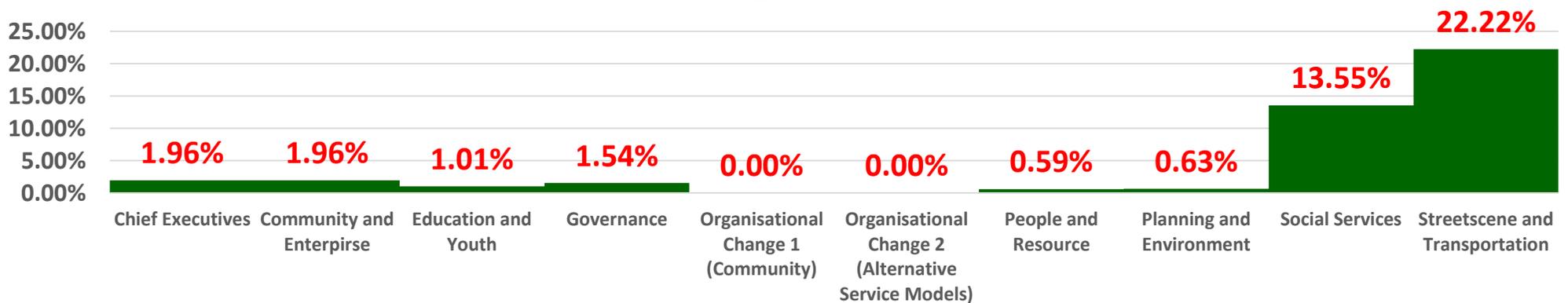
## RESOURCE MANAGEMENT - AGENCY

### Agency Tenure Management 2015/16



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### Agency/Headcount Percentage by Portfolio as at 31/12/2015



# QUARTER 3 2015/16 DASHBOARD

## EQUALITY AND DIVERSITY - NON-SCHOOLS

### GENDER BREAKDOWN

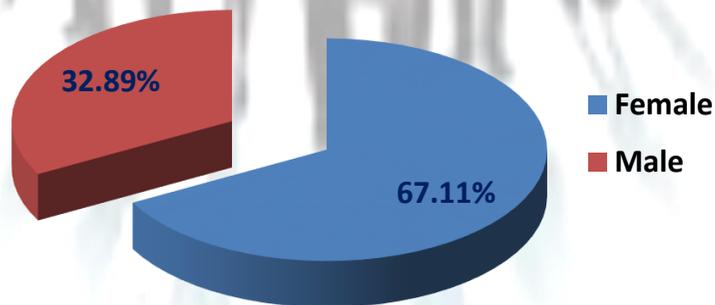
**MALE**

**1,174**  
(32.89%)

**FEMALE**

**2,396**  
(67.11%)

### GENDER BREAKDOWN (%)



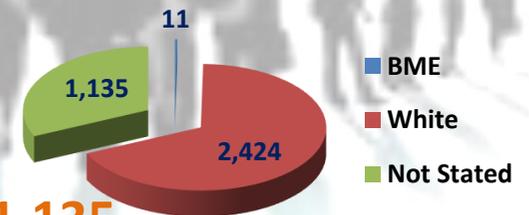
### ETHNICITY

**BME - 11**

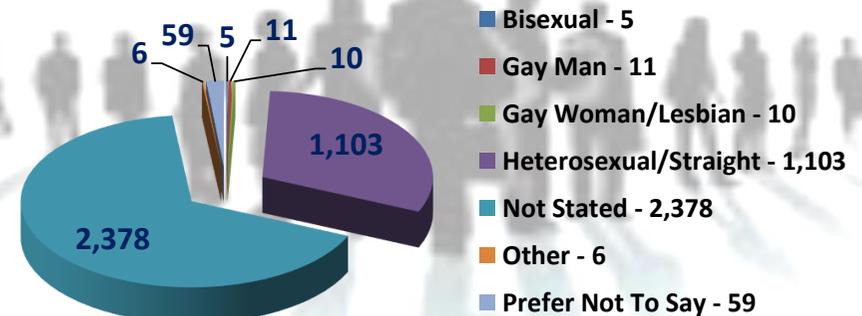
**WHITE - 2,428**

**NOT STATED - 1,135**

#### ETHNICITY BREAKDOWN



### SEXUAL ORIENTATION





**CORPORATE DASHBOARD**  
**REPORTS**  
**(SCHOOLS)**  
**2015/16 - QUARTER 3**  
**(OCTOBER - DECEMBER)**

# QUARTER 3 2015/16 DASHBOARD

## HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - SCHOOLS

### TOTAL HEADCOUNT

3,346

### TOTAL FULL TIME EQUIVALENT

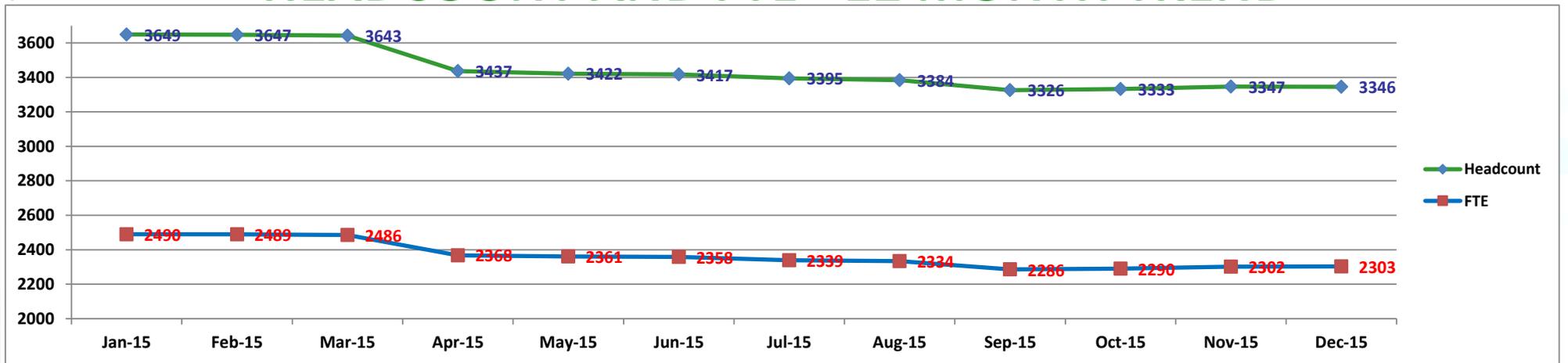
2,303

01/04/2015 Decrease of 91 people (-2.65%) 31/12/2015  
**3,437** 3,346

01/04/2015 Decrease of 65 FTE (-2.75%) 31/12/2015  
**2,368** 2,303

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### HEADCOUNT AND FTE - 12 MONTH TREND



# QUARTER 3 2015/16 DASHBOARD

## HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - SCHOOLS (TEACHING)

### TOTAL HEADCOUNT

1,410

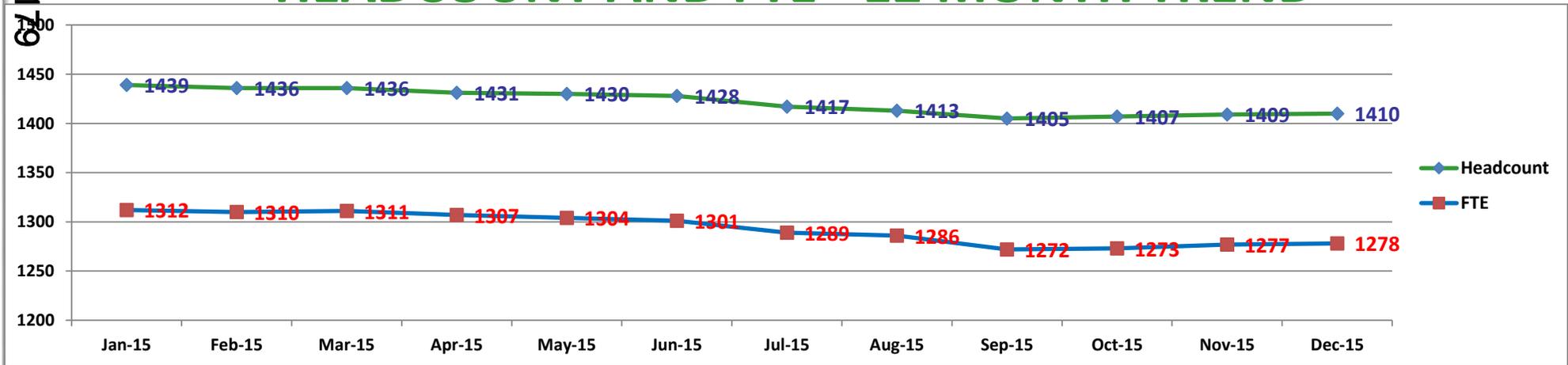
### TOTAL FULL TIME EQUIVALENT

1,278

01/04/2015 1,431  
31/12/2015 1,410  
Decrease of 21 people (-1.47%)

01/04/2015 1,307  
31/12/2015 1,278  
Decrease of 29 FTE (-2.21%)

### HEADCOUNT AND FTE - 12 MONTH TREND



# QUARTER 3 2015/16 DASHBOARD

## HEADCOUNT AND FULL TIME EQUIVALENT (FTE) - SCHOOLS (NON-TEACHING)

### TOTAL HEADCOUNT

**2,033**

### TOTAL FULL TIME EQUIVALENT

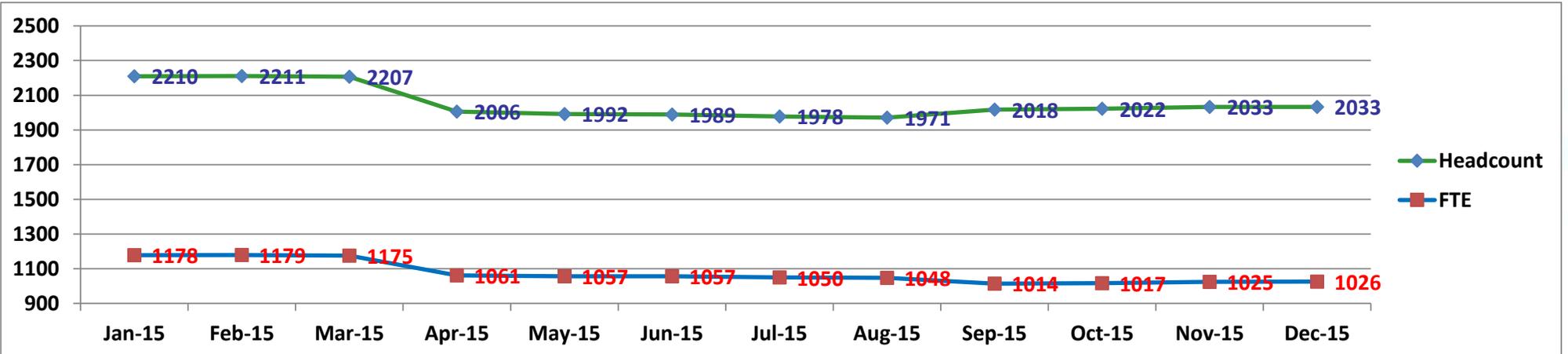
**1,026**

01/04/2015 **2,006** Increase of 27 people (+1.35%) 31/12/2015 **2,033**

01/04/2015 **1,061** Decrease of 35 FTE (-3.30%) 31/12/2015 **1,026**

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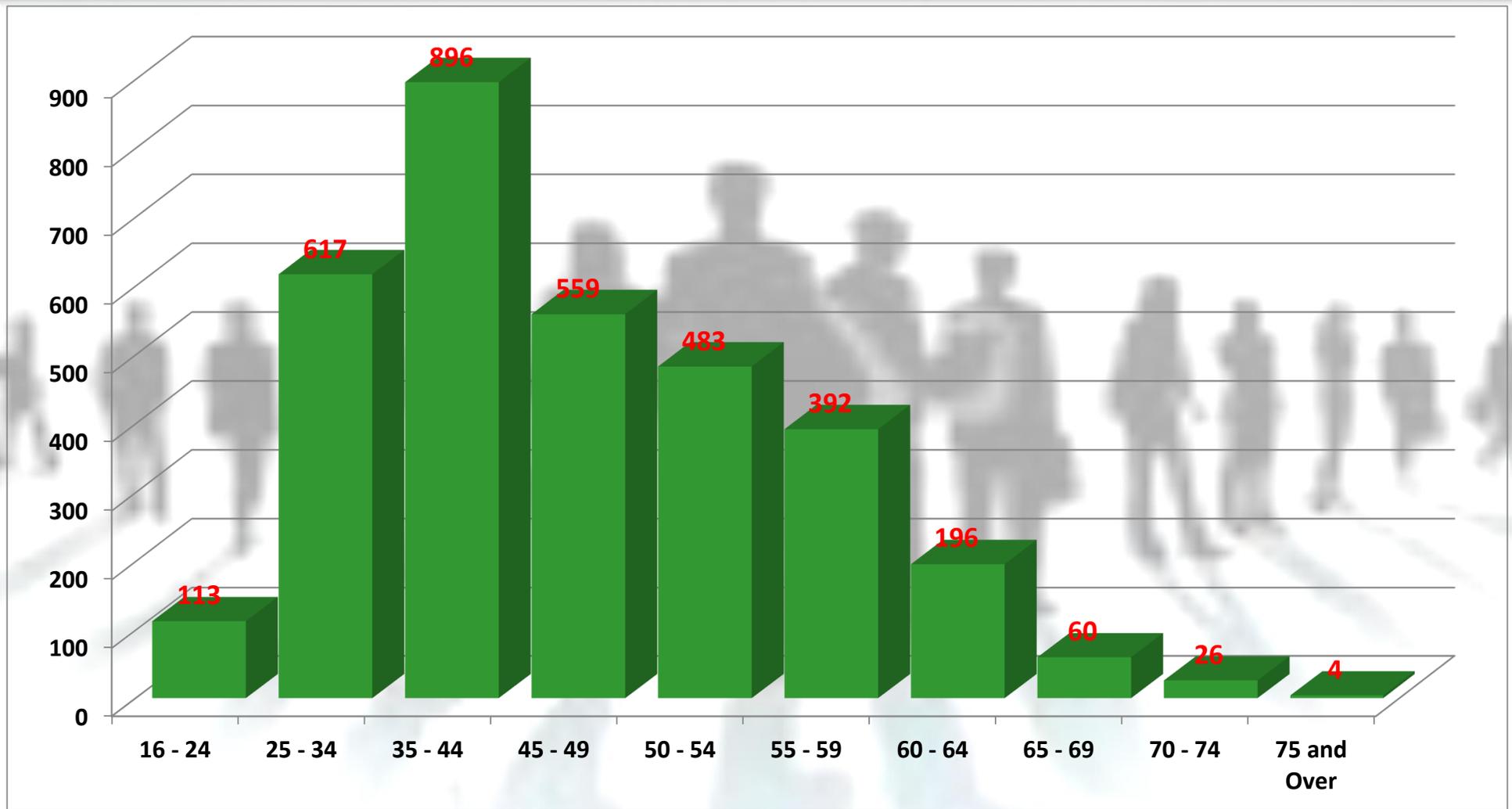
### HEADCOUNT AND FTE - 12 MONTH TREND



# QUARTER 3 2015/16 DASHBOARD

## AGE PROFILE - SCHOOLS

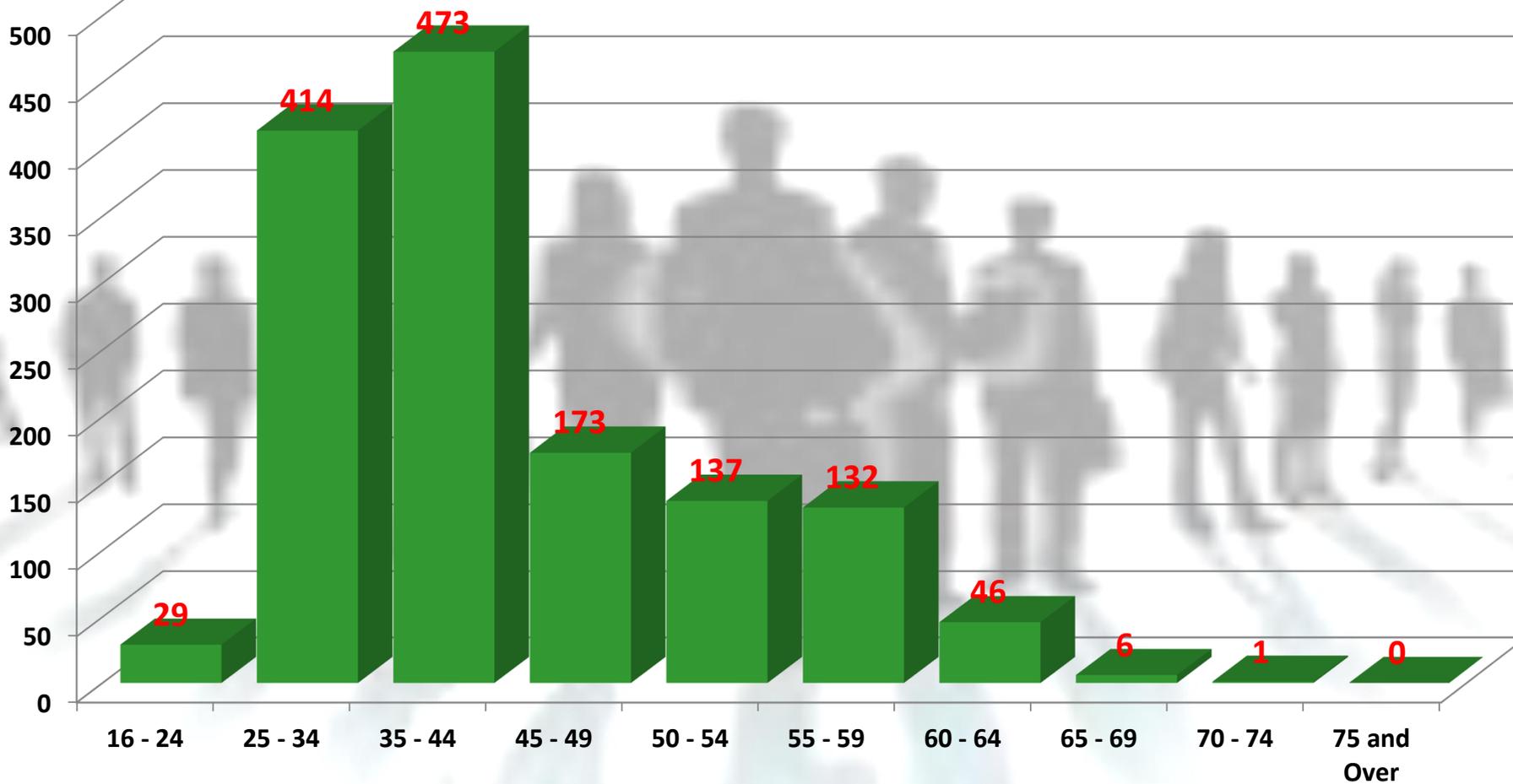
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# QUARTER 3 2015/16 DASHBOARD

## AGE PROFILE - SCHOOLS (TEACHING)

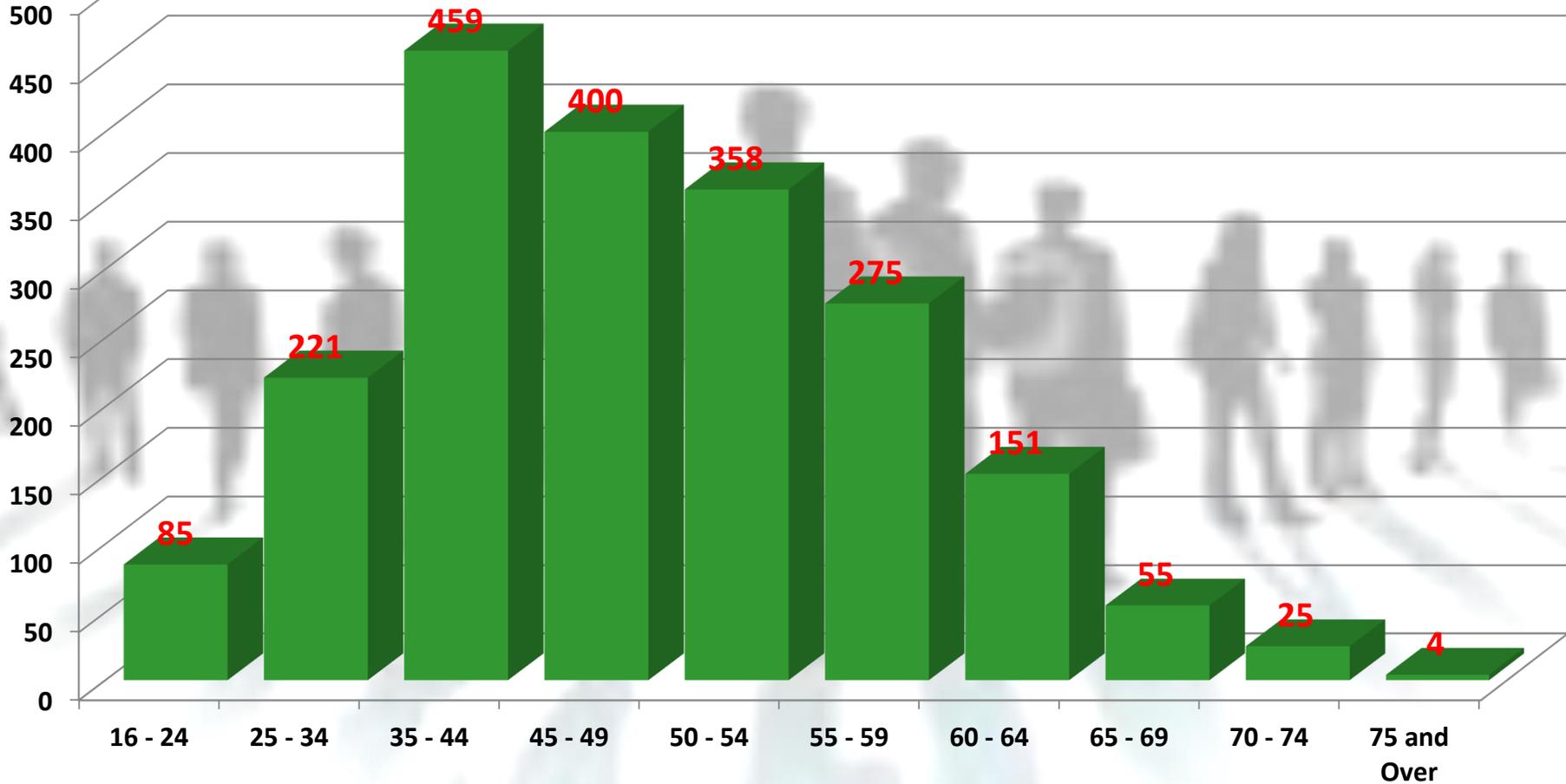
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# QUARTER 3 2015/16 DASHBOARD

## AGE PROFILE - SCHOOLS (NON-TEACHING)

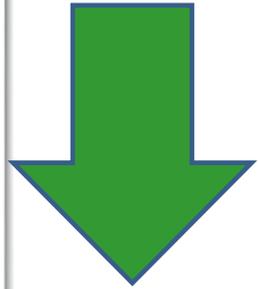
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# QUARTER 3 2015/16 DASHBOARD

## ATTENDANCE - SCHOOLS

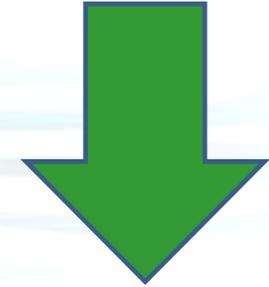
### DAYS LOST PER FTE AT 31/12/15



31/12/2014  
2.23

**2.18**

31/12/2015  
2.18



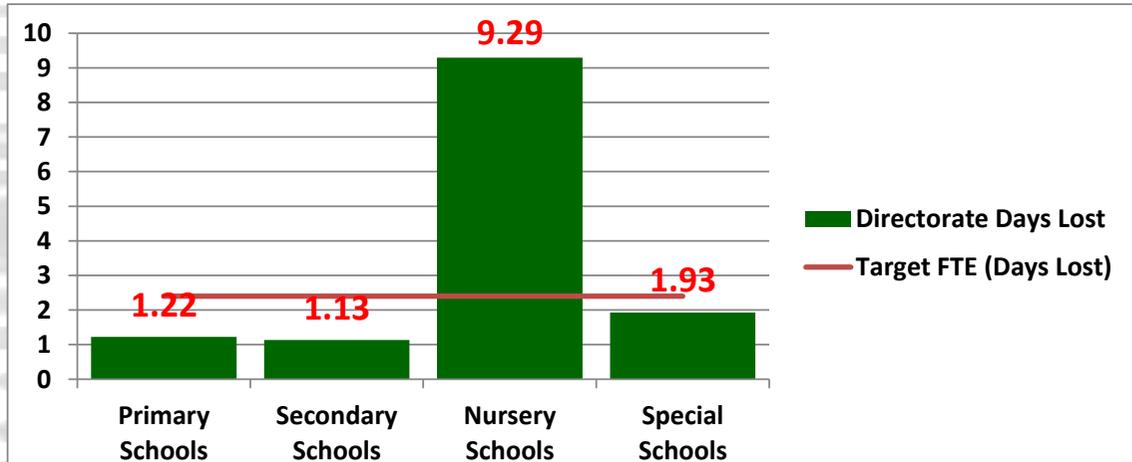
**Decrease of 0.05**

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### TOP 4 REASONS

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

### FTE DAYS LOST BY DIRECTORATE

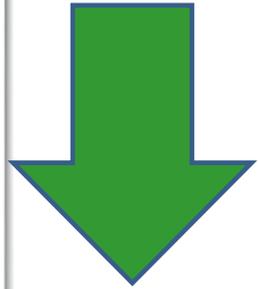




# QUARTER 3 2015/16 DASHBOARD

## ATTENDANCE - SCHOOLS (TEACHING)

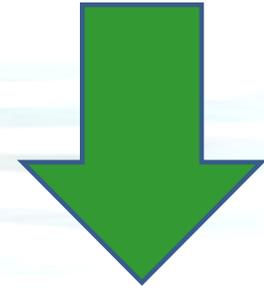
### DAYS LOST PER FTE AT 30/09/15



31/12/2014  
1.86

1.71

31/12/2015  
1.71



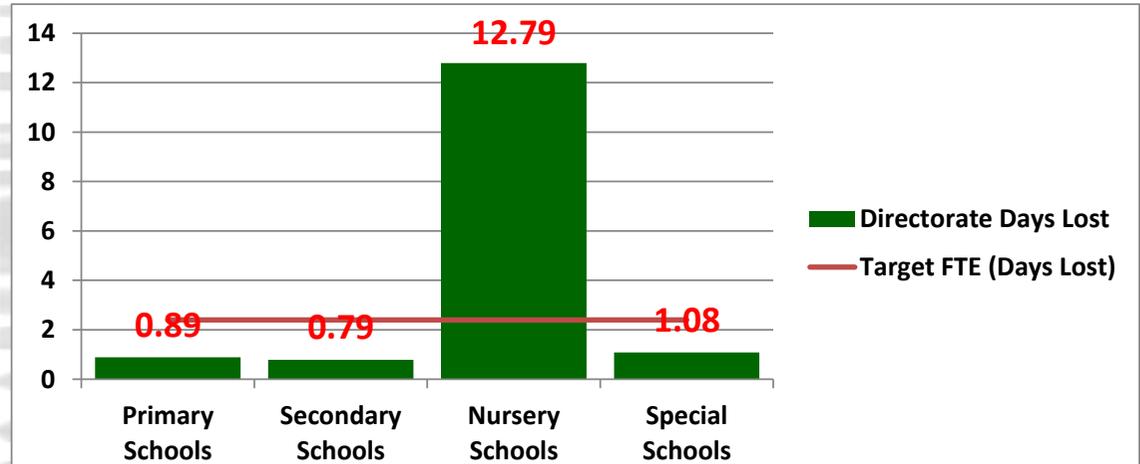
Decrease of 0.17

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### TOP 4 REASONS

1. STRESS;DEPRESSION;ANXIETY
2. INFECTIONS
3. STOMACH;LIVER;DIGESTION & VOMITING
4. MUSCULOSKELETAL

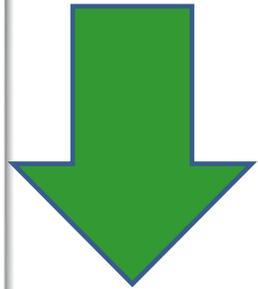
### FTE DAYS LOST BY DIRECTORATE



# QUARTER 3 2015/16 DASHBOARD

## ATTENDANCE - SCHOOLS (NON-TEACHING)

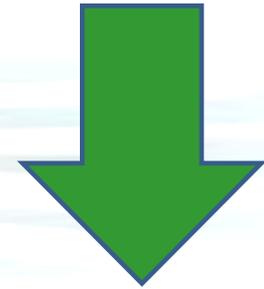
### DAYS LOST PER FTE AT 31/12/15



31/12/2014  
2.80

2.76

31/12/2015  
2.76



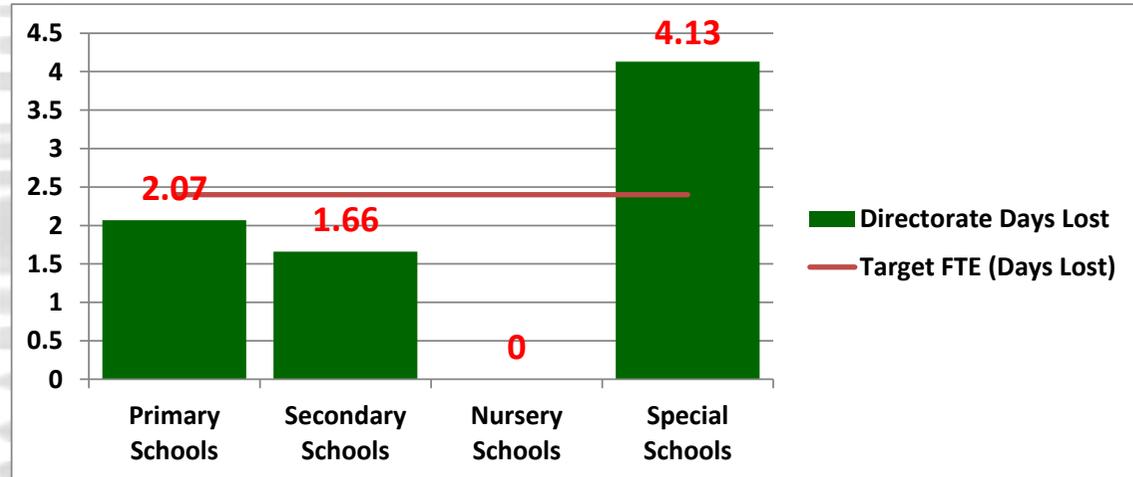
Decrease of 0.04

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### TOP 4 REASONS

1. MUSCULOSKELETAL
2. STRESS;DEPRESSION;ANXIETY
3. STOMACH;LIVER;DIGESTION & VOMITING
4. INFECTIONS

### FTE DAYS LOST BY DIRECTORATE



# QUARTER 3 2015/16 DASHBOARD

## TURNOVER AND STABILITY - SCHOOLS

### LEAVERS - Q3

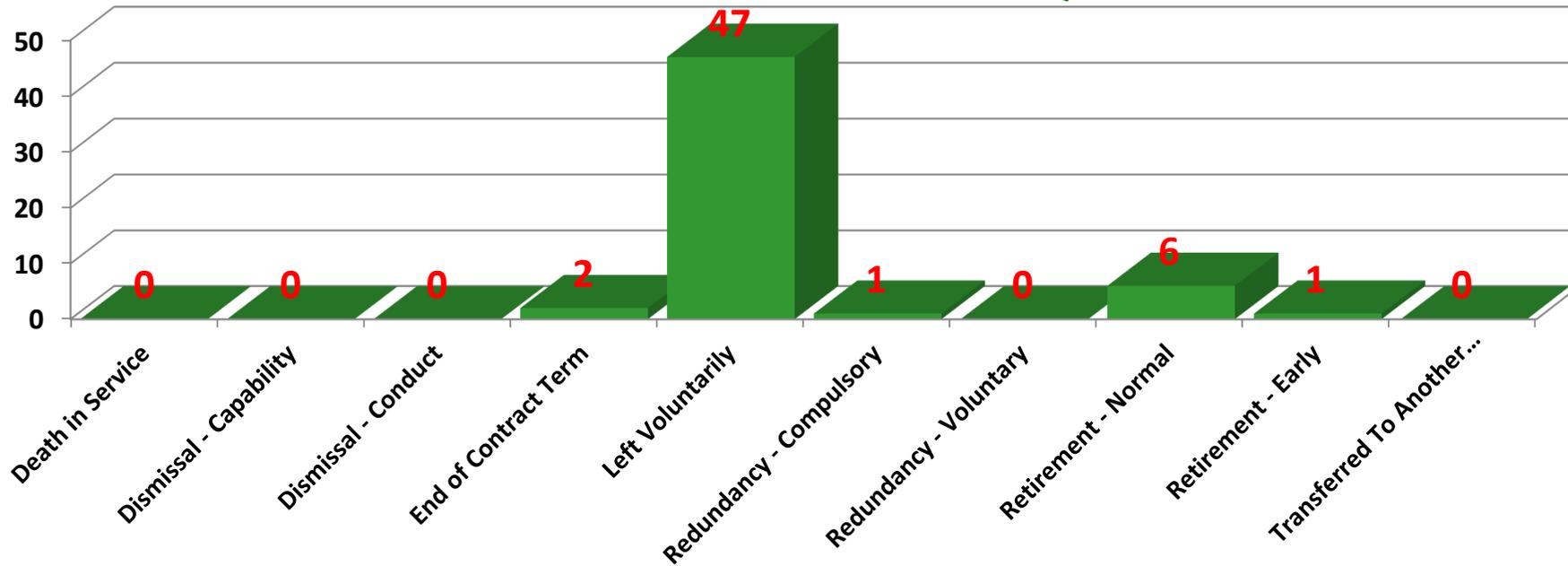
57

### LEAVERS - 2015/16

331

### LEAVER REASON - Q3

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# QUARTER 3 2015/16 DASHBOARD

## TURNOVER AND STABILITY - SCHOOLS (TEACHING)

### LEAVERS - Q3

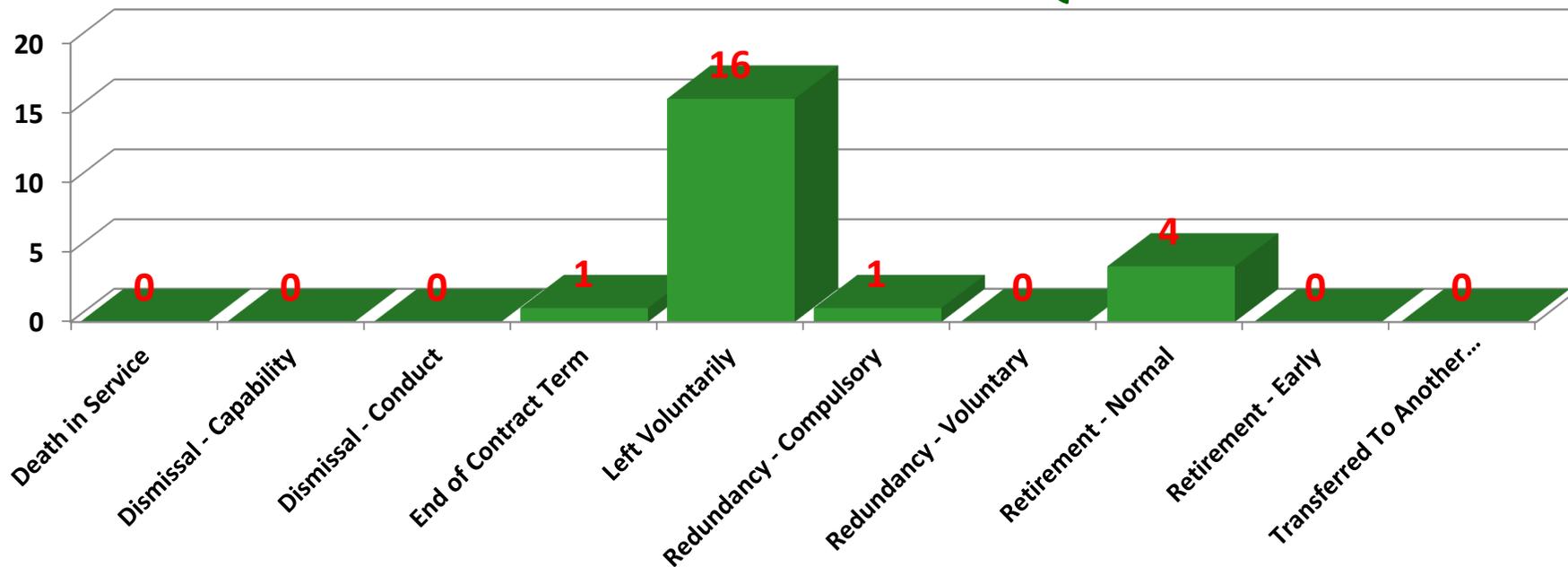
22

### LEAVERS - 2015/16

150

### LEAVER REASON - Q3

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# QUARTER 3 2015/16 DASHBOARD

## TURNOVER AND STABILITY - SCHOOLS (NON-TEACHING)

### LEAVERS - Q3

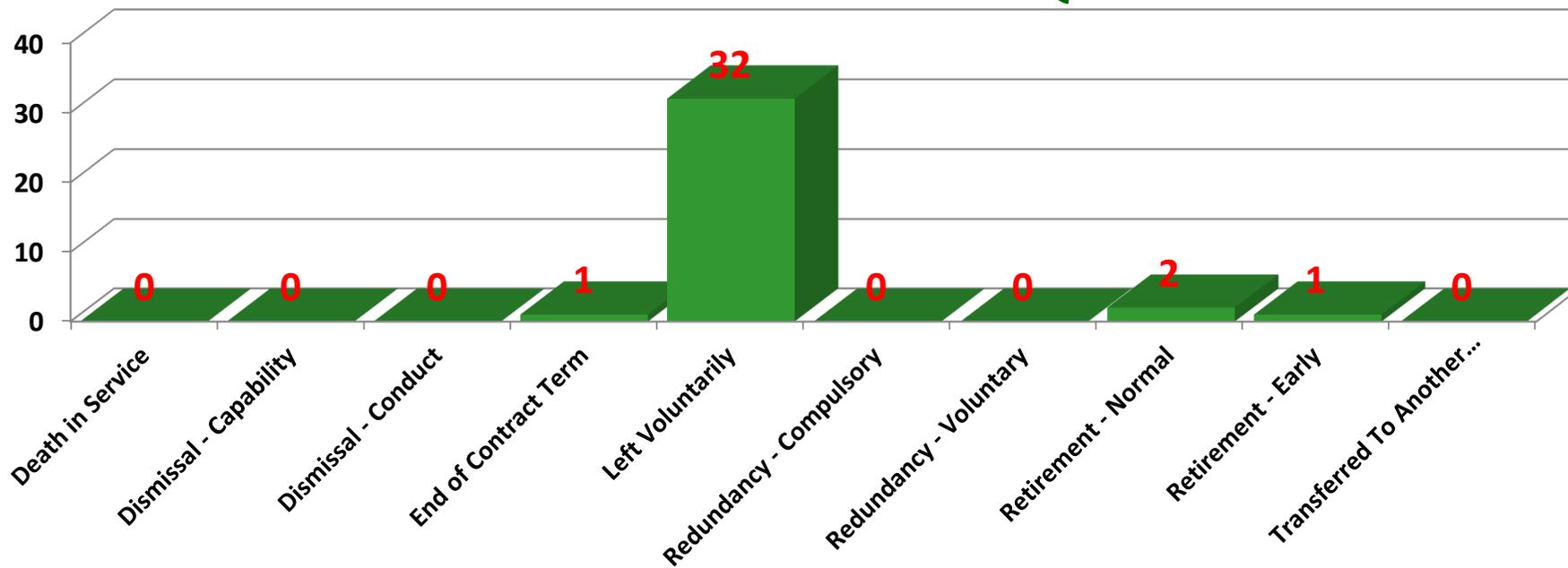
36

### LEAVERS - 2015/16

196

### LEAVER REASON - Q3

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# QUARTER 3 2015/16 DASHBOARD

## EQUALITY AND DIVERSITY - SCHOOLS

### GENDER BREAKDOWN

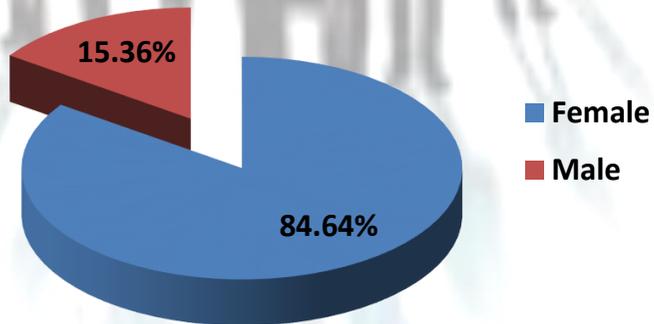
**MALE**

**514**  
(15.36%)

**FEMALE**

**2,832**  
(84.64%)

### GENDER BREAKDOWN (%)



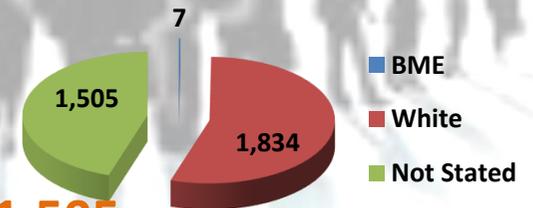
### ETHNICITY

**BME - 7**

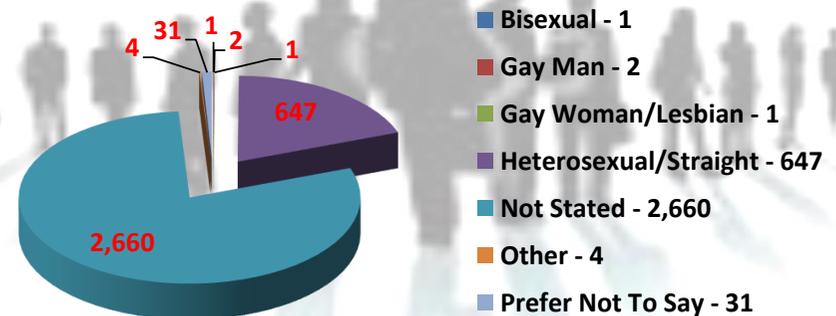
**WHITE - 1,834**

**NOT STATED - 1,505**

### ETHNICITY BREAKDOWN (%)



### SEXUAL ORIENTATION



# QUARTER 3 2015/16 DASHBOARD

## EQUALITY AND DIVERSITY - SCHOOLS (TEACHING)

### GENDER BREAKDOWN

**MALE**

**356**

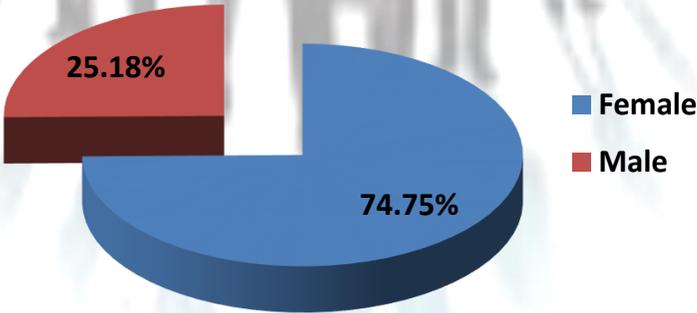
(25.34%)

**FEMALE**

**1,049**

(74.66%)

### GENDER BREAKDOWN (%)



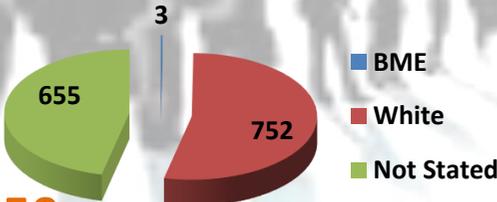
### ETHNICITY

**BME - 3**

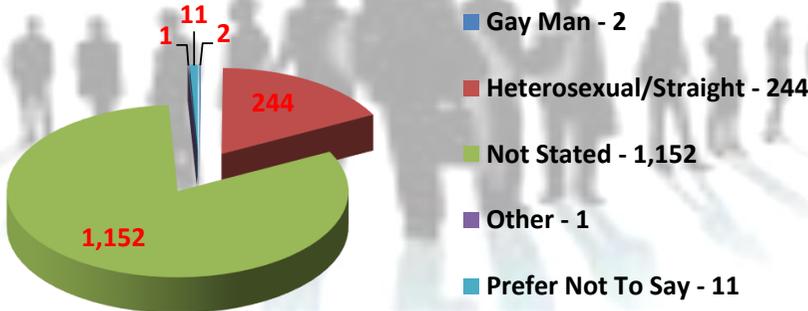
**WHITE - 752**

**NOT STATED - 650**

### ETHNICITY BREAKDOWN (%)



### SEXUAL ORIENTATION



# QUARTER 3 2015/16 DASHBOARD

## EQUALITY AND DIVERSITY - SCHOOLS (NON-TEACHING)

### GENDER BREAKDOWN

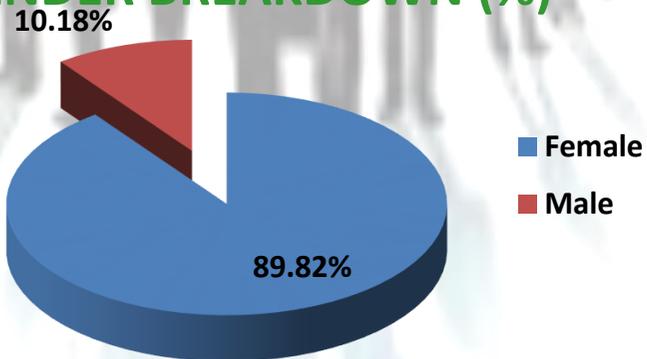
**MALE**

**207**  
(10.18%)

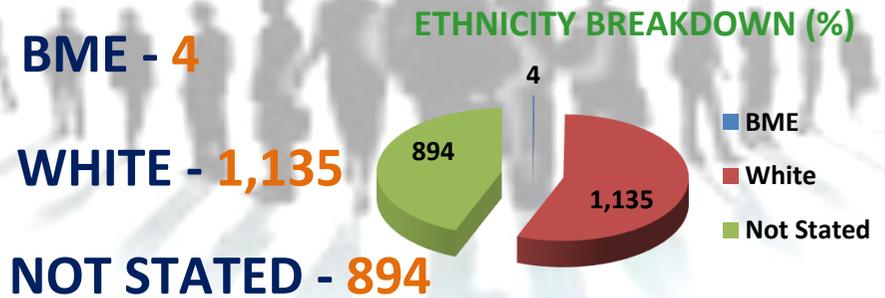
**FEMALE**

**1,826**  
(89.82%)

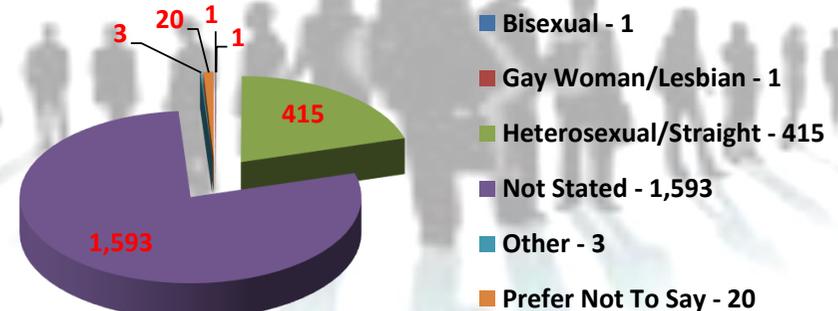
### GENDER BREAKDOWN (%)



### ETHNICITY



### SEXUAL ORIENTATION







## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 17 March, 2016
<b>Report Subject</b>	Forward Work Programme
<b>Cabinet Member</b>	N / A
<b>Report Author</b>	Member Engagement Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work programme of the Committee 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.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Corporate Resources Overview & Scrutiny Committee.

### RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Member Engagement Manager, in consultation with the Chair and Vice-Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE FORWARD WORK PROGRAMME</b>
1.01	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 Improvement Plan.
1.02	<p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p> <ol style="list-style-type: none"><li>1. Will the review contribute to the Council's priorities and/or objectives?</li><li>2. Is it an area of major change or risk?</li><li>3. Are there issues of concern in performance?</li><li>4. Is there new Government guidance of legislation?</li><li>5. Is it prompted by the work carried out by Regulators/Internal Audit?</li></ol>
<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.
<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Publication of this report constitutes consultation.
<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.
<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Draft Forward Work Programme
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Robert Robins Member Engagement Manager</p> <p><b>Telephone:</b> 01352 702320</p> <p><b>E-mail:</b> <a href="mailto:robert.robins@flintshire.gov.uk">robert.robins@flintshire.gov.uk</a></p>

7.00	<b>GLOSSARY OF TERMS</b>
7.01	<b>Improvement Plan:</b> the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.

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

DATE		O&S Focus	REPORT FROM
Thursday, 14 <sup>th</sup> April 2016 10.00	BT Regional Director, Alwen Williams	Information	Robert Robins
	Emergency Planning Update	Information	Robert Robins
	Revenue Budget Monitoring (Month 10 )	Monitoring	Sara Dulson
	Forward Work Programme	Approval and development	Robert Robins
Thursday, 12 <sup>th</sup> May 2016 10.00	Flintshire Community Endowment Fund	Assurance	Karen Armstrong
	Welsh Language Standards	Information	Fiona Mocko
	Revenue Budget Monitoring (Month 11 )	Monitoring	Sara Dulson
	Forward Work Programme	Approval and development	Robert Robins
Thursday, 16 <sup>th</sup> June 2016 10.00	Improvement Plan 2016/17	Information and development	Karen Armstrong
	Year end Improvement Plan Monitoring reports	Assurance and comment	Robert Robins
	Year end Chief officer Performance reports.	Monitoring	Robert Robins
	Revenue Budget Monitoring (Month 12 )	Monitoring	Sara Dulson
	Forward Work Programme	Monitoring	Robert Robins
		Approval and development	

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

Thursday, 14 <sup>th</sup> July 2016 10.00	LSB and strategic Partnerships Performance – end of year report  Revenue Budget Monitoring 15/16 - outturn Forward Work Programme	Monitoring  Approval and development	Sara Dulson  Robert Robins
Items to be scheduled	Health and Well-being update  Customer services and Call-handling update	Information  Information	