

# Public Document Pack

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To:

Co-opted Members: Brian Harvey (Chair), Sally Ellis and Allan Rainford

Councillors: Bernie Attridge, Teresa Carberry, Bill Crease, Ted Palmer, Andrew Parkhurst and Jason Shallcross

19 November 2024

Dear Sir/Madam

**NOTICE OF HYBRID MEETING**  
**GOVERNANCE AND AUDIT COMMITTEE**  
**MONDAY, 25TH NOVEMBER, 2024 at 10.00 AM**

Yours faithfully

Steven Goodrum  
Democratic Services Manager

Please note: Attendance at this meeting is either in person in the Delyn Committee Room, Flintshire County Council, County Hall, Mold, Flintshire or on a virtual basis.

The meeting will be live streamed onto the Council's website. The live streaming will stop when any confidential items are considered. A recording of the meeting will also be available, shortly after the meeting at <https://flintshire.public-i.tv/core/portal/home>

If you have any queries regarding this, please contact a member of the Democratic Services Team on 01352 702345.

## 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 5 - 10)

**Purpose:** To confirm as a correct record the minutes of the meeting held on 26 September 2024.

### 4 **STATEMENT OF ACCOUNTS 2023/24** (Pages 11 - 190)

Report of Corporate Finance Manager - Cabinet Member for Finance and Social Value

**Purpose:** To present the final audited version of the Statement of Accounts 2023/24 for approval.

### 5 **AUDIT WALES REPORT - FINANCIAL SUSTAINABILITY** (Pages 191 - 210)

Report of Chief Executive, Corporate Finance Manager - Cabinet Member for Finance and Social Value

**Purpose:** To advise on the final report received from Audit Wales.

### 6 **TREASURY MANAGEMENT MID-YEAR REVIEW 2024/25 AND Q2 UPDATE** (Pages 211 - 244)

Report of Corporate Finance Manager - Cabinet Member for Finance and Social Value

**Purpose:** To present to Members the draft Treasury Management Mid-Year Review 1st April - 30th September 2024 for comments and recommendation for approval to Cabinet.

### 7 **RESPONSE TO THE AUDIT WALES REVIEW “URGENT AND EMERGENCY CARE: FLOW OUT OF HOSPITAL – NORTH WALES REGION”** (Pages 245 - 300)

Report of Chief Officer (Social Services) -

**Purpose:** To present findings and the council response to the Auditor General's review of the arrangements to support effective flow out of hospital in the North Wales region detailed within “Urgent and Emergency Care: Flow out of Hospital - North Wales Region”.

8 **PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2023-24 AND HALF-YEAR COMPLAINTS PERFORMANCE 2024-25** (Pages 301 - 324)

Report of Chief Officer (Governance) -

**Purpose:** To share the Public Services Ombudsman for Wales Annual Letter 2023-24 for Flintshire County Council and an overview of complaints received by each portfolio of the Council between 1 April 2024 - 30 September 2024.

9 **CORPORATE SELF-ASSESSMENT 2023/24** (Pages 325 - 376)

Report of Internal Audit, Performance and Risk Manager -

**Purpose:** To provide an update on the Corporate Self-Assessment in relation to the action raised at the September Governance and Audit Committee meeting.

10 **GOVERNANCE & AUDIT COMMITTEE SELF-ASSESSMENT - ACTION PLAN - MID YEAR REVIEW** (Pages 377 - 384)

Report of Internal Audit, Performance and Risk Manager -

**Purpose:** To present to Committee a detailed action plan to support the results of the Committee's self-assessment. It will also form the basis for the provision of any further training required by the Committee.

11 **ANNUAL GOVERNANCE STATEMENT 2023/24 - MID-YEAR PROGRESS REPORT** (Pages 385 - 410)

Report of Chief Officer (Governance) -

**Purpose:** To provide an update of the progress made against managing the issues identified within the Annual Governance Statement.

12 **GOVERNANCE & AUDIT COMMITTEE ANNUAL REPORT** (Pages 411 - 450)

Report of Chair of Governance and Audit Committee -

**Purpose:** To report on activities of the Committee during 2023/24.

13 **ACTION TRACKING** (Pages 451 - 454)

Report of Internal Audit, Performance and Risk Manager -

**Purpose:** To inform the Committee of the actions resulting from points raised at previous Governance and Audit Committee meetings.

14 **FORWARD WORK PROGRAMME** (Pages 455 - 460)

Report of Internal Audit, Performance and Risk Manager -

**Purpose:** To consider the Forward Work Programme of the Internal Audit Department.

***Please note that there may be a 10 minute adjournment of this meeting if it lasts longer than two hours***



## **GOVERNANCE AND AUDIT COMMITTEE** **26 SEPTEMBER 2024**

Minutes of the Governance and Audit Committee of Flintshire County Council held as a remote attendance meeting on Thursday, 26 September 2024

### **PRESENT:**

Co-opted Members: **Brian Harvey (Chair)**, Sally Ellis and Allan Rainford

Councillors: Bernie Attridge, Teresa Carberry, Ted Palmer, Andrew Parkhurst, Linda Thew and Allan Marshall (substitute for Andy Hughes)

### **ALSO PRESENT:**

Councillors: Mared Eastwood (Cabinet Member for Education, Welsh Language & Culture) and Linda Thomas (Cabinet Member for Corporate Services) attended as observers

### **APOLOGIES:**

Chief Executive and Councillor Christine Jones (Deputy Leader and Cabinet Member for Social Services and Well-being)

### **CONTRIBUTORS:**

Councillor Paul Johnson (Cabinet Member for Finance and Social Value), Chief Officer (Governance) and Internal Audit, Performance & Risk Manager

Chief Officer (Education and Youth) and Strategic Finance Manager (Schools) for minute no. 37

Mike Whiteley and Carwyn Rees from Audit Wales

### **IN ATTENDANCE:**

Democratic Services Officer

## **28. SUBSTITUTION**

In line with Constitutional requirements, the Committee agreed to allow Councillor Allan Marshall (who had undertaken the requisite training) to substitute for Councillor Andy Hughes.

### **RESOLVED:**

That Councillor Allan Marshall be permitted as a substitute for the meeting.

## **29. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

On minute no. 37 (School Reserves), a personal interest was declared by the Chair and Councillors Teresa Carberry, Allan Marshall and Linda Thew as school governors. Sally Ellis declared a personal interest on the same item due to her son being employed by a school in Flintshire.

**30. MINUTES ([Link to recording](#))**

**RESOLVED:**

That subject to the amendment on minute 23, the minutes of the meeting held on [24 July 2024](#) be approved as a correct record.

**31. CORPORATE SELF-ASSESSMENT ([Link to recording](#))**

The Chief Officer (Governance) presented a report on the findings of the [Corporate Self-Assessment 2023/24](#) and opportunities identified for improvement.

During the debate, concerns were raised that some of the responses may require a 'sense check', for example on question B15. Members of the Committee agreed to raise any other areas of concern with officers by 11 October so that an updated report could be brought to the next meeting.

On that basis, the recommendations were supported.

**RESOLVED:**

- (a) That the Committee is assured of the findings of the Corporate Self-Assessment 2023/24;
- (b) That the Committee is assured of the opportunities for improvement identified in the Corporate Self-assessment 2023/24; and
- (c) That Members forward any areas for review to the Internal Audit Manager by 11 October 2024 to enable a further report to be brought in November.

**32. SETTING OF WELL-BEING OBJECTIVES ([Link to recording](#))**

The Chief Officer (Governance) presented the [report](#) to review the Council's response to the four recommendations for improvement advised by Audit Wales, following consideration by the Corporate Resources Overview & Scrutiny Committee and Cabinet.

The recommendation was supported.

**RESOLVED:**

That the Committee is assured of the recommendations for improvement.

**33. NOMINATING MEMBERS TO THE CORPORATE JOINT COMMITTEE'S OWN GOVERNANCE AND AUDIT COMMITTEE ([Link to recording](#))**

The Chief Officer (Governance) presented a [report](#) to nominate Members to the North Wales Corporate Joint Committee's own Governance and Audit Committee. He agreed to establish whether there was a mandatory training requirement for those serving on the joint committee.

The nominations put forward by the Committee were accepted by those two Members. The Chair advised that a discussion prior to the meeting had found that none of the co-optees wished to be nominated for the joint committee. On that basis, the recommendations were supported.

**RESOLVED:**

- (a) That the Committee nominates Councillor Andrew Parkhurst to serve on the Governance & Audit Committee of the North Wales Corporate Joint Committee and Councillor Ted Palmer to serve as a substitute;
- (b) That the Committee does not wish to nominate a Lay Member to the Governance & Audit Committee of the North Wales Corporate Joint Committee; and
- (c) That the Chief Officer (Governance) ascertain whether there is a mandatory training requirement for nominations to the Corporate Joint Committee Governance & Audit Committee.

**34. INTERNAL AUDIT PROGRESS REPORT ([Link to recording](#))**

The Internal Audit, Performance & Risk Manager presented the [report](#) to update the Committee on progress against the Audit Plan, final reports issued, actions, performance indicators and current investigations.

On responses to client questionnaires, the Internal Audit Manager agreed to review the questions to try to improve response rates.

An additional motion was supported in response to concerns about the number of overdue actions, in particular those identified as high priority in areas such as Homelessness and Temporary Accommodation.

On that basis, the recommendation was supported.

**RESOLVED:**

- (a) That the report be accepted; and
- (b) That a report be requested from the Chief Executive, summarising his perspective of the main reasons for delayed actions, aside from the lack of resources, and proposals for improving the timeliness and accuracy of fulfilling action plans within the next six months. In addition, that the responsible senior officer and Cabinet Member attend the Committee to provide explanation where there are insufficient reasons for delays with high priority overdue actions.

**35. ACTION TRACKING ([Link to recording](#))**

The Internal Audit, Performance & Risk Manager presented the [report](#) on progress with actions from previous meetings of the Committee. She agreed to liaise with the Democratic Services Manager to follow up the request for meetings

between the Chair and Vice-Chair of this Committee and Chairs of Overview & Scrutiny committees.

The recommendation was supported.

**RESOLVED:**

That the Committee accepts the report.

**36. FORWARD WORK PROGRAMME ([Link to recording](#))**

The Internal Audit, Performance & Risk Manager presented the current [Forward Work Programme](#) for consideration. Due to the number of items scheduled for the November meeting, she agreed to liaise with officers to consider whether some could be deferred.

The following items were agreed for the November meeting:

- Update report on the Corporate Self-Assessment.
- Report on action tracking from the Chief Executive.

On that basis, the recommendations were supported.

**RESOLVED:**

- (a) That the Forward Work Programme be accepted, as amended; and
- (b) That the Internal Audit, Performance & Risk 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.

**37. SCHOOL RESERVES YEAR ENDING 31 MARCH 2024 AND DEMOGRAPHICS ([Link to recording](#))**

The Chief Officer (Education and Youth) and Strategic Finance Manager (Schools) presented the annual report on reserves held by Flintshire schools together with the risks and internal processes associated with schools in deficit. The report had been shared with all Headteachers and had been considered by the Schools Budget Forum and the Education, Youth & Culture Overview & Scrutiny Committee.

The recommendation was supported.

**RESOLVED:**

That the Committee notes the report, level of school reserves as at 31 March 2024 and overview of schools' current financial position.

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

None.

(The meeting started at 10am and ended at 12.20pm)

.....  
**Chair**

Meetings of the Governance and Audit Committee are webcast and can be viewed by visiting the webcast library at <http://flintshire.public-i.tv/core/portal/home>

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Statement of Accounts 2023/24
<b>Report Author</b>	Corporate Finance Manager

### EXECUTIVE SUMMARY

The report presents:

- For Approval, the final version of the Council's Statement of Accounts for the 2023/24 financial year, incorporating those changes agreed with Audit Wales during the course of the audit.
- Audit Wales' report following their audit of the Statement of Accounts 2023/24.
- The Letter of Representation for the Council

### RECOMMENDATIONS

1	Members are requested to consider the Audit Wales report - Audit of the Financial Statements 2023/24 – Flintshire County Council.
2	Members are requested to approve the final version of the Statement of Accounts 2023/24 following consideration of the Audit Wales report.
3	Members are requested to approve the Letter of Representation.

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE STATEMENT OF ACCOUNTS</b>
1.01	The Governance and Audit Committee received the draft Statement of Accounts 2023/24 on 24 July, for information only at that stage. The Accounts and Audit (Wales) Regulations 2018 specify the statutory deadline for the approval of the Statement as 31 July, however the framework set by Welsh Government extended this to 30 November.
1.02	The audit of the Statement of Accounts 2023/24 is now substantially complete, although the audit continues up until the point at which the accounts are signed off by the auditors (Audit Wales).
1.03	A copy of the Statement of Accounts 2023/24, incorporating those changes agreed with Audit Wales during the audit and up to the point of writing this report, is attached at Appendix 1.
	<b><u>Audit Wales' audit of the Statement of Accounts</u></b>
1.04	Under the International Standards on Auditing (ISA) 260, Audit Wales is required to communicate relevant matters relating to the audit of the Statement of Accounts to those charged with governance - for the Council this is the Governance and Audit Committee.
1.05	Officers from Audit Wales will attend the meeting to present their findings and their report is attached at Appendix 2.
1.06	It is usual within the course of the audit of any organisation that items will be brought to the attention of the body being audited. Audit findings have been discussed in detail with Audit Wales and, where considered appropriate, adjustments have been made to the draft Statement of Accounts.
1.07	The Audit Wales report includes details of any significant issues arising from the audit, together with recommendations and a summary of adjustments made to the draft Statement of Accounts.
1.08	A Letter of Representation is included at Appendix 3. This requires the Council to confirm the accuracy of the audit. In this letter, the Council confirms to Audit Wales that all the information contained within the Statement of Accounts is true and accurate and that all information has been disclosed.
	<b><u>Timescales</u></b>
1.09	The statutory deadline for producing the draft Statement of Accounts for 2023/24 was 31 May, however, due to the need to account appropriately for asset valuations following a period of high inflation and the impact of the delay in the final certification of the 2022/23 accounts, the Accounts were submitted for Audit on 25 June. However, this was still within the extended deadline agreed with Welsh Government for all Welsh Councils of 30 June.



	To comply with regulations, a notice was published on the Council's website explaining the reasons for the delay.
1.10	The statutory deadline for publishing the final audited version was 31 July, however this was extended to 30 November by Welsh Government.
	<b><u>Issues from the 2023/24 accounts</u></b>
1.11	<p>A summary of issues identified is included in Audit Wales ISA260 report in Appendix 2. The main issue related to the Council's accounting of its pensions liability. Under accounting rules (IFRIC 14) the Council is not allowed to show a net pension asset. Therefore, the Council has applied an asset ceiling adjustment which will bring the asset of funded benefits on the balance sheet to nil. This does not apply to unfunded benefits.</p> <p>There has also been an amendment of asset reclassification to the Property, Plant and Equipment note for disclosure only. All the required adjustments have been included in the revised Statement of Accounts and do not affect the previously reported final outturn position.</p>
1.12	There were no other significant issues arising during the audit of the 2023/24 Accounts and it is reassuring that Audit Wales are reporting that the Council's Accounts were prepared to a high standard.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	There are no direct resource implications as a result of this report.

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

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Actions will be taken in year (2024/25) to address recommendations from Audit Wales' report as outlined within the body of the report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<ol style="list-style-type: none"> <li>1. Statement of Accounts 2023/24</li> <li>2. Audit Wales Report – Audit of Financial Statements 2023/24</li> <li>3. Flintshire County Council Letter of Representation</li> </ol>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Chris Taylor – Strategic Finance Manager  <b>Telephone:</b> 01352 703309  <b>E-mail:</b> <a href="mailto:christopher.taylor@flintshire.gov.uk">christopher.taylor@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Audit Wales:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Financial Audit:</b> The annual external audit of the Council’s Statement of Accounts.</p> <p><b>Financial Year:</b> the period of 12 months commencing on 1 April.</p> <p><b>Materiality:</b> A concept used to inform judgements regarding the accuracy of the Council’s Statement of Accounts. The basis could be quantitative with an assigned value or qualitative and affected by issues that are legal, regulatory, or politically sensitive.</p> <p><b>Statement of Accounts / Final Accounts / Financial Accounts or Statements:</b> The Council’s annual finance report providing details of the Council’s financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p>

# Statement of Accounts



2023-24



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# NARRATIVE REPORT

## INTRODUCTION

This narrative report summarises Flintshire County Council's Statement of Accounts for 2023/24 and details income and expenditure on service provision for the financial year 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 and the value of the Council's assets and liabilities as at 31<sup>st</sup> March 2024. The Group Accounts incorporate the Council's Financial Statements with those of its wholly owned subsidiaries North East Wales Homes Ltd (NEW Homes) and Newydd Catering and Cleaning Ltd.

The Accounts have been prepared in accordance with the 2023/24 Code of Practice on Local Authority Accounting which is based on International Financial Reporting Standards (IFRS).

As always, the production of this comprehensive and complex set of Accounts has required an enormous effort from many people across the Council, both within finance and within service portfolio areas. The continued challenges around asset valuations and the delay in certifying the Accounts for 2022/23 meant that the Council was unable to finalise the Accounts within the earlier legislative deadline of 31<sup>st</sup> May 2024. However, the Council has been able to prepare and submit the Accounts to the Council's external auditors in advance of the framework set out by Welsh Government of 30<sup>th</sup> June 2024.

The Council set its budget for the 2023/24 financial year in the context of rising demand for its services and increases in inflation. Due to rising costs and continued increase in demand for essential services, expenditure exceeded the approved budget by £1.466m. The extent of the pressure on budgets was mitigated in part, through a combination of one-off savings, good financial management and control, which included a specific in-year moratorium on non-essential spend. Despite these significant challenges, the Council still managed to achieve 99% of its budgeted cost reductions in-year.

The revenue outturn position, explained below, is important to residents and rent payers as it records only those expenses which statute allows to be charged against the Council's annual budget and amounts collected from council tax and rents. Revenue outturn differs from the Comprehensive Income and Expenditure Statement (CIES) as the CIES includes charges for items such as depreciation, impairment, capital grants and pension charges, which are accounting adjustments not included in the outturn.

The finance service aspires to develop a Statement of Accounts that is more accessible to users. Flintshire County Council is a large and diverse organisation and the information contained within these Accounts is technical and complex. The aim of this narrative statement is to provide a general guide to the items of interest and highlight some of the more significant matters that have contributed to the final position for the financial year ending 31<sup>st</sup> March 2024.

## COUNCIL PERFORMANCE DURING THE YEAR

The Council Plan is the overarching document that helps the Council to focus its resources and drive improvement. The Council Plan 2023/28 sets out the Council's priorities and the significant things that the Council aims to achieve over the duration of the Plan. Flintshire prides itself on being a Council which performs highly for its local communities, and one which is guided and motivated by a set of strong social values.

The Council Plan for 2023/28 sets the Council's priorities for the five years, with a continued emphasis on supporting the most vulnerable, along with commitments to being a Green Council and reducing our carbon footprint. The Council Plan has seven high level priorities each with a number of sub-priorities and specific actions where the Council aims to make a positive impact this year and in the longer term. Priorities have been chosen as the areas in which the Council can add most value and make a positive and lasting difference.

The Council Plan is published on the Council's website and is a user-friendly document which clearly explains the rationale for each priority. A separate supporting document is reviewed annually which describes in more detail, the agreed actions, measures and risks to deliver improvements and/or change throughout the year.

Public reports which measure progress against this document are published half yearly, with the outturn for the year 2023/24, reported to Cabinet on 25<sup>th</sup> September 2024. **Page 19**

## NARRATIVE REPORT

### FINANCIAL PERFORMANCE DURING THE YEAR

The revenue budget covers the Council's day-to-day expenditure and income on such items as salaries and wages, running costs of services and the financing costs of capital expenditure. The capital programme covers expenditure on the acquisition of significant assets which will be of use or benefit to the Council in providing its services beyond the year of account, such as the enhancement or replacement of roads, buildings and other structures.

The budget is monitored closely throughout the year with the revenue position reported monthly and the capital position reported quarterly. All reports are scrutinised by Corporate Resources Overview and Scrutiny Committee prior to being taken to the Council's Cabinet.

Approximately 71.5% of the funding requirement for Council services comes from Welsh Government through Aggregate External Funding (Revenue Support Grant and share of Non Domestic Rates Pool). In 2023/24, there was an increase in funding of 8.3% (the Welsh average increased by 7.9%). Despite the increase, the Council still faced significant cost pressures from factors outside of the Council's control such as inflation, policy directions or new legislation from UK and Welsh Government. The impact of funding not keeping pace with increasing costs has significant consequences and is expected to continue in future years, so the way that the Council addresses this challenge will need to be a key consideration in our Medium Term Financial Strategy (MTFS).

Despite this financial challenge, portfolio business plans and corporate financing options enabled us to plan for £9.265m of new cost reductions in our 2023/24 budget, enabling the Council to invest in priorities such as social care, out of county placements and homelessness demand.

The overall final outturn position and the impact on levels of reserves is set out below.

#### Revenue outturn compared to approved budget 2023/24

The Council Fund budget for 2023/24 was set at £352.121m and was approved by Council on 23<sup>rd</sup> February 2023. Budget monitoring information was reported to Cabinet on a monthly basis throughout the year, with the final outturn reported on 23<sup>rd</sup> July 2024.

The budget strategy for 2023/24 was based on an organisational strategy to reduce costs wherever possible to shield and protect local services. It included a package of measures and proposals which combined corporate financing options, portfolio level business plan proposals, review of pressures, as well as the maximisation of income generation and a review of reserves and balances.



## NARRATIVE REPORT

	2023/24 Budget £000	2023/24 Actual £000	Variance £000
Corporate Services :			
Chief Executive	1,672	1,660	(12)
People and Resources	4,672	4,488	(184)
Governance	11,943	11,821	(122)
Capital Programme & Assets	11,095	10,688	(407)
	<u>29,382</u>	<u>28,657</u>	<u>(725)</u>
Social Services	101,588	103,659	2,071
Housing and Communities	15,991	18,600	2,609
Streetscene and Transportation	42,227	43,477	1,250
Planning, Environment & Economy	7,557	6,775	(782)
Education and Youth	129,453	129,267	(186)
<b>Net expenditure on services</b>	<b>326,198</b>	<b>330,435</b>	<b>4,237</b>
Central loans and investment account	13,762	11,082	(2,680)
Central and Corporate Finance	10,493	10,656	163
<b>Total net expenditure</b>	<b>350,453</b>	<b>352,173</b>	<b>1,720</b>
Contribution from reserves	1,668	1,668	0
<b>Budget requirement</b>	<b>352,121</b>	<b>353,841</b>	<b>1,720</b>
<b>Financed by</b>			
Council tax (net of community council precepts expenditure)	100,126	100,380	(254)
General grants	201,154	201,154	0
Non-domestic rates redistribution	50,840	50,840	0
<b>Total resources</b>	<b>352,121</b>	<b>352,375</b>	<b>(254)</b>
<b>Net variance - overspend</b>	<b>0</b>	<b>1,466</b>	<b>1,466</b>

The net overspend of £1.466m combined with other agreed funding transfers resulted in year-end Council Fund revenue reserves of £15.271m.

### Revenue Significant Movements

Significant variances include an overspend of £1.285m for Out of County Placements due to the service facing continued pressures and high demand for placements together with cost inflation on provider fee levels. The Housing Solutions service reflects a net overspend of £2.546m mainly due to pressures on temporary accommodation within hotels and bed and breakfast provision. The Central Loans and Investment Account (CLIA) reported an over recovery of income of £2.57m5 due to the Council minimising new short / long-term borrowing and continuing to invest a significant amount of short term cash on a day to day basis

### North Wales Economic Ambition Board

As a member of the North Wales Economic Ambition Board (NWEAB) the Council is required to show its share (12.5%) of the Joint Committee's balances, income and expenditure in the Council's Balance Sheet and CIES. The Council's share of the balances included in the 2023/24 financial statements is £0.687m (£0.327m in 2022/23).

Further detail on the NWEAB can be found here:

<https://ambitionnorth.wales/ambition-north-wales/our-structure/the-north-wales-economic-ambition-board-members/>

## NARRATIVE REPORT

The table below shows the outturn position for the Housing Revenue Account (HRA) for the year:

	2023/24 Budget	2023/24 Actual	Variance
	£000	£000	£000
Estate Management	3,125	2,255	(871)
Landlord Services	1,766	1,712	(54)
Repairs & Maintenance	12,150	12,133	(17)
HRA Projects	126	(370)	(496)
Finance & Support	1,579	1,630	51
Revenue contributions to fund capital expenditure	12,712	12,752	41
<b>Net expenditure on services</b>	<b>31,459</b>	<b>30,113</b>	<b>(1,346)</b>
Central loans and investment account	7,010	6,848	(161)
Support Services	1,013	989	(24)
<b>Total net expenditure</b>	<b>39,482</b>	<b>37,950</b>	<b>(1,531)</b>
Contribution to reserves	(653)	824	1,477
<b>Budget requirement</b>	<b>38,829</b>	<b>38,775</b>	<b>(54)</b>
<b>Financed by</b>			
Rents	(38,531)	(38,615)	(84)
Grants and other income	(298)	(160)	138
<b>Total resources</b>	<b>(38,829)</b>	<b>(38,775)</b>	<b>54</b>
<b>Net variance</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Council has exceeded the delivery targets for the existing Welsh Housing Quality Standards (WHQS), improving stock and providing quality homes. The Council achieved WHQS compliance in December 2021 and moved into the maintenance phase of the standard. The Council committed to continuous stock improvement works and have developed a capital programme which includes works to both internal and external components, such as kitchens, bathrooms, roof coverings, windows, and doors, along with further improvement works to the thermal performance measures.

The Capital Works Team have continued to work with specialist Consultants in order to prepare a Decarbonisation strategy which is based on Welsh Government objectives to reduce Carbon Emissions. Welsh Government Grant Funding – “Optimised Retrofit Programme” (ORP) of £6.017m, has been utilised to fund a programme of retrofit works to trial energy efficiency measures, the findings of the 2-year trial have shown a reduction in energy costs to the contract holders.

The service area is currently in the process of reviewing the new Welsh Housing Quality Standards (WHQS 2023). The new guidance will be introduced from April 2024 into all Council specifications, delivery works and standards.

The Council continues to take a proactive approach to monitoring rent arrears due to the increasing cost of living affecting tenants’ ability to pay rent on time and the potential loss of housing rent income. However, despite the early intervention and support offered to tenants, net rent arrears have increased to £2.263m at outturn compared with £2.171m the previous year. The HRA maintains a prudent level of reserves and a bad debt provision which should be sufficient to mitigate any losses in future years.

## NARRATIVE REPORT

### Capital Programme Budget, Outturn and Financing

Each year the Council approves a programme of capital works, which provides for investment in assets such as land, buildings and road improvements. The 2023/24 capital programme was approved to the sum of £62.498m (HRA £29.457m and Council Fund £33.041m); this figure changed during the course of the year to a final programme total of £76.025m, (HRA £23.530m and Council Fund £52.495m). Capital programme budget monitoring information was reported to Cabinet and Corporate Resources Overview and Scrutiny Committee on a quarterly basis throughout the year, with the final outturn reported on 23<sup>rd</sup> July 2024.

Capital expenditure incurred during the financial year is set out in the table below. Schemes and projects include investment in the Council's housing stock as part of the plan to maintain the WHQS and investment in schools which includes the Sustainable Communities for Learning programme.

	2023/24 Budget £000	2023/24 Actual £000	Variance £000
People and Resources	364	0	(364)
Governance	1,410	1,315	(95)
Education and Youth	11,664	10,266	(1,398)
Social Services	5,071	5,062	(9)
Planning, Environment & Economy	1,584	1,530	(54)
Streetscene and Transportation	10,279	6,531	(3,748)
Housing and Communities	2,269	2,240	(29)
Capital Programme & Assets	19,854	19,334	(520)
Housing Revenue Account	23,530	23,530	0
<b>Programme Total</b>	<b><u>76,025</u></b>	<b><u>69,808</u></b>	<b><u>(6,217)</u></b>

The programme was financed as follows -

	2023/24 £000
Supported borrowing	4,025
Other borrowing (including Salix loans)	2,233
Capital receipts	5,672
Capital grants and contributions	44,038
Capital reserves/capital expenditure funded from revenue account	13,840
<b>Core financing</b>	<b><u>69,808</u></b>

### Capital Significant Movements

In the Streetscene & Transportation portfolio, a feasibility study will be carried out in 2024/25 in relation to the Waste Transfer Station Project to help determine the direction of the project. The project is being supported by Welsh Government, who have commissioned Local Partnerships and WRAP Cymru to work with the Council to review its waste & recycling infrastructure and develop the outline business case.

## NARRATIVE REPORT

### Capitalisation Direction – Mockingbird Family Model

The Council is transforming its fostering service to meet the placement needs of looked after children, and avoid the escalating costs of external care provision, through the development of a 'Mockingbird Family Model'. The model replicates an 'extended family' around children and young people, promoting their sense of belonging and preventing placements breaking down. The costs of transforming the service gradually over a five year period will be funded by an interest free 'innovate to save loan' from Welsh Government which will be repaid. During the year £0.197m of revenue expenditure was incurred which was granted a capitalisation direction by Welsh Government as required under accounting practice for revenue expenditure to be funded by borrowing. The 'innovate to save' loan began to be drawn down in 2020/21.

### Strategic Housing and Regeneration Programme

The Council priority is to continue to grow the housing stock through the Strategic Housing and Regeneration Programme (SHARP). This approach is intended to meet the emerging and changing needs of Flintshire's population and the challenges faced through increased numbers of people on the housing register, Single Access Route to Housing (SARTH), as well as the shrinking private sector rental market. The Council is currently in year 8 of the SHARP. This ambitious plan aims to deliver 500 new homes which will be built at a range of sites across the county, a mixture of new council houses and affordable homes, alongside commissioning a range of linked regeneration initiatives and community benefits.

During the year, works were completed on the 3 sites that commenced in 2022/23 along with development works for new build properties at various sites across the County. 13 properties have been purchased utilising the Welsh Government Transitional Capital Programme Grant "TACP" along with funding to bring HRA long term void properties back into use. For 2024/25, there are development works on 5 sites which will deliver an additional 77 properties.

Affordable homes are being developed through the Council's wholly owned subsidiary NEW Homes in partnership with the Council. NEW Homes currently owns and manages 173 units across Flintshire. These are made up of a combination of new build schemes delivered through the Council's SHARP and properties acquired from developers through Section 106 agreements.

The Company's Strategic Business Plan aims to deliver an additional 74 units over the next three years which will bring the total number of properties owned and managed by NEW Homes to 247 by 2026/27. The Council has pre-approved loans to NEW Homes of up to £30.000m, in addition to a previous loan of £7.530m granted. Of this funding, £14.020m has been utilised to date, with the remaining £23.510m available to be drawn down for future schemes.

### Borrowing

The Council undertook £12.000m of long term borrowing from the Public Works Loan Board (PWLB) during 2023/24 to fund capital expenditure schemes including building new homes through the SHARP and the Sustainable Communities for Learning building programme. The Balance Sheet (long term) borrowing total of £294.364m includes the sum of £2.118m for interest free loans from Salix Finance Ltd, an independent company funded by the Carbon Trust to help improve energy efficiency in public sector buildings, loans totaling £1.725m from Welsh Government for regeneration initiatives in Deeside under the Vibrant and Viable Places Scheme and the loan for the Mockingbird Family Model.

The Council has a future borrowing requirement to fund the approved Capital Programme. This will need to be kept under continuous review during the next financial year and beyond with UK inflation and wage growth remaining elevated, although on a likely downward trend over the first half of 2024.

## NARRATIVE REPORT

### Financial Position as at 31<sup>st</sup> March 2024

#### Reserves and Provisions

The Council sets funding aside to meet future liabilities and service developments in provisions and reserves held on the Balance Sheet as at 31<sup>st</sup> March 2024.

Provisions are based on past events that place an obligation on the Council which is likely to result in a future financial liability, but there is uncertainty over the timing and precise value of the liability. Provisions are disclosed in Note 19.

The Council has established a number of revenue reserves, falling outside the definition of a provision, which are summarised in the table below. The Council Fund balance is a measure of the uncommitted reserves the Council holds prudently to meet cash flow requirements and unforeseen future events.

	31 March 2024	Net	Other	31 March 2023
	£000	Overspend	£000	£000
		£000		
Council Fund (unearmarked) balance	15,271	(1,466)	(2,425)	19,162
Earmarked Council Fund reserves	19,671	0	(4,170)	23,841
Locally managed schools	3,336	0	(3,381)	6,717
Housing Revenue Account reserves	7,301	(274)	1,098	6,477
<b>Total revenue reserves</b>	<b>45,579</b>	<b>(1,740)</b>	<b>(8,878)</b>	<b>56,197</b>

The Council has a policy of maintaining a base level of reserves of £5.769m to protect the Council against unplanned and unforeseen circumstances, and this is included within the Council Fund (unearmarked) balance in the table above. Reserves above the £5.769m, known as the contingency reserve and arising from prior year underspends, are available for consideration through Cabinet.

At an early stage in the response phase to the pandemic, emergency funding was 'ring-fenced' from the contingency reserve to provide for the potential impacts of additional costs and losses of income arising from the pandemic. A balance of £3.743m remained at the start of the year. The reserve was retained as a safeguard against the continuation of covid sickness cover, addressing existing pressures such as homelessness and to continue to support our partner organisations as they deal with the impact of high energy costs and other uncontrollable factors. In 2023/24, £0.526m was claimed against the reserve, leaving a balance of £3.217m at the end of March 2024. This balance will be transferred to enhance the Base Level Reserves for the 2024/25 financial year as approved by Council when setting the Budget.

#### Cash Flow Management

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on investments are set by reference to the Council's MTFS and cash flow forecast in the Council's Treasury Management Strategy. The cash flow forecast is reviewed daily for investing purposes and weekly and monthly for borrowing purposes.

Cash flow management was closely monitored throughout the year, with the Council working in partnership with other public sector organisations such as the Welsh Government, and Welsh Local Government Association, to ensure the stability of the Council's cash flow position. The work continues into the new financial year 2024/25.

## NARRATIVE REPORT

### Pension Liability

The pension deficit recorded in the balance sheet of £28.711m, has decreased by £49.012m during the year, as a result of changes to the financial assumptions used by the pension fund actuary. The main change in financial assumptions relate to an increase in the discount rate assumption from last year, decreasing the liability. These assumptions are determined by the actuary and reflect their view of the market conditions at the balance sheet date. Under accounting rules (IFRIC 14) the Council is not allowed to show a net pension asset. Therefore, the Council has applied an asset ceiling adjustment of £10.974m which will bring the asset of funded benefits on the balance sheet to nil. This does not apply to unfunded benefits.

The Council relies and places assurance on the professional judgement of the Clwyd Pension Fund's actuary and the assumptions used to calculate the deficit. Disclosures in Note 43 are in accordance with International Accounting Standard 19 (IAS 19), accounting in full for the pension liability, that is the total projected deficit over the life of the fund. IAS 19 has no impact on Council tax levels or housing finance, but the liability does impact on the net worth of the Council as reflected in the balance sheet total of £784.009m (£667.088m as at 31st March 2023).

### Revaluation of Non-Current Assets

All non-current assets must be revalued at least every five years. The Council meets this requirement by revaluing a proportion of the total asset portfolio each year and during 2023/24 (the fourth year of the current cycle, commencing 1<sup>st</sup> April 2020) 24% of operational non-dwelling assets were revalued. The exception to this arrangement is council dwellings which were all revalued in 2020/21.

The Council has considered the impact of the economy on various property markets and the valuation of its assets at the Balance Sheet date. The majority of the Council's non-current assets are operational assets used for service delivery and are valued based on their rebuild costs. During 2023/24 not all assets valued under the Depreciated Replacement Cost (DRC) basis have been valued, only those in the current cycle were revalued in line with our accounting policy. Those assets not revalued are included in the accounts at their current carrying value i.e. valuation at last revaluation date less subsequent depreciation charged. During the year there have been movements in build costs, consequently impacting the carrying value of assets. An indexation has been applied to existing asset valuations to ensure the Accounts are not materially misstated as at 31st March 2024. This exercise has been carried out for the Council's DRC assets and council dwellings using data sourced from the Building Cost Information Service (BCIS) and Land Registry.

### FINANCIAL OUTLOOK FOR THE COUNCIL

The MTFS forecasts the amount of resources that the Council is likely to have over the next 3 years and identifies any funding gap which enables specific actions to be identified to balance the budget and manage resources.

It is clear that the current financial outlook for the Council, in terms of Welsh Government funding and support for both revenue and capital expenditure, is uncertain in the medium term. Inflation has reduced over the last 12 months and with expectations of further drops in the coming months, the attention has refocused on when the first cut in Bank Interest Rates will occur. Despite signs that activity may be picking up, economic growth is weak but wage growth, core and service inflation remain high. The Council also expects to continue to see increasing pressures and demands across all services.

A revision of the MTFS from 2025/26 and beyond was presented to Cabinet on 25<sup>th</sup> September 2024. The revision aims to establish a robust baseline of cost pressures which will inform the budget requirement that will need to be met from national and local funding streams. The 2024/25 final local government settlement was disappointing for the Council, with an increase of 2.5% (the Welsh average increased by 3.3%), which is at a significantly lower level than the last couple of years. Welsh Government did not include any indication of all Wales revenue allocations for 2025/26 onwards which provides further uncertainty. The Council is likely to need to consider significant transformational service change and cost reductions over the medium term as inflationary and service demand will inevitably exceed the resources available, with early planning for 2025/26 to 2027/28 essential and

## **NARRATIVE REPORT**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Council has a comprehensive Risk Management Framework. A number of risks for the Council Plan priorities have been identified which may prevent or hinder successful delivery. These risks are assessed and continuously monitored at the appropriate level throughout the year. Risk management is also embedded within our ways of working – for example, through partnerships, business plan efficiency reports and within each report submitted to Cabinet or Overview and Scrutiny Committees.

The Governance and Audit Committee receives a summary of the Council's strategic risks at both mid-year and end of year. Moving forward, in line with the new Risk Management Framework, regular risk profile reports are shared at Chief Officer Team meetings, the relevant Overview and Scrutiny Committees and Cabinet.

Financial risks include the availability of funding to ensure the sustainability of the Council and its subsidiaries such as NEW Homes and Newydd and partner organisations such as Aura Leisure & Libraries, Theatr Clwyd Trust and Community Asset Transfers.

### **CHANGES AND FUTURE CHANGES TO THE STATEMENT OF ACCOUNTS**

During the year no significant changes have been introduced to the Council's Statement of Accounts.

### **CHANGE IN ACCOUNTING POLICIES**

Minor changes to accounting policies have been made during 2023/24 to reflect changes in the Code of Practice.

### **FURTHER INFORMATION**

The Statement of Accounts is available on the internet ([www.flintshire.gov.uk](http://www.flintshire.gov.uk)), with further information on accounts and budgets available on request from the Corporate Finance Manager, Flintshire County Council, County Hall, Mold, CH7 6NA.

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### THE COUNCIL'S RESPONSIBILITIES

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, this is the Corporate Finance Manager as Chief Finance Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

**Signed :**

**Brian Harvey**  
**Chair of the Governance and Audit Committee**

**Date :**

### THE CHIEF FINANCE OFFICER'S RESPONSIBILITIES

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with the proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents a true and fair view of the financial position of the Council at 31<sup>st</sup> March 2024, and its income and expenditure for the year then ended.

**Signed:**

**Gary Ferguson CPFA**  
**Corporate Finance Manager (Chief Finance Officer)**

**Date:**



## EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2023/24

	Net Portfolio Final Outturn Reported £000	Adjustments for Movements (to)/from Earmarked Reserves £000	Net Expenditure Chargeable to Council Fund/HRA Reserves £000	Adjustments between Funding & Accounting Basis £000	Net Expenditure - CIES £000
Chief Executive's	1,660	0	1,660	(72)	1,588
Education & Youth	129,267	5,895	135,162	(5,152)	130,010
Governance	11,567	(212)	11,355	1,302	12,657
Housing & Communities	18,600	(347)	18,253	(9,906)	8,346
People & Resources	4,488	304	4,792	(269)	4,523
Planning, Environment & Economy	6,775	71	6,846	571	7,416
Social Services	103,658	1,272	104,930	(1,750)	103,180
Streetscene & Transportation	43,477	721	44,198	5,535	49,733
Central & Corporate Finance	23,407	1,150	24,557	(19,932)	4,625
Capital Programme & Assets	10,688	1,122	11,810	5,754	17,564
Housing Revenue Account (HRA)	274	(1,098)	(824)	(11,245)	(12,069)
<b>Cost of services</b>	<b>353,861</b>	<b>8,878</b>	<b>362,739</b>	<b>(35,164)</b>	<b>327,573</b>
Other Income and Expenditure	(352,121)	0	(352,121)	(5,129)	(357,250)
<b>(Surplus)/deficit on the provision of services</b>	<b>1,740</b>	<b>8,878</b>	<b>10,618</b>	<b>(40,293)</b>	<b>(29,677)</b>
<b>Opening Council Fund / HRA Reserves</b>			<b>56,196</b>		
In Year Revenue Surplus / (Deficit)					
Council Fund			(11,442)		
HRA			824		
<b>Closing Council Fund / HRA Reserves</b>			<b>45,578</b>		

2022/23

	Net Portfolio Final Outturn Reported £000	Adjustments for Movements (to)/from Earmarked Reserves £000	Net Expenditure Chargeable to Council Fund/HRA Reserves £000	Adjustments between Funding & Accounting Basis £000	Net Expenditure - CIES £000
Chief Executive's	1,606	0	1,606	217	1,823
Education & Youth	122,789	7,052	129,841	15,814	145,655
Governance	10,684	912	11,596	2,886	14,482
Housing & Communities*	15,003	(1,360)	13,643	(9,336)	4,307
People & Resources	4,542	15	4,557	916	5,473
Planning, Environment & Economy	6,871	253	7,124	1,683	8,807
Social Services	90,933	(405)	90,528	6,244	96,772
Streetscene & Transportation	40,913	518	41,431	7,825	49,256
Central & Corporate Finance	20,583	1,883	22,466	(18,073)	4,393
Capital Programme & Assets**	9,745	50	9,795	3,183	12,978
Housing Revenue Account (HRA)	(1,320)	82	(1,238)	(24,513)	(25,751)
<b>Cost of services</b>	<b>322,349</b>	<b>9,000</b>	<b>331,349</b>	<b>(13,154)</b>	<b>318,195</b>
Other Income and Expenditure	(326,682)	0	(326,682)	9,787	(316,895)
<b>(Surplus)/deficit on the provision of services</b>	<b>(4,333)</b>	<b>9,000</b>	<b>4,667</b>	<b>(3,367)</b>	<b>1,300</b>
<b>Opening Council Fund / HRA Reserves</b>			<b>60,864</b>		
In Year Revenue Surplus / (Deficit)					
Council Fund			(5,906)		
HRA			1,238		
<b>Closing Council Fund / HRA Reserves</b>			<b>56,196</b>		

\*Figures restated to exclude the Capital Programme & Assets service which is now separately disclosed.

\*\*Figures restated to combine the previously separately disclosed Strategic Programmes services and elements previously included within the Housing & Communities portfolio.

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The CIES shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from local taxation. Authorities raise local taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	Note	2023/24		2022/23			
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£000	£000	£000	£000	£000	£000
<b>Service Expenditure Analysis</b>							
Chief Executive's		1,676	(89)	1,587	1,888	(65)	1,823
Education & Youth		167,373	(37,362)	130,011	182,391	(36,736)	145,655
Governance		14,764	(2,108)	12,656	16,581	(2,099)	14,482
Housing & Communities*		45,802	(37,455)	8,347	42,358	(38,051)	4,307
People & Resources		5,162	(639)	4,523	5,998	(525)	5,473
Planning, Environment & Economy		13,781	(6,364)	7,417	15,873	(7,066)	8,807
Social Services		137,359	(34,179)	103,180	127,562	(30,790)	96,772
Streetscene & Transportation		78,018	(28,285)	49,733	74,770	(25,514)	49,256
Central & Corporate Finance		5,468	(843)	4,625	6,905	(2,511)	4,394
Capital Programme & Assets**		21,202	(3,638)	17,564	15,990	(3,012)	12,978
HRA		30,704	(42,774)	(12,070)	13,082	(38,833)	(25,751)
<b>Cost of services</b>		<b>521,309</b>	<b>(193,736)</b>	<b>327,573</b>	<b>503,398</b>	<b>(185,202)</b>	<b>318,196</b>
Other Operating Expenditure	4			35,609			33,316
Financing and Investment (Income) and Expenditure	5			11,515			16,687
Taxation and Non-Specific Grant (Income)	6			(404,374)			(366,899)
<b>(Surplus)/deficit on the provision of services</b>	<b>3</b>			<b>(29,677)</b>			<b>1,300</b>
(Surplus)/deficit arising on revaluation of non-current assets				(40,359)			(15,505)
(Surplus)/deficit arising on revaluation of available-for-sale financial assets				0			0
Actuarial (gains) or losses on pension assets and liabilities				(46,884)			(312,290)
<b>Total comprehensive (income) and expenditure</b>				<b>(116,920)</b>			<b>(326,495)</b>

\*2022/23 figures restated to exclude the Capital Programme & Assets service which is now separately disclosed.

\*\*2022/23 figures restated to combine the previously separately disclosed Strategic Programmes service and elements previously included within the Housing & Communities portfolio.

## MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement in the year on the different reserves held by the Council, analysed into Usable Reserves (those that can be applied to fund expenditure or reduce local taxation) and other (Unusable) Reserves.

The Total Comprehensive Income and Expenditure line shows the true economic cost of providing the Council's services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the Council Fund balance and the HRA for council tax setting and dwellings rent setting purposes.

The increase / decrease in the year shows the Statutory Council Fund balance and HRA balance before any discretionary transfers to or from earmarked reserves.

Note	Council Fund Reserves £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves of the Council £000
<b>At 31st March 2023</b>	<b>49,720</b>	<b>6,477</b>	<b>19,149</b>	<b>15,142</b>	<b>90,488</b>	<b>576,600</b>	<b>667,088</b>
In year movement in reserves							
Total comprehensive income and expenditure	14,535	15,141	0	0	29,676	87,244	116,920
Adjustments between accounting and funding basis under regulations	7 (25,977)	(14,317)	(4,136)	(2,707)	(47,137)	47,137	0
<b>Increase/(decrease) in year</b>	<b>(11,442)</b>	<b>824</b>	<b>(4,136)</b>	<b>(2,707)</b>	<b>(17,461)</b>	<b>134,382</b>	<b>116,920</b>
<b>At 31st March 2024</b>	<b>38,278</b>	<b>7,301</b>	<b>15,013</b>	<b>12,435</b>	<b>73,027</b>	<b>710,982</b>	<b>784,009</b>

Note	Council Fund Reserves £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves of the Council £000
<b>At 31st March 2022</b>	<b>55,626</b>	<b>5,239</b>	<b>17,958</b>	<b>15,043</b>	<b>93,866</b>	<b>246,726</b>	<b>340,592</b>
In year movement in reserves							
Total comprehensive income and expenditure	(29,191)	27,891	0	0	(1,300)	327,795	326,495
Adjustments between accounting and funding basis under regulations	7 23,285	(26,653)	1,190	99	(2,079)	2,079	0
<b>Increase/(decrease) in year</b>	<b>(5,906)</b>	<b>1,238</b>	<b>1,190</b>	<b>99</b>	<b>(3,379)</b>	<b>329,874</b>	<b>326,495</b>
<b>At 31st March 2023</b>	<b>49,720</b>	<b>6,477</b>	<b>19,149</b>	<b>15,142</b>	<b>90,488</b>	<b>576,600</b>	<b>667,088</b>

## BALANCE SHEET

	Note	31 March 2024		31 March 2023	
		£000	£000	£000	£000
<b>NON-CURRENT ASSETS</b>					
<b>Property, Plant &amp; Equipment</b>	<b>8</b>				
Council dwellings		328,606		301,283	
Other land and buildings		499,539		471,600	
Vehicles, plant, furniture and equipment		19,768		20,212	
Surplus assets		3,327		4,319	
Infrastructure assets		156,361		156,994	
Community assets		5,524		5,408	
Assets under construction		44,705		16,160	
<b>Total Property, Plant &amp; Equipment</b>			<b>1,057,830</b>		<b>975,976</b>
Investment properties and agricultural estate	<b>9</b>		29,340		29,092
Long term investments	<b>11</b>		3,659		3,659
Long term debtors	<b>12</b>		11,802		11,999
<b>NON-CURRENT ASSETS TOTAL</b>			<b>1,102,631</b>		<b>1,020,726</b>
<b>CURRENT ASSETS</b>					
Inventories		833		713	
Short term debtors (net of impairment provision)	<b>13</b>	77,775		79,110	
Short term investments	<b>14</b>	5,083		5,054	
Cash and cash equivalents	<b>15</b>	31,099		27,607	
Assets held for sale	<b>10</b>	513		306	
<b>CURRENT ASSETS TOTAL</b>			<b>115,303</b>		<b>112,790</b>
<b>CURRENT LIABILITIES</b>					
Borrowing repayable on demand or within 12 months	<b>16</b>	(44,204)		(19,908)	
Short term creditors	<b>17</b>	(48,798)		(56,861)	
Provision for accumulated absences	<b>19</b>	(4,151)		(6,722)	
Deferred liabilities	<b>40</b>	(654)		(621)	
Grants receipts in advance	<b>18</b>	(5,097)		(3,737)	
Provisions	<b>19</b>	(58)		(52)	
<b>CURRENT LIABILITIES TOTAL</b>			<b>(102,962)</b>		<b>(87,901)</b>
<b>NON-CURRENT LIABILITIES</b>					
Long term creditors	<b>17</b>	(1,185)		(1,140)	
Long term borrowing	<b>20</b>	(294,364)		(290,201)	
Deferred liabilities	<b>40</b>	(1,474)		(2,128)	
Provisions	<b>19</b>	(1,106)		(1,067)	
Other long term liabilities	<b>43</b>	(28,711)		(77,723)	
Grants receipts in advance	<b>18</b>	(4,123)		(6,268)	
<b>NON-CURRENT LIABILITIES TOTAL</b>			<b>(330,963)</b>		<b>(378,527)</b>
<b>NET ASSETS</b>			<b>784,009</b>		<b>667,088</b>

## BALANCE SHEET

	Note	31 March 2024		31 March 2023	
		£000	£000	£000	£000
<b>USABLE RESERVES</b>					
Capital Receipts Reserve		15,013		19,149	
Capital Grants Unapplied		12,435		15,142	
Council Fund		15,271		19,162	
Earmarked Reserves	21	23,007		30,558	
HRA		7,301		6,477	
<b>USABLE RESERVES TOTAL</b>			<b>73,027</b>		<b>90,488</b>
<b>UNUSABLE RESERVES</b>					
Revaluation Reserve	22	231,312		200,081	
Capital Adjustment Account	22	516,775		465,567	
Financial Instruments Adjustment Account	22	(4,292)		(4,652)	
Pensions Reserve	22	(28,711)		(77,723)	
Deferred Capital Receipts		49		49	
Accumulated Absences Account	22	(4,151)		(6,722)	
<b>UNUSABLE RESERVES TOTAL</b>			<b>710,982</b>		<b>576,600</b>
<b>TOTAL RESERVES</b>			<b>784,009</b>		<b>667,088</b>

The Balance Sheet shows the value at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories–

- Usable Reserves - those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use e.g. the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt.
- Unusable Reserves - those reserves that the Council is unable to use to provide services, including reserves that hold unrealised gains and losses e.g. the Revaluation Reserve, where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting and funding basis under regulations'.

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

The cash flow statement is reported using the indirect method, whereby net surplus or deficit on the provision of services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

	Note	2023/24		2022/23	
		£000	£000	£000	£000
Net surplus or (deficit) on the provision of services		29,677		(1,300)	
Adjustment to surplus or deficit on the provision of services for non-cash movements		12,630		33,351	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		<u>(42,798)</u>		<u>(33,034)</u>	
Net cash flows from operating activities	23		(491)		(983)
Net cash flows from investing activities	24	(20,505)		(17,004)	
Net cash flows from financing activities	25	<u>24,488</u>		<u>1,937</u>	
<b>Net increase or (decrease) in cash and cash equivalents</b>			<u>3,983</u>		<u>(15,067)</u>
			3,492		(16,050)
Cash and cash equivalents at the beginning of the reporting period	15		27,607		43,657
<b>Cash and cash equivalents at the end of the reporting period</b>	15		<b>31,099</b>		<b>27,607</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### INTRODUCTION TO NOTES

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) and the Council's accounting policies. The notes that follow set out supplementary information to assist readers of the accounts.

### 1. NOTE TO EXPENDITURE AND FUNDING ANALYSIS

The adjustments between the funding and accounting basis within the EFA is explained in more detail below -

2023/24				
Adjustments from Council Fund / HRA to arrive at CIES Amounts	Adjustments for Capital Purposes £000	Adjustments for Employee Benefit Purposes £000	Other Adjustments £000	Total Adjustments £000
Note	a	b	c	
Chief Executive's	0	(72)	0	(72)
Education & Youth	339	(5,061)	(429)	(5,152)
Governance	1,693	(238)	(154)	1,302
Housing & Communities	2,697	(159)	(12,445)	(9,906)
People & Resources	0	(269)	0	(269)
Planning, Environment & Economy	1,478	(352)	(556)	571
Social Services	958	(1,360)	(1,348)	(1,750)
Streetscene & Transportation	7,054	(565)	(954)	5,535
Central & Corporate Finance	578	(299)	(20,211)	(19,932)
Capital Programme & Assets	4,677	(52)	1,128	5,754
HRA	8,562	(272)	(19,534)	(11,245)
<b>Cost of services</b>	<b>28,036</b>	<b>(8,699)</b>	<b>(54,503)</b>	<b>(35,164)</b>
Other Income and Expenditure from the	(39,879)	4,000	30,751	(5,128)
<b>Differences between Council Fund / HRA and CIES surplus / deficit</b>	<b>(11,843)</b>	<b>(4,699)</b>	<b>(23,752)</b>	<b>(40,292)</b>

2022/23				
Adjustments from Council Fund / HRA to arrive at CIES Amounts	Adjustments for Capital Purposes £000	Adjustments for Employee Benefit Purposes £000	Other Adjustments £000	Total Adjustments £000
Note	a	b	c	
Chief Executive's	0	217	0	217
Education & Youth	12,622	4,617	(1,425)	15,814
Governance	1,500	867	518	2,885
Housing & Communities*	2,258	526	(12,118)	(9,334)
People & Resources	0	915	1	916
Planning, Environment & Economy	1,498	969	(784)	1,683
Social Services	1,993	4,910	(660)	6,243
Streetscene & Transportation	7,593	2,010	(1,778)	7,825
Central & Corporate Finance	608	1,405	(20,086)	(18,073)
Capital Programme & Assets**	1,530	230	1,423	3,183
HRA	(6,395)	1,022	(19,140)	(24,513)
<b>Cost of services</b>	<b>23,207</b>	<b>17,688</b>	<b>(54,049)</b>	<b>(13,154)</b>
Other Income and Expenditure from the EFA	(27,828)	10,543	27,072	9,787
<b>Differences between Council Fund / HRA and CIES surplus / deficit</b>	<b>(4,621)</b>	<b>28,231</b>	<b>(26,977)</b>	<b>(3,367)</b>

\*Figures restated to exclude the Capital Programme & Assets service which is now separately disclosed.

\*\*Figures restated to combine the previously separately disclosed Strategic Programmes service and elements previously included within the Housing & Communities portfolio.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### **a. Adjustments for Capital Purposes**

This column adds in capital accounting adjustments that are not reported within a portfolio's final outturn but are required in the CIES by the Code and includes; depreciation, impairments, revaluation losses, amortisation, and revenue expenditure funded from capital under statute (REFCUS).

Net gains and losses on the disposal of non-current assets (included within other operating expenditure) and capital grants and contributions (included within taxation and non-specific grant income and expenditure) are reported in the CIES but not in the final outturn report and therefore are included within capital accounting adjustments.

### **b. Adjustments for Employee Benefit Purposes**

This column adds in accounting adjustments related to IAS 19 Employee Benefits that are not reported within a portfolio's final outturn but are required in the CIES by the Code and includes; pension adjustments – removing the employer pension contributions made to the pension funds during the year, and replacing with the current service and past service costs (being the calculated benefit earned during the year), and the movement on the accumulated absences provision (being the accounting cost of leave entitlements earned by employees but not taken before the year-end which is carried forward into the next financial year).

The administrative expenses and the net interest on the net defined benefit liability (included within other operating expenditure and financing and investment income and expenditure respectively) are reported in the CIES but not in the final outturn report and therefore are included within employee benefit accounting adjustments.

### **c. Other Adjustments**

This column contains all other accounting adjustments required in the CIES by the Code of Practice that are not reported within a portfolio's final outturn and includes capital grants received to fund REFCUS, removal of charges to revenue to fund capital schemes, removal of statutory provision for the financing of capital expenditure (Minimum Revenue Provision) and debt rescheduling.

In addition, the column also includes adjustments for transactions reported within a portfolio's final outturn required by the Code to be reported below the Cost of Services line within the CIES and includes income and expenditure related to investment properties (included within financing and investment income and expenditure), interest payable and interest and investment income (included within financing and investment income and expenditure).



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 2. SEGMENTAL INCOME AND EXPENDITURE

Income and expenditure reported on a segmental basis included within the column 'Net Portfolio Final Outturn' in the EFA as required by the Code is shown below -

	Revenues from		Revenues from		Interest Revenues		Interest Expense	
	External Customers		Transactions with other					
	2023/24	2022/23	Operating Segments		2023/24	2022/23	2023/24	2022/23
	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive's	(84)	(65)	0	0	0	0	0	0
Education & Youth	(4,969)	(4,920)	(2,059)	(2,012)	0	0	0	0
Governance	(1,737)	(1,785)	(1,062)	(1,145)	0	0	0	0
Housing & Communities*	(2,058)	(3,843)	(20)	0	0	0	0	0
People & Resources	(302)	(328)	(684)	(686)	0	0	0	0
Planning, Environment & Economy	(2,539)	(2,976)	(231)	(225)	0	0	0	0
Social Services	(13,512)	(11,746)	(147)	(136)	0	0	0	0
Streetscene & Transportation	(26,592)	(25,504)	(1,011)	(914)	0	0	0	0
Central & Corporate Finance	(676)	(4,147)	0	0	(3,010)	(1,508)	8,788	8,417
Capital Programme & Assets**	(5,738)	(5,488)	(573)	(529)	0	0	0	0
HRA	(40,051)	(38,519)	0	0	0	0	5,121	4,902
	<b>(98,258)</b>	<b>(99,321)</b>	<b>(5,787)</b>	<b>(5,647)</b>	<b>(3,010)</b>	<b>(1,508)</b>	<b>13,909</b>	<b>13,319</b>

\*2022/23 figures restated to exclude the Capital Programme & Assets service which is now separately disclosed.

\*\*2022/23 figures restated to combine the previously separately disclosed Strategic Programmes service and elements previously included within the Housing & Communities portfolio.

### 3. INCOME AND EXPENDITURE ANALYSED BY NATURE

Income and expenditure reported within the CIES is analysed as follows -

Nature of Expenses	2023/24	2022/23
	£000	£000
<b>Expenditure</b>		
Employee benefit expenses	227,955	239,858
Other service expenses	270,178	251,638
Depreciation, amortisation & impairment	28,559	24,282
Interest payments	14,129	13,592
Precept and levies	35,280	32,663
(Gain) or loss on disposal of fixed assets	(553)	(174)
(Gain) or loss on disposal of investment property	(374)	(56)
	<b>575,174</b>	<b>561,803</b>
<b>Income</b>		
Fees, charges and other service income	(95,538)	(92,449)
Grants and contributions	(338,309)	(296,882)
Interest and investment income	(6,738)	(8,401)
Income from council tax and non-domestic rates	(164,266)	(162,771)
	<b>(604,851)</b>	<b>(560,503)</b>
<b>(Surplus) or deficit on the provision of services</b>	<b>(29,677)</b>	<b>1,300</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 4. OTHER OPERATING EXPENDITURE

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Precept - Office of North Wales Police and Crime Commissioner	21,922	20,653
Other preceptors - Community Councils	3,421	3,196
Levy - North Wales Fire and Rescue Authority	9,936	8,814
Net gain on the disposal of fixed assets	(553)	(174)
Admin. expenses on the net defined benefit liability	882	827
	<b>35,608</b>	<b>33,316</b>

### 5. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Interest payable and similar charges	14,129	13,592
Investment losses and investment expenditure	1,197	1,795
Net interest on the net defined benefit liability	3,118	9,716
Interest and investment income	(6,739)	(8,400)
Net gain on the disposal of investment properties	(374)	(55)
Movement in expected credit loss on financial assets	182	39
	<b>11,513</b>	<b>16,687</b>

### 6. LOCAL TAXATION AND NON-SPECIFIC GRANT INCOME

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Council tax income	(113,426)	(107,121)
Non-domestic rates	(50,840)	(55,650)
Non-ringfenced government grants	(201,154)	(176,529)
Capital grants and contributions	(38,953)	(27,599)
	<b>(404,373)</b>	<b>(366,899)</b>

#### Council Tax

All domestic properties are included in the Council Tax Valuation List which is issued and maintained by the Valuation Office Agency, part of His Majesty's Revenue and Customs (HMRC). Each property is placed in one of nine property bands (Band A to Band I) depending on the open market valuation of the dwelling at 1<sup>st</sup> April 2003 (otherwise known as the valuation date). A tenth band (A-) is only available to those taxpayers who live in band 'A' properties and are entitled to a disabled banding reduction.

Council tax is payable based on the valuation band into which a property has been placed by the Valuation Office Agency. Gross charges are calculated by dividing the total income requirements of the County Council, Police and Crime Commissioner for North Wales and town/community councils by the council tax base.

The tax base is the total of all the properties in each band expressed as Band 'D' equivalent numbers and adjusted for exemptions, discounts and disregards. Allowances are also made within the tax base for bad or doubtful debts. The tax base for 2023/24 was 65,815 Band 'D' equivalent properties (65,194 in 2022/23).

## NOTES TO THE CORE FINANCIAL STATEMENTS

The Flintshire County Council precept for a Band 'D' property in 2023/24 was £1,521.33 (£1,449.58 in 2022/23). Council tax bills were based on the following multipliers for bands A- to I -

Band	A-	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9
No. of equivalent Band 'D' dwellings	8.06	2,328.17	6,338.89	16,247.11	11,954.41	12,267.75	10,345.83	4,971.67	1,113.50	445.67

Other precepts added to 2023/24 council tax demand notices included the North Wales Police and Crime Commissioner precept in the sum of £21.922m (£20.653m in 2022/23) and 34 town and community councils who collectively raised precepts totalling £3.421m (£3.196m in 2022/23).

### Analysis of the net proceeds from Council Tax -

	2023/24	2022/23
	£000	£000
Council tax collected	126,211	119,749
(Increase)/Decrease in bad debts provision	(10)	(78)
Council Tax Reduction Scheme	(12,298)	(11,796)
Amounts written off to provision	(477)	(754)
	<u>113,426</u>	<u>107,121</u>
Less - Payable to North Wales Police and Crime Commissioner	(21,922)	(20,653)
Less - Payable to Town and Community Councils	(3,421)	(3,196)
	<u><b>88,083</b></u>	<u><b>83,272</b></u>

### Non-Domestic Rates (NDR)

NDR is organised on a national basis. The government sets the multiplier which in 2023/24 was 53.5p for all properties (53.5p in 2022/23). The Council is responsible for collecting the rates in its area, which are paid into the NDR pool administered by the Welsh Government (WG).

WG distributes NDR pool receipts to local authorities on the basis of a fixed amount per head of population. 2023/24 NDR income paid into the pool was £58.736m after relief and provisions (£61.251m in 2022/23), based on a year end rateable value total of £149.654m (£146.586m in 2022/23).

### Analysis of the net proceeds from NDR -

	2023/24	2022/23
	£000	£000
NDR collected	55,098	58,610
Less - Paid into NDR pool	(58,736)	(61,251)
Less - Cost of collection	(430)	(350)
(Increase)/Decrease in bad debts provision	(21)	(64)
Relief Schemes	4,089	3,055
	<u><b>0</b></u>	<u><b>0</b></u>
Receipts from pool	<u>50,840</u>	<u>55,650</u>
	<u><b>50,840</b></u>	<u><b>55,650</b></u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 7. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year, in accordance with proper accounting practice, to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Usable Reserves				Unusable Reserves
	Council Fund Balance	HRA	Capital Receipts Reserve	Capital Grants Unapplied	
2023/24	£000	£000	£000	£000	£000
<b>Adjustments involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the CIES:</b>					
Charges for depreciation and impairment of non current assets	9,840	8,473	0	0	(18,313)
Revaluation losses on property, plant and equipment	3,226	89	0	0	(3,315)
Movements in the market value of investment properties	(686)	0	0	0	686
Capital grants and contributions applied	0	0	0	(44,038)	44,038
REFCUS	6,407	0	0	0	(6,407)
Soft loan accounting adjustments	(103)	0	0	0	103
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	453	55	0	0	(508)
<b>Inclusion of items not debited or credited to the CIES:</b>					
Statutory provision for the financing of capital investment	(4,704)	(1,681)	0	0	6,385
Capital expenditure charged against the Council Fund and HRA balances	(1,087)	(12,752)	0	0	13,839
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Capital grants and contributions unapplied credited to CIES	(33,063)	(8,268)	0	41,331	0
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(1,264)	(171)	1,736	0	(301)
Use of the Capital Receipts Reserve to finance new capital expenditure or repay debt	0	0	(5,872)	0	5,872
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(359)	0	0	0	359
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	22,492	1,337	0	0	(23,829)
Employer's pensions contributions and direct payments to pensioners payable in the year	(24,549)	(1,408)	0	0	25,957
<b>Adjustment involving the Accumulated Absences Account:</b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2,581)	10	0	0	2,571
<b>Adjustments between accounting &amp; funding basis under regulations</b>	<b>(25,978)</b>	<b>(14,316)</b>	<b>(4,136)</b>	<b>(2,707)</b>	<b>47,137</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

	Usable Reserves				Unusable Reserves
	Council Fund Balance	HRA	Capital Receipts Reserve	Capital Grants Unapplied	
2022/23	£000	£000	£000	£000	£000
<b>Adjustments involving the Capital Adjustment Account:</b>					
<b>Reversal of items debited or credited to the CIES:</b>					
Charges for depreciation and impairment of non current assets	13,301	(6,444)	0	0	(6,857)
Revaluation losses on property, plant and equipment	11,352	49	0	0	(11,401)
Movements in the market value of investment properties	(3,292)	0	0	0	3,292
Capital grants and contributions applied	0	0	0	(30,344)	30,344
REFCUS	4,950	0	0	0	(4,950)
Soft loan accounting adjustments	(177)	0	0	0	177
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	2,332	31	0	0	(2,362)
<b>Inclusion of items not debited or credited to the CIES:</b>					
Statutory provision for the financing of capital investment	(4,436)	(1,610)	0	0	6,046
Capital expenditure charged against the Council Fund and HRA balances	(1,695)	(12,566)	0	0	14,261
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Capital grants and contributions unapplied credited to CIES	(22,810)	(7,633)	0	30,442	0
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(2,487)	(105)	2,813	0	(221)
Use of the Capital Receipts Reserve to finance new capital expenditure or repay debt	0	0	(1,622)	0	1,622
<b>Adjustments involving the Financial Instruments Adjustment Account:</b>					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(359)	0	0	0	359
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	50,585	2,997	0	0	(53,582)
Employer's pensions contributions and direct payments to pensioners payable in the year	(25,109)	(1,400)	0	0	26,509
<b>Adjustment involving the Accumulated Absences Account:</b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1,131	28	0	0	(1,159)
<b>Adjustments between accounting &amp; funding basis under regulations</b>	<b>23,285</b>	<b>(26,653)</b>	<b>1,190</b>	<b>99</b>	<b>2,079</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is made up of council dwellings, other land and buildings, vehicles, plant, furniture and equipment that are held, occupied, used or contracted to be used on behalf of the Council, or consumed in the direct delivery of services. Included are dwellings and other housing properties, office buildings, schools, libraries, sports centres and pools, residential homes/day centres, depots and workshops, cemetery buildings, off-street car parks, vehicles, mechanical plant, fixtures and fittings and other equipment.

Community assets are assets that the Council intends to hold in perpetuity, that have no determinable useful life and which may, in addition, have restrictions on their disposal. There is little prospect of sale and change of use. Included are parks and open spaces, recreation grounds, play areas and cemetery land.

## NOTES TO THE CORE FINANCIAL STATEMENTS

The Council's asset valuations are based on guidance from the Royal Institution of Chartered Surveyors (RICS) Red Book Global. Less certainty and a higher degree of caution should be attached to our valuation than would normally be the case. During the year there have been significant movements in build costs, consequently impacting the carrying value of assets. An additional revaluation exercise has been carried out on existing asset valuations to ensure the Accounts are not materially misstated as at 31<sup>st</sup> March 2024. This exercise has been carried out for the Council's Depreciated Replacement Cost (DRC) assets and council dwellings using data sources from the Building Cost Information Service (BCIS) and Land Registry.

### Movements 2023/24

	Council Dwellings & Garages	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Community Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1st April, 2023*	301,302	488,371	35,672	5,482	5,408	16,160	852,395
Additions and Acquisitions	22,226	7,696	4,830	4	121	22,054	56,931
Revaluation increases / (decreases) recognised in the Revaluation Reserve	6,671	21,684	0	10	0	0	28,365
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,797)	6,333	0	(1)	0	0	(1,465)
Assets Derecognised	(55)	0	(510)	(998)	0	0	(1,563)
Reclassifications	0	(12,051)	0	(1,008)	0	12,851	(208)
Other movements in cost or valuation	6,278	82	0	0	0	(6,360)	0
<b>At 31st March 2024</b>	<b>328,625</b>	<b>512,115</b>	<b>39,992</b>	<b>3,489</b>	<b>5,529</b>	<b>44,705</b>	<b>934,455</b>
<b>Accumulated Depreciation and Impairment</b>							
At 1st April, 2023 *	(19)	(16,771)	(15,460)	(1,163)	0	0	(33,413)
Depreciation charge	(4,980)	(16,245)	(5,274)	(44)	(5)	0	(26,548)
Depreciation written out to the Revaluation Reserve	20	13,910	0	78	0	0	14,008
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,961	1,624	0	0	0	0	6,585
Impairments written out to the Revaluation Reserve	14	2,306	0	(17)	0	0	2,303
Impairments recognised in the Revaluation Reserve	(14)	(4,297)	0	(4)	0	0	(4,315)
Reversal of Impairments recognised in the Surplus/Deficit	21,151	6,298	0	17	0	0	27,466
Impairments written out to Surplus/Deficit on the Provision of Services	4,672	2,912	0	0	0	0	7,584
Impairments recognised in the Surplus/Deficit on the Provision of Services	(25,824)	(2,313)	0	(12)	0	0	(28,149)
Assets Derecognised	0	0	510	983	0	0	1,493
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
<b>At 31st March 2024</b>	<b>(19)</b>	<b>(12,576)</b>	<b>(20,224)</b>	<b>(162)</b>	<b>(5)</b>	<b>0</b>	<b>(32,986)</b>
<b>Balance Sheet at 31st March 2024</b>	<b>328,606</b>	<b>499,539</b>	<b>19,768</b>	<b>3,327</b>	<b>5,524</b>	<b>44,705</b>	<b>901,469</b>
<b>Balance Sheet at 1st April 2023</b>	<b>301,283</b>	<b>471,600</b>	<b>20,212</b>	<b>4,319</b>	<b>5,408</b>	<b>16,160</b>	<b>818,982</b>
<b>Nature of Asset Holding</b>							
Owned	328,606	499,539	18,266	3,327	5,524	44,705	899,967
Finance Lease	0	0	1,502	0	0	0	1,502
<b>At 31st March 2024</b>	<b>328,606</b>	<b>499,539</b>	<b>19,768</b>	<b>3,327</b>	<b>5,524</b>	<b>44,705</b>	<b>901,469</b>

\*Council Dwellings & Garages cost or valuation b/fwd figure restated by £-0.006m. Depreciation and Impairment b/fwd restated by £+0.006m. The impact on the net book value is nil.

\*Other Land & Buildings cost or valuation b/fwd figure restated by £+0.660m. Depreciation and Impairment b/fwd restated by £-0.660m. The impact on the net book value is nil.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Movements 2022/23

	Council Dwellings & Garages	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Community Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1st April, 2022	274,181	471,252	36,755	7,254	4,921	12,125	<b>806,488</b>
Additions and Acquisitions	19,820	9,945	5,029	0	195	9,059	<b>44,048</b>
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(250)	4,324	0	0	0	0	<b>4,074</b>
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	6,906	(1,117)	0	(431)	0	0	<b>5,358</b>
Assets Derecognised	(31)	(1,478)	(6,112)	(653)	(453)	0	<b>(8,727)</b>
Reclassifications	0	443	0	(688)	745	0	<b>500</b>
Other movements in cost or valuation	682	4,342	0	0	0	(5,024)	<b>0</b>
<b>At 31st March 2023</b>	<b>301,308</b>	<b>487,711</b>	<b>35,672</b>	<b>5,482</b>	<b>5,408</b>	<b>16,160</b>	<b>851,741</b>
<b>Accumulated Depreciation and Impairment</b>							
At 1st April, 2022	(59)	(16,609)	(17,174)	(1,374)	0	0	<b>(35,216)</b>
Depreciation charge	(4,978)	(16,088)	(4,398)	(34)	0	0	<b>(25,498)</b>
Depreciation written out to the Revaluation Reserve	22	12,654	0	0	0	0	<b>12,676</b>
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,958	1,863	0	0	0	0	<b>6,821</b>
Impairments written out to the Revaluation Reserve	80	4,163	0	0	0	0	<b>4,243</b>
Impairments recognised in the Revaluation Reserve	(49)	(5,439)	0	0	0	0	<b>(5,488)</b>
Reversal of Impairments recognised in the Surplus/Deficit	22,380	5,469	0	0	0	0	<b>27,849</b>
Impairments written out to Surplus/Deficit on the Provision of Services	(2,324)	(1,590)	0	0	0	0	<b>(3,914)</b>
Impairments recognised in the Surplus/Deficit on the Provision of Services	(20,055)	(2,012)	0	0	0	0	<b>(22,067)</b>
Assets Derecognised	0	1,478	6,112	0	0	0	<b>7,590</b>
Assets reclassified (to)/from Held for Sale	0	0	0	245	0	0	<b>245</b>
<b>At 31st March 2023</b>	<b>(25)</b>	<b>(16,111)</b>	<b>(15,460)</b>	<b>(1,163)</b>	<b>0</b>	<b>0</b>	<b>(32,759)</b>
<b>Balance Sheet at 31st March 2023</b>	<b>301,283</b>	<b>471,600</b>	<b>20,212</b>	<b>4,319</b>	<b>5,408</b>	<b>16,160</b>	<b>818,982</b>
<b>Balance Sheet at 1st April 2022</b>	<b>274,122</b>	<b>454,643</b>	<b>19,581</b>	<b>5,880</b>	<b>4,921</b>	<b>12,125</b>	<b>771,272</b>
<b>Nature of Asset Holding</b>							
Owned	301,283	471,600	18,164	4,319	5,408	16,160	<b>816,934</b>
Finance Lease	0	0	2,048	0	0	0	<b>2,048</b>
<b>At 31st March 2023</b>	<b>301,283</b>	<b>471,600</b>	<b>20,212</b>	<b>4,319</b>	<b>5,408</b>	<b>16,160</b>	<b>818,982</b>

Infrastructure assets are inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Included are highways, footpaths, bridges, water and drainage facilities and coastal defences.

The Code requires that where a component of an infrastructure asset is replaced, the carrying amount (i.e. net book value) of the old component shall be derecognised to avoid double counting and the new component shall be reflected in the carrying amount of the infrastructure asset. Due to practical difficulties in applying component accounting for the recognition and derecognition of replaced components of infrastructure assets, in large part due to data limitations, the Council have been unable to comply with the requirement to assess the net book value of the replaced component and will have treated the amount of the replaced component as zero. This is because the replaced component is considered to have been fully used up at the point that it is replaced.

## NOTES TO THE CORE FINANCIAL STATEMENTS

CIPFA published an update to the Code in November 2022 which includes a temporary relief so that local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. In accordance with the temporary relief, offered by the Update to the Code on infrastructure assets, this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

<b>Infrastructure Assets</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
At 1st April	156,994	157,785
Additions	6,251	5,944
Depreciation	(6,884)	(6,735)
<b>At 31st March</b>	<b>156,361</b>	<b>156,994</b>

The Council has determined in accordance with Regulation 24L of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

### Fair Value Measurement of Surplus Assets

Details of the Council's surplus assets and information about the fair value hierarchy as at 31<sup>st</sup> March is as follows -

	<b>Quoted prices in active markets for identical assets (Level 1) £000</b>	<b>Other significant observable inputs (Level 2) £000</b>	<b>Significant unobservable inputs (Level 3) £000</b>	<b>Fair Value as at 31 March £000</b>
2023/24 Surplus Assets	0	684	2,642	<b>3,326</b>
2022/23 Surplus Assets	0	800	3,519	<b>4,319</b>

Transfers between different levels of the fair value hierarchy have occurred during the year due to comparable information not being available this year for similar assets in active markets.

In estimating the fair value of the Council's surplus assets, the highest and best use of the properties has been taken into account.

The Council is required to disclose where the highest and best use differs from current use. In line with their treatment as surplus assets, a number of these assets are currently vacant; in these cases the current use is not the highest and best use.

The Council's valuers, in using appropriate valuation techniques, have maximised the use of relevant known inputs and minimised the use of unobservable inputs.

The valuation techniques used to measure the fair value of surplus assets are the market approach and the income approach. The Council's valuers considered these bases to be appropriate because -

(i) Market approach - use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

(ii) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 9. INVESTMENT PROPERTIES AND AGRICULTURAL ESTATE

	2023/24	2022/23
	£000	£000
<b>Cost or Valuation</b>		
At 1st April	29,163	27,735
Reclassifications	0	(500)
Additions	217	71
Revaluation increases/(decreases) to Surplus/Deficit	686	3,005
Other adjustments	(438)	(1,148)
<b>At 31st March</b>	<b>29,628</b>	<b>29,163</b>
<b>Depreciation and Impairments</b>		
At 1st April	71	41
Reclassifications	0	245
Reversal of Impairments recognised in the Surplus/Deficit	0	(286)
Impairment / Depreciation	217	71
<b>At 31st March</b>	<b>288</b>	<b>71</b>
<b>Balance Sheet at 31st March</b>	<b>29,340</b>	<b>29,092</b>

#### Fair Value Measurement of Investment Property

Details of the Council's investment properties and information about the fair value hierarchy as at 31<sup>st</sup> March is as follows -

	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March £000
<b>2023/24</b>				
Commercial and Industrial Estates	0	0	14,784	14,784
Agricultural Estate - Farms	0	12,211	0	12,211
Agricultural Estate - Grazing land	0	0	2,345	2,345
	<b>0</b>	<b>12,211</b>	<b>17,129</b>	<b>29,340</b>
<b>2022/23</b>				
Commercial and Industrial Estates	0	0	15,311	15,311
Agricultural Estate - Farms	0	11,380	0	11,380
Agricultural Estate - Grazing land	0	0	2,401	2,401
	<b>0</b>	<b>11,380</b>	<b>17,712</b>	<b>29,092</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

There were no transfers between different levels of the fair value hierarchy during the year and there has been no change in the valuation techniques used during the year for investment properties.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

The fair value of the Council's investment property is measured annually at each reporting date. In 2023/24 the Council's farms and smallholdings were valued by an external valuer, with the remainder of the valuations carried out by the Council's internal valuers.

All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of RICS. The Council's valuation team work closely with finance officers regarding all valuation matters.

### **Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties**

#### Significant Observable Inputs – Level 2

The Council's farms and smallholdings were valued by an external independent valuer in accordance with IFRS 13 Fair Value requirements, using the market approach for such assets but reflecting the specific circumstances of each asset e.g. vacant or subject to an existing tenancy. The valuation hierarchy Level 2 was considered appropriate given details of the market comparators were provided as part of the valuation report. The valuation techniques also considered highest and best use reflecting what is physically possible or legally permissible.

#### Significant Unobservable Inputs – Level 3

The valuation techniques used to measure the fair value of the grazing and bare land are the market approach and the income approach. The Council's valuers considered these bases to be appropriate because -

(i) Market approach – use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

(ii) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.

The Council's valuers, in using appropriate valuation techniques in the circumstances and where sufficient data is available, have maximised the use of relevant known inputs and minimised the use of unobservable inputs. The grazing and bare land valuation techniques reflected Level 3 input due to the lack of market data obtainable by the Council's valuers.

The valuation techniques used to measure the fair value of the commercial and industrial estates are the income approach (for assets) and the market approach (for vacant land). The Council's valuers considered these bases to be appropriate because -

(i) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.

(ii) Market approach - use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

However, predominately the approach to valuing the commercial and industrial units was done using the Council's own existing information and data reflecting such factors as rent growth, occupancy levels, bad debt levels, and costs for repair and maintenance obligations. Therefore, the Council's commercial and industrial unit's valuation hierarchy is Level 3 as the valuation approach uses unobservable inputs and that this is done on the same basis when valuing the asset as would be used by market participants.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 10. ASSETS HELD FOR SALE

	Council Dwellings & Garages £000	Other Property, Plant & Equipment £000	Investment Properties £000	Total £000
<b>At 1st April 2023</b>	0	231	75	306
Additions	0	0	0	0
Assets newly classified as held for sale	0	300	0	300
Assets declassified as held for sale	0	(93)	0	(93)
<b>Net Reclassifications</b>	<b>0</b>	<b>207</b>	<b>0</b>	<b>207</b>
Impairments	0	0	0	0
Revaluation gains	0	0	0	0
Revaluation losses	0	0	0	0
<b>Net Revaluations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Assets sold	0	0	0	0
<b>At 31st March 2024</b>	<b>0</b>	<b>438</b>	<b>75</b>	<b>513</b>

	Council Dwellings & Garages £000	Other Property, Plant & Equipment £000	Investment Properties £000	Total £000
<b>At 1st April 2022</b>	0	308	75	383
Additions	0	0	0	0
Assets newly classified as held for sale	0	0	0	0
Assets declassified as held for sale	0	0	0	0
<b>Net Reclassifications</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Impairments	0	0	0	0
Revaluation gains	0	0	0	0
Revaluation losses	0	0	0	0
<b>Net Revaluations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Assets sold	0	(77)	0	(77)
<b>At 31st March 2023</b>	<b>0</b>	<b>231</b>	<b>75</b>	<b>306</b>

### Fair Value Measurement of Assets Held for Sale

Details of the Council's assets held for sale and information about the fair value hierarchy as at 31<sup>st</sup> March is as follows -

	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March £000
2023/24 Assets Held for Sale	0	0	513	513
2022/23 Assets Held for Sale	0	0	306	306

## NOTES TO THE CORE FINANCIAL STATEMENTS

There were no transfers between different levels of the fair value hierarchy during the year and there has been no change in the valuation techniques used during the year for Assets Held for Sale.

In estimating the fair value of the Council's Assets Held for Sale, the highest and best use of the properties has been taken into account.

The Council is required to disclose where the highest and best use differs from current use. A number of assets held for sale are currently vacant pending disposal; in these cases the current use is not the highest and best use.

### Significant Unobservable Inputs – Level 3

The valuation techniques used to measure the fair value of assets held for sale are the market approach and income approach. The Council's valuers considered these bases to be appropriate because -

(i) Market approach - use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

(ii) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.

The Council's valuers, in using appropriate valuation techniques have maximised the use of relevant known inputs and minimised the use of unobservable inputs.

## 11. LONG TERM INVESTMENTS

	31 March 2024	31 March 2023
	£000	£000
North East Wales Homes Ltd (NEW Homes)	3,659	3,659
	<u>3,659</u>	<u>3,659</u>

## 12. LONG TERM DEBTORS

	31 March 2024	31 March 2023
	£000	£000
Renewal and improvement loans	1,599	1,699
First time buyer loans	100	100
Affordable housing deposits	49	50
Private street works	51	50
Loans to NEW Homes	10,003	10,100
	<u>11,802</u>	<u>11,999</u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 13. SHORT TERM DEBTORS

	31 March 2024	31 March 2023
	£000	£000
Housing Rents	2,208	2,125
Council Tax	5,668	5,133
Grants	28,676	31,691
Benefit Overpayments	1,499	1,607
Taxation	7,837	6,348
NDR	4,813	4,121
Lending	131	131
Payments in advance	5,370	8,595
North Wales Economic Ambition Board (NWEAB)	7,340	7,214
Other	14,352	11,991
NHS - Test, Trace, Protect	0	382
NHS	3,362	3,107
	<b>81,256</b>	<b>82,445</b>
Allowance for impairment losses and expected credit losses	(3,481)	(3,335)
	<b>77,775</b>	<b>79,110</b>

#### Analysis of age of Council Tax debt -

	31 March 2024	31 March 2023
	£000	£000
0-1 year	3,048	2,841
1-2 years	1,200	1,070
2-3 years	599	671
3-4 years	435	302
4-5 years	206	112
5+ years	180	137
	<b>5,668</b>	<b>5,133</b>

### 14. SHORT TERM INVESTMENTS

	31 March 2024	31 March 2023
	£000	£000
Investments (3 months – 365 days)	5,000	5,000
Accrued interest	83	54
	<b>5,083</b>	<b>5,054</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 15. CASH AND CASH EQUIVALENTS

	31 March 2024	31 March 2023
	£000	£000
Cash	1,118	947
Cash - Call accounts	33,643	29,087
Cash overdrawn	(3,662)	(2,427)
	<b>31,099</b>	<b>27,607</b>

### 16. BORROWING REPAYABLE ON DEMAND OR WITHIN 12 MONTHS

	31 March 2024	31 March 2023
	£000	£000
Accrued interest on long term external borrowing	6,085	2,896
Loans maturing	4,240	2,262
Annuity/EIP loan repayments	3,213	2,253
Energy Efficiency Loans (from Salix Finance Ltd.)	495	487
Short term external borrowing	30,000	12,000
Accrued interest on short term external borrowing	171	10
	<b>44,204</b>	<b>19,908</b>

### 17. CREDITORS

	31 March 2024	31 March 2023
	£000	£000
<b>Short Term</b>		
Rents received in advance	486	448
Council Tax received in advance and accounts in credit	1,662	1,714
Deposits	440	438
Receipts in advance	4,476	6,191
Receipts in advance - Bus Emergency Scheme	0	5,150
Employee related	8,098	7,402
Other	33,636	35,518
	<b>48,798</b>	<b>56,861</b>
<b>Long Term</b>		
Deposits	416	398
Receipts in advance	620	593
Other	149	149
	<b>1,185</b>	<b>1,140</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 18. GRANT INCOME

The Council credited the following grants and contributions to the CIES -

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<b>Credited to Taxation and Non-Specific Grant Income</b>		
Revenue Support Grant	201,154	176,529
<b>Total Non-Ringfenced Government Grants</b>	<b>201,154</b>	<b>176,529</b>
WG:		
Major Repairs Allowance (MRA)	4,980	4,978
General Capital Grant	4,134	2,772
Housing with Care Fund	1,529	415
School Improvement Grant	401	2,524
Active Travel Fund	1,118	1,283
Childcare Offer Capital Grant	453	1,635
Optimised Retrofit	1,632	1,399
Free School Meals	0	1,767
Additional Learning Needs	1,002	1,010
Community Focus Grant	284	1,010
Integration and Rebalancing Capital Fund	2,217	0
Transitional Accommodation Capital Programme	1,077	292
Other WG Grants*	2,477	3,701
Arts Council Wales	16,214	4,302
Other Capital Grants and Contributions	1,435	511
<b>Total Capital Grants and Contributions</b>	<b>38,953</b>	<b>27,599</b>
	<b>240,107</b>	<b>204,128</b>

\*2022/23 includes Sustainable Communities for Learning Grant (£0.259m) separately disclosed in 2022/23 and excludes Transitional Accommodation Capital Programme (£0.292m) now separately disclosed.

#### Credited to Services

WG

Housing Support Grant	7,829	7,682
Post 16	5,366	5,385
Education Improvement Grant	5,700	5,925
Children & Communities Grant	6,177	6,419
Pupil Deprivation*	0	5,674
Concessionary Fares	1,400	1,349
Regional Integration Fund	6,580	6,035
LA Education Grant	15,263	6,834
Social Services Workforce	1,954	1,951
Transitional Accommodation Capital Programme - Compensation	2,313	0
Bus Emergency Scheme/Bus Transition Fund	1,271	969
COVID-19 Hardship Funding	0	1,793
Ukraine Response Scheme	1,458	2,092
Other**	9,925	9,852
Department of Work and Pensions	26,454	25,973
GWE Contributions	948	1,131
Shared Prosperity Fund	1,112	28
Other Grants and Contributions	4,451	3,662
	<b>98,201</b>	<b>92,754</b>

\*included with LA Education Grant for 2023/24.

\*\*2022/23 includes Sustainable Waste Management Grant (£0.742m) separately disclosed in 2022/23 and excludes Bus Emergency Scheme (£0.969m) and Shared Prosperity Fund (£0.028m) now separately disclosed.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Grants and Contributions Received in Advance

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them. The funding will be returned to the grantor if the conditions are not met. The balances at the year end are as follows -

	31 March 2024 £000	31 March 2023 £000
<b>Short Term</b>		
Revenue Grants	1,609	1,974
Capital Grants - NWEAB	2,990	1,425
Capital Contributions	310	99
Revenue Contributions	188	239
	<b>5,097</b>	<b>3,737</b>
<b>Long Term</b>		
Capital Grants - NWEAB	3,625	5,401
Revenue Contributions	305	365
Capital Contributions	193	502
	<b>4,123</b>	<b>6,268</b>

### 19. PROVISIONS

The amounts recognised as provisions are the best estimates of expenditure required to settle present obligations.

	31 March 2024 £000	Additions £000	Unwinding Discounting £000	31 March 2023 £000
<b>Current Liabilities</b>				
(A) Aftercare of former landfill sites	58	6	0	52
	<b>58</b>	<b>6</b>	<b>0</b>	<b>52</b>
<b>Non-Current Liabilities</b>				
(A) Aftercare of former landfill sites	1,106	17	22	1,067
	<b>1,106</b>	<b>17</b>	<b>22</b>	<b>1,067</b>

(A) The aftercare of former landfill sites provides for the environmental aftercare costs for the former waste disposal sites at Standard and Brookhill, Buckley, split across a current liability and a non-current liability. The projected costs are embodied in performance deeds with Natural Resources Wales (formerly the Environment Agency). These deeds form the basis of the Council's legal obligation to make financial provision for aftercare for 60 years from the date the landfill site was closed. The provision is revised by way of indexation each year in line with RPI and reviewed for adequacy. The provision matches the legal obligation contained in the performance deeds.



## NOTES TO THE CORE FINANCIAL STATEMENTS

### Accumulated Absences

An additional provision on the Balance Sheet is the provision for accumulated absences. Short-term accumulating compensated absences refer to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Council. The most significant benefit covered by this heading is annual leave entitlement which employees build up as they work. The Code requires that the cost of providing holidays and similar benefits are recognised when employees render service that increases their entitlement to future compensated absences. As a result, the Council is required to accrue for any annual leave earned but not taken as at 31<sup>st</sup> March each year. The Government has issued regulations that mean local authorities are only required to fund annual leave entitlement and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to the accumulated absences account until the benefits are used.

### 20. LONG TERM BORROWING

Analysis	Interest Rates		31 March 2024	31 March 2023
	Minimum %	Maximum %	£000	£000
<b>By Loan Type (Fixed Rate)</b>				
Salix Finance (Energy Efficiency)		Interest Free	2,118	2,503
Government (PVLB)	1.16	9.50	271,571	267,024
Other financial institutions	4.48	4.58	18,950	18,950
WG		Interest Free	1,725	1,724
			<b>294,364</b>	<b>290,201</b>
<b>By Maturity</b>				
Between 1 and 2 years			6,445	6,985
Between 2 and 5 years			22,030	18,089
Between 5 and 10 years			44,750	36,525
More than 10 years			221,139	228,602
			<b>294,364</b>	<b>290,201</b>

### 21. USABLE RESERVES

The Council maintains a number of reserves on the Balance Sheet. Some are held for statutory reasons, some are needed to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans. Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and in Note 7.

Earmarked reserves are made up of the following -

- Service balances – represents service departments carrying forward unspent funding for use in the subsequent financial year and other relevant specific income / underspends one-off in nature that extend over more than one year for a specific purpose.
- School balances – this sum represents the element of balances released under the delegation of budgets to schools which remained unspent at the end of the financial year.
- Insurance Reserves – various insurance related reserves, including the Council's Internal Insurance Fund, to meet the costs of self-insurance below individual policy excess levels.
- Cheque Book Schools – reserve to fund minor discrepancies due to timing differences in schools who operate their own bank accounts.
- Employment Claims – to fund the estimated costs of employee claims against the Council.

## NOTES TO THE CORE FINANCIAL STATEMENTS

- Schools Intervention – schools’ reserve to support schools following Estyn inspections and also to correct any errors and inaccuracies in funding formula.
- Schools HwB ICT Replacement – schools are setting aside funding for replacement of ICT equipment in 2026/27 as part of WG HwB ICT grant terms and conditions.
- Free School Meals - reserve set up to mitigate risks to Free School Meals budget in future years given increase in eligibility and changes to Primary sector with introduction of universal provision.
- Flintshire Trainees – reserve to fund the Flintshire Trainee programme.
- Workforce Costs – accumulated reserve to fund further one-off workforce costs.
- Investment in Organisational Change – accumulated reserve to fund the costs of remodeling services and ‘Invest to Save’ type projects.
- Design Fees - reserve created to mitigate a loss of income from the capital programme.
- Rent Income Shortfall – reserve created to mitigate loss of income from industrial property rent.
- County Elections – reserve to fund the costs of future elections.
- Customer Service Strategy – to enable the roll out of the Customer Services Strategy. This will include improvements to Connect Centres, improving self-service facilities and investment in new software.
- ICT Servers – to provide future financial assistance for replacement of servers within schools. The initiative is to extend the usable life of the existing servers.
- IT Infrastructure HwB – to support schools’ ICT infrastructure.
- COVID-19 Inquiry – reserve to fund staff costs associated with the COVID-19 Inquiry for which the Council is legally required to respond to any requests in a timely manner.
- Organisational Change/ADM – to support initial set up costs and financial technical support for contingency against any financial issues arising as a result of implementing different service delivery methods.
- Local Development Plan – funding for costs associated with finalising, and then implementing, the Local Development Plan – post adoption.
- Solar Farms – to fund the ongoing maintenance of Solar Farms – enabling re-investment in Energy Efficiency Schemes.
- Supervision Fees – this reserve is used for work carried out by the Development Control Team in supervising works on housing developments in connection with the adoption of roads and/or other related work deemed necessary.
- Warm Homes Admin Fee Income – reserve to support and resource the demand for the services of the Warm Homes Energy Team in their work to deliver energy efficiency improvements to those in fuel poverty.
- NWEAB – Flintshire County Council's share of NWEAB joint committee reserves held by Gwynedd County Council.
- Waste Disposal – reserve used predominantly to fund Flintshire County Council’s contribution to NWRWTP.
- Winter Maintenance – reserve set up as a contingency in the event of prolonged periods of severe winter weather conditions.
- Car Parking - apportionment of car park income ringfenced for works/improvements at Mold town centre in accordance with Mold Town Council agreement.
- Community Benefit Fund – NWRWTP - contributions from NWRWTP and Wheelabrator Technologies Inc. to fund environmentally beneficial projects in the locality of Flintshire. In the interim it is being utilised as a 'Community Recovery Fund' to help local communities in the Deeside area from the impacts of the COVID-19 pandemic.

## NOTES TO THE CORE FINANCIAL STATEMENTS

- Severe Weather – reserve set up as a contingency in the event of severe weather conditions such as flooding and wind damage from storms.
- 20mph Scheme – to cover future costs associated with the roll out of the new 20mph speed limits across the County.
- Plas Derwen Wave 4 – to replace the equipment procured through the wave funding and meet any new digital standards as per the terms and conditions of the HwB grant funding.
- Grants & Contributions – various grants and contributions from external providers that must be spent in accordance with restrictions on use.

Movement between earmarked reserves is summarised in the following table -

	Balance at 31 March 2022	Transfers Out 2022/23	Transfers In 2022/23	Balance at 31 March 2023	Transfers Out 2023/24	Transfers In 2023/24	Balance at 31 March 2024
	£000	£000	£000	£000	£000	£000	£000
Service balances	4,697	(1,672)	3,159	6,184	(3,745)	887	3,326
School balances	12,292	(13,591)	8,016	6,717	(8,326)	4,945	3,336
Insurance Reserves	2,136	(557)	622	2,201	(722)	903	2,382
Cheque Books Schools	4	(4)	0	0	0	0	0
Employment Claims	110	0	0	110	0	0	110
Schools Intervention	491	(364)	579	706	(877)	222	51
Schools HwB ICT Replacement	263	0	263	526	0	263	789
Free School Meals	115	(85)	0	30	(30)	0	0
Flintshire Trainees	697	(134)	0	563	(241)	0	322
Workforce Costs	878	(35)	0	843	0	0	843
Investment in Organisational Change	1,618	(267)	0	1,351	(379)	0	972
Design Fees	250	0	0	250	(11)	0	239
Rent Income Shortfall	13	(13)	106	106	0	25	131
County Elections	292	(272)	55	75	(3)	303	375
Customer Service Strategy	22	0	0	22	(15)	0	7
ICT Servers	85	0	85	170	(170)	0	0
IT Infrastructure HwB	328	(15)	0	313	(173)	0	140
COVID-19 Inquiry	0	(18)	160	142	0	0	142
Organisational Change/ADM	274	0	600	874	(756)	483	601
Local Development Plan	242	(127)	0	115	(115)	0	0
Solar Farms	0	0	63	63	(51)	169	181
Supervision Fees	49	0	0	49	0	0	49
Warm Homes Admin Fee Income	298	0	18	316	(21)	0	295
NWEAB	210	0	121	331	0	360	691
Waste Disposal	49	(116)	116	49	(53)	4	0
Winter Maintenance	250	(180)	180	250	(250)	0	0
Car Parking	45	0	43	88	0	0	88
Community Benefit Fund NWRWTP	451	0	232	683	0	230	913
Severe Weather	250	0	0	250	0	0	250
20mph Scheme	0	0	111	111	(111)	0	0
Plas Derwen Wave 4	2	0	2	4	0	2	6
Grants & Contributions	10,776	(7,273)	3,563	7,066	(3,621)	3,323	6,768
	<b>37,187</b>	<b>(24,723)</b>	<b>18,094</b>	<b>30,558</b>	<b>(19,670)</b>	<b>12,119</b>	<b>23,007</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 22. UNUSABLE RESERVES

The details of movements on unusable reserves are as follows -

#### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are -

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Revaluation Reserve records unrealised revaluation gains arising since 1st April 2007, the date that the reserve was created. The reserve is matched by non-current assets within the Balance Sheet - the resources are not available for financing purposes.

	2023/24		2022/23	
	£000	£000	£000	£000
Balance at 1st April		200,081		192,915
Upward revaluation of assets	49,906		45,729	
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	<u>(9,546)</u>		<u>(30,224)</u>	
Surplus or (deficit) on revaluation of non-current assets not posted to the surplus/deficit on the provision of services		40,360		15,505
Difference between fair value depreciation and historical cost depreciation	(8,865)		(8,060)	
Accumulated gains on assets sold or scrapped	(15)		(279)	
Adjustment*	<u>(249)</u>		<u>0</u>	
Amount written off to the capital adjustment account		(9,129)		(8,339)
<b>Balance at 31st March</b>		<u><b>231,312</b></u>		<u><b>200,081</b></u>

\*Correction to manual adjustments made within the 2022/23 accounts to correspond with asset register

#### Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account provides a balancing mechanism between the different rates at which gains and losses (such as premiums on the early payment of debt) are recognised under the Code and are required by statute to be met from the Council fund. Again, the reserve is matched by borrowings and investments within the Balance Sheet, and the resources are not available for financing purposes.

	2023/24		2022/23	
	£000	£000	£000	£000
Balance at 1st April		(4,652)		(5,011)
Proportion of premiums incurred in previous financial years to be charged against the Council Fund balance in accordance with statutory requirements	<u>360</u>		<u>359</u>	
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements		360		359
<b>Balance at 31st March</b>		<u><b>(4,292)</b></u>		<u><b>(4,652)</b></u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Pensions Reserve

The Pensions Reserve is an adjustment account that absorbs the timing differences arising from different arrangements for post employment benefits and for funding benefits in accordance with statutory provisions.

The Council accounts for post employment benefits in the CIES - the benefits are earned by employees accruing years of service. The liabilities recognised in the accounts are updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements require those benefits earned to be financed as and when the Council makes the employer's contributions to the pension fund, or eventually pays any pensions for which it has direct responsibility. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Balance at 1st April	(77,723)	(362,940)
Return on plan assets	37,577	(66,432)
Actuarial gains and (losses)	20,286	378,678
Net charges to surplus / deficit on provision of services	(23,829)	(53,582)
Employers' contributions payable to the scheme	25,957	26,509
Flintshire County Council's share of the remeasurements of the net pension defined benefit asset relating to NWEAB	(5)	44
Asset Ceiling Adjustment	(10,974)	0
<b>Balance at 31st March</b>	<b><u>(28,711)</u></b>	<b><u>(77,723)</u></b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the Council Fund balance is neutralised by transfer to or from the account.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Balance at 1st April	(6,722)	(5,563)
Settlement or cancellation of accrual made at the end of the preceding year	6,722	5,563
Amounts accrued at the end of the current year	<u>(4,151)</u>	<u>(6,722)</u>
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2,571	(1,159)
<b>Balance at 31st March</b>	<b><u>(4,151)</u></b>	<b><u>(6,722)</u></b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under the statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the revaluation reserves to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

	2023/24		2022/23	
	£000	£000	£000	£000
Balance at 1st April		465,567		427,276
Reversal of items relating to capital expenditure debited or credited to the CIES:				
- Charges for depreciation and impairment of non-current assets		(18,313)		(6,858)
- Revaluation losses on Property, Plant & Equipment		(3,315)		(11,401)
- Movements in the market value of investment properties debited or credited to the CIES		686		3,292
- REFCUS		(6,407)		(4,950)
- Soft loan accounting adjustments		103		177
- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES		(509)		(2,362)
		(27,756)		(22,102)
Adjusting amounts written out of the Revaluation Reserve		9,129		8,340
Net written out amount of the cost of non-current assets consumed in the year		(18,626)		(13,762)
Capital financing applied in the year:				
- Use of the capital receipts reserve to finance capital expenditure		5,672		1,428
- Capital grants and contributions credited to the CIES that have been applied to capital financing		44,038		30,344
- Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances		6,385		6,046
- Capital expenditure charged against the Council Fund and HRA balances		13,840		14,261
- Use of the capital receipts reserve to repay debt		200		195
Long term debtors adjustments - Loan repayments		(301)		(221)
		69,834		52,053
<b>Balance at 31st March</b>		<b>516,775</b>		<b>465,567</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 23. CASH FLOW STATEMENT - OPERATING ACTIVITIES

The net cash flows from operating activities include the following interest elements -

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Interest received	2,721	1,458
Interest paid	(10,757)	(13,542)

### 24. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Purchase of property, plant & equipment, investment property and intangible assets	(63,401)	(50,063)
Purchase of short term and long term investments	(5,000)	(5,000)
Proceeds from the sale of property, plant & equipment, investment property and intangible assets	1,466	2,592
Proceeds from short term and long term investments	5,000	5,000
Other receipts from investing activities	41,430	30,467
<b>Net cash flows from investing activities</b>	<b><u>(20,505)</u></b>	<b><u>(17,004)</u></b>

### 25. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Cash receipts of short term and long term borrowing	42,111	17,400
Cash payments for the reduction of the outstanding liability relating to finance leases	(621)	(590)
Repayment of short term and long term borrowing	(17,002)	(14,873)
<b>Net cash flows from financing activities</b>	<b><u>24,488</u></b>	<b><u>1,937</u></b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 26. OFFICERS' REMUNERATION

#### Senior Employee Emoluments

The Accounts and Audit (Wales) Regulations 2014 (as amended) requires disclosure (in £5,000 bandings) of the number of employees whose remuneration - all sums paid to or receivable by the employee including payments on termination of employment, expense allowances chargeable to tax, and the money value of benefits - exceeded £60,000 (including part time employees or an officer who is employed or engaged on a temporary basis. Remuneration grossed up). The band values do not include employer pension contributions. Columns for schools include all maintained schools including Voluntary Aided and Foundation Schools.

Remuneration Band	2023/24		2022/23	
	Non-Schools	Schools	Non-Schools	Schools
	No.	No.	No.	No.
£60,000 - £64,999	16	41	23	36
£65,000 - £69,999	17	32	2	25
£70,000 - £74,999	0	32	3	17
£75,000 - £79,999	3	13	2	9
£80,000 - £84,999	2	15	0	2
£85,000 - £89,999	0	1	0	1
£90,000 - £94,999	0	5	0	6
£95,000 - £99,999	0	1	0	3
£100,000 - £104,999	0	6	0	1
£105,000 - £109,999	0	2	0	0
£110,000 - £114,999	0	1	0	0
£115,000 - £119,999	0	1	0	0
£120,000 - £124,999	0	0	0	1
£125,000 - £129,999	0	0	0	0
£130,000 - £134,999	0	1	0	0
	<b>38</b>	<b>151</b>	<b>30</b>	<b>101</b>

Some posts occupied are paid in accordance with nationally agreed Soulbury terms and conditions. Governing bodies have some discretion in setting the salaries of headteachers, within the parameters of the school teachers' pay and conditions 2015.

The Accounts and Audit (Wales) Regulations 2014 (as amended) also requires disclosure of the individual remuneration details for senior employees by post where the salary is between £60,000 and £150,000 and by name where the salary exceeds £150,000. Senior employees for the purpose of the disclosure are the Chief Executive and Chief Officers (including Corporate Managers and Statutory Officers).

The salaries of the Chief Executive and the Chief Officer team have been set by full Council in accordance with the Council's Pay Policy Statement (available on the Council's website). There has been no variation to pay rates during the year other than inflationary increases for implementation of nationally agreed annual pay awards to reflect the increased cost of living. No bonuses, taxable expense allowances, compensation payments or other taxable benefits were received by Chief Officers.



## NOTES TO THE CORE FINANCIAL STATEMENTS

Post Title	Note	2023/24		2022/23	
		Remuneration	Employer's Pension Contributions	Remuneration	Employer's Pension Contributions
		£	£	£	£
Chief Executive	1	144,317	29,874	135,564	31,993
Chief Officer Governance	1 & 2	114,111	23,621	110,289	26,028
Chief Officer Education & Youth		105,992	21,940	102,407	24,168
Chief Officer Social Services		105,992	21,940	102,407	24,168
Chief Officer Planning, Environment & Economy		105,992	21,940	102,407	24,168
Chief Officer Streetscene & Transportation		101,318	20,973	94,504	22,303
Chief Officer Housing & Communities	3	97,812	20,247	67,603	15,954
Corporate Finance Manager (Section 151 Officer)		80,844	16,735	77,824	18,366
Corporate Manager - People & Organisational Development		80,844	16,735	77,824	18,366
Corporate Manager - Capital Programme & Assets		76,827	15,903	73,444	17,333
		<b>1,014,049</b>	<b>209,908</b>	<b>944,273</b>	<b>222,847</b>

**Note 1 :** Remuneration does not include any amounts received for Returning Officer and Deputy Returning Officer roles at elections (costs for national, regional, local elections and referenda reimbursed by respective Government based on a nationally set payment formula) .

**Note 2 :** Remuneration includes amounts received for role as Clerk to the North Wales Fire and Rescue Authority (£8,119 2023/24) (£7,883 2022/23), an arrangement under a service contract which has been in place for a number of years (costs reimbursed).

**Note 3 :** Employment start date 4th July 2022. Role vacant 1st November 2021 - 3rd July 2022.

The Accounts and Audit (Wales) Regulations 2014 (as amended) also require disclosure of the ratio of remuneration between the Chief Executive and the median full time equivalent earner (£24,711); for 2023/24 this was 1:5.84 (for 2022/23 this was 1:5.95).

### Exit Packages

The Council is required to disclose (in £20,000 bandings up to £100,000 with £50,000 bandings thereafter) the number of exit packages agreed and the cost of the packages to the Council in the financial year. Exit costs which the Council was committed to incurring at the 31<sup>st</sup> March 2023, but paid after this date, are included in the disclosure for 2022/23. Information is included for all maintained schools including Voluntary Aided and Foundation Schools.

The totals disclosed are made up of payments made to the individual and any payments made by the Council to the pension fund when an employee retires early without actuarial reduction in pension in accordance with the Council's Discretionary Compensation Policy.

Exit Package Cost Band	Compulsory Redundancies		Other Departures Agreed		Total Exit Packages by Cost Band		Total Exit Packages in Each Band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	No.	No.	No.	No.	No.	No.	£	£
£0 - £20,000	17	29	0	0	17	29	160,554	40,080
£20,001 - £40,000	18	2	0	0	18	2	517,077	53,738
£40,001 - £60,000	4	0	0	0	4	0	195,918	0
	<b>39</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>31</b>	<b>873,549</b>	<b>93,818</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 27. MEMBERS' ALLOWANCES

The Council paid the following allowances and expenses to Members during the year -

	2023/24	2022/23
	£000	£000
Salaries	1,805	1,711
Members' expenses	32	48
	1,837	1,759

### 28. RELATED PARTIES

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have the ability to limit another party's ability to bargain freely with the Council.

#### Welsh and Central Government

WG exerts significant influence through legislation and grant funding – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties such as council tax bills and housing benefits. Grants received from Welsh and other Government departments are set out in Notes 6 and 18.

#### Members

Members of the Council have direct control over the Council's financial and operating policies.

The total amount of members' allowances paid are shown in Note 27. The Council appoints Members to some external charitable and voluntary bodies, or Members have disclosed a link to organisations, public bodies and authorities. The total transactions with bodies under this heading are as follows -

	2023/24	2022/23
	£000	£000
Payments	1,603	4,458
Receipts	0	121
Amounts owed by the Council	260	4
Amounts owed to the Council	0	6

Transactions greater than £0.100m are shown below -

No. of Members declaring an interest		Interest	Paid		Receipts		Owed by the Council		Owed to the Council	
2023/24	2022/23		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
			£000	£000	£000	£000	£000	£000	£000	£000
1	2	Domestic Abuse Safety Unit	410	337	0	0	34	0	0	0
1	1	Citizens Advice Bureau (CAB)	475	488	0	0	128	0	0	0
1	1	Welsh Border Community Transport (WBCT)	205	190	0	0	0	0	0	0
2	5	Theatr Clwyd	155	3,679	(3)	118	97	0	0	6

## NOTES TO THE CORE FINANCIAL STATEMENTS

Members have declared an interest or relationship in companies or businesses which may have had dealings with the Council. The total payments made to companies under this heading are as follows -

	2023/24	2022/23
	£000	£000
Payments	153	167
Receipts	9	8
Amounts owed by the Council	35	3
Amounts owed to the Council	0	1

Transactions greater than £0.100m are shown below -

No. of Members declaring an interest			Paid		Receipts		Owed by the Council		Owed to the Council	
2023/24	2022/23	Interest	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
			£000	£000	£000	£000	£000	£000	£000	£000
1	1	Design and print company	123	118	9	8	35	1	0	1

The personal interests of all Members are recorded in the Public Register of Members' Interests, in accordance with the law and the Council's Code of Conduct. The register is available on the Council's website.

### Officers

Senior Officer Remuneration is shown in Note 26. Senior Officers have declared, as required and where appropriate, an interest or relationship in companies, voluntary, charitable, or public bodies which receive payments from the Council. The only declaration requiring inclusion is included in 'Community Asset Transfer (CAT)' below.

All declarations by Senior Officers are supported by entries in the register of interests for Senior Officers, which enables the Council to take appropriate steps to manage the interests.

### Community Asset Transfer (CAT)

A number of Members and Senior Officers have an interest in local community groups involved in the Council's CAT scheme. The scheme involves leasehold transfer (at nominal value) of specific Council assets to organisations with a social purpose who plan to use the assets for the benefit of the local community. The assets have remained on the Council's Balance Sheet and have a combined net book value of £14.146m (£14.143m in 2022/23).

In some circumstances the Council has, or plans to, issue capital grants for any necessary capital works. Transactions with these groups are -

	2023/24	2022/23
	£000	£000
Grants awarded	498	305
Payments	153	67
Amounts owed by the Council	4	5
Amounts owed to the Council	1	3

## NOTES TO THE CORE FINANCIAL STATEMENTS

Transactions greater than £0.100m are shown below -

No. of Senior Officers declaring an interest		Interest	Grants paid		Other payments		Owed by the Council	
2023/24	2022/23		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
			£000	£000	£000	£000	£000	£000
1	1	Married to a director of Cambrian Aquatics	117	71	91	20	4	3

### Subsidiaries

The Council has two wholly owned subsidiaries, NEW Homes and Newydd Catering and Cleaning Ltd. These are companies limited by shares and are included in the Council's group accounting boundary. NEW Homes has a loan facility with the Council, and as at 31st March 2024 this amounted to £13.250m (£13.451m at 31st March 2023).

Other transactions with subsidiaries are -

	2023/24	2022/23
	£000	£000
Subsidy paid	377	383
Other payments	8,656	7,009
Receipts	480	229
Amounts owed by the Council	127	196
Amounts owed to the Council	230	227

### Clwyd Pension Fund

The Council is the administering authority for the Clwyd Pension Fund. Details of transactions with the Clwyd Pension Fund can be found within the Clwyd Pension Fund accounts which are available at [www.clwydpensionfund.org.uk](http://www.clwydpensionfund.org.uk)

### North Wales Police and Crime Commissioner, North Wales Fire Authority and Community / Town Councils

Police and Crime Commissioners and Fire and Rescue Authorities set their own charges to council tax payers which are then included in the council tax bill – these charges are known as the precept. Total precepts paid to the Office of the North Wales Police and Crime Commissioner amounted to £21.922m (£20.653m in 2022/23).

Total levies paid to the North Wales Fire and Rescue Authority amounted to £9.936m (£8.814m in 2022/23).

Total precepts including cemetery precepts paid to the 34 community/town councils amounted to £3.430m (£3.205m in 2022/23).

Other transactions with these bodies are -

	North Wales Police and Crime Commissioner		North Wales Fire Authority		Community Councils	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£000	£000	£000	£000	£000	£000
Payments	263	24	21	348	74	23
Receipts	265	331	7	46	414	514
Amounts owed to the Council	79	56	26	0	90	132

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Betsi Cadwaladr University Local Health Board (related healthcare activities)

	2023/24	2022/23
	£000	£000
Payments	1,239	1,423
Receipts	9,809	11,570
Amounts owed by the Council	1,511	1,380
Amounts owed to the Council	4,658	5,439

### Welsh Joint Education Committee

	2023/24	2022/23
	£000	£000
Payments	165	224
Amounts owed by the Council	465	325

### Welsh Local Government Association

	2023/24	2022/23
	£000	£000
Payments	156	151
Receipts	590	623
Amounts owed to the Council	11	38

## 29. NATIONAL HEALTH SERVICES (WALES) ACT 2006

The Council has an agreement with Wrexham County Borough Council and the Betsi Cadwaladr University Health Board, pursuant to Section 33 of the National Health Service (Wales) Act 2006, for the provision of an integrated community equipment service under a pooled fund arrangement. The service is provided through staff of Flintshire County Council (as host partner) from Unit 3, Hawarden Industrial Park, Hawarden, Flintshire.

	2023/24	2022/23
Partnership	£000	£000
Gross expenditure	1,195	1,266
Gross income	(1,295)	(1,301)
(Surplus) / deficit for year	(100)	(35)

#### Contribution to Budget

Flintshire County Council	327	318
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Unit 3 is jointly owned by Flintshire County Council (50.25%) and Wrexham County Borough Council (49.75%). The premises are included in Flintshire County Council's Balance Sheet -

	Gross £000	Net £000	%
Flintshire County Council	574	549	50.25
Wrexham County Borough Council	568	543	49.75
	1,142	1,092	100.00

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 30. AUDIT FEES

External audit services were provided by Audit Wales.

	2023/24	2022/23
	£000	£000
Fees for the Statement of Accounts*	249	234
Fees for Performance Audit Work	115	104
Fees for grants	38	38
	<b>402</b>	<b>376</b>

\*2022/23 does not include an additional £0.008m paid in respect of additional audit work required on capital accounting and valuation issues identified.

### 31. POOLED BUDGETS FOR HEALTH AND SOCIAL CARE

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1<sup>st</sup> April 2019. Denbighshire County Council is host authority. The transactions for Flintshire County Council only are included in the Social Services line of the CIES.

Income and expenditure for these pooled budget arrangements for the year ending 31st March 2024 are as follows; the contributions for quarters 3 and 4 are included for information only and have not been accrued in each partners' accounts. These payments will be made in arrears during 2024/25.

	2023/24	2022/23
	£000	£000
<b>Care Homes for Older People</b>		
<b>Expenditure</b>		
Care home costs	126,922	111,032
	<b>126,922</b>	<b>111,032</b>
<b>Funding</b>		
Denbighshire County Council	(11,914)	(10,236)
Conwy County Borough Council	(18,182)	(15,864)
Flintshire County Council	(13,578)	(10,556)
Wrexham County Borough Council	(14,957)	(14,434)
Gwynedd County Council	(12,044)	(11,214)
Isle of Anglesey County Council	(7,214)	(5,708)
Betsi Cadwaladr University Health Board	(49,033)	(43,020)
	<b>(126,922)</b>	<b>(111,032)</b>
<b>(Surplus) / Deficit transferred to Reserve</b>	0	0

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 32. AGENCY SERVICES

Flintshire County Council is one of eight partners within the North and Mid Wales Trunk Road Agency (NMWTRA), the other partners being Anglesey, Conwy, Denbighshire, Gwynedd, Wrexham, Powys and Ceredigion Councils. The Streetscene & Transportation portfolio within Flintshire County Council undertakes trunk road work on behalf of NMWTRA for WG. Reimbursement for work carried out under the Trunk Road Agency Agreement amounted to £4.115m (£4.052m in 2022/23).

WG has provided funding to Welsh councils to provide recyclable loans under the Houses into Homes Schemes for the repair of properties which have been long term vacant, with the aim of bringing them back into use. They are treated as agency arrangements in the Council's Statement of Accounts. The first tranche of funding was given in perpetuity to the Council. Funding has also been provided relating to Home Improvement and Empty Properties Loans for works in making residential properties safe, warm and/or secure, with the funding to be returned between 6 and 11 years' time. Additional funding has also been received to support town centre regeneration in Flintshire. This funding is to be returned in 12 years' time.

	Loans Issued		Repaid	
	2023/24	2022/23	2023/24	2022/23
	£000	£000	£000	£000
Houses into Homes - 1st Tranche	0	0	0	25
Home Improvement and Empty Properties Loans	654	361	62	119
Town Centre Regeneration	140	0	0	0

The Council acts as agents on behalf of companies collecting water and sewerage charges from tenants living in Council owned dwellings (arrangement ceased in 2022/23). The Council also collects household contents insurance, for tenants' belongings if they wish. The Council is also an agent for collecting heating charges from tenants living in Council owned communal buildings.

Charges	Collected	Collected
	2023/24	2022/23
	£000	£000
Water and Sewerage	2	2,987
Household Contents Insurance	61	63
Heating	270	115

The Council acted as an agent on behalf of the North Wales region for the following grants. The portion of each grant relating to Flintshire County Council and included in the Council's CIES is also shown. In addition to the £1.950m funding received for the Bus Emergency Scheme/Bus Transition Fund (from July 2023), £5.150m was carried forward from 2022/23 as a receipt in advance. £0.367m is also owed from WG.

Grant title	Description	Funding received		FCC share		Admin fee received	
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
		£000	£000	£000	£000	£000	£000
Bus Services Support Grant	Support for bus and community transport services.	6,102	6,102	558	558	48	48
Bus Emergency Scheme/Bus Transition Fund	To keep local bus operators afloat by lost revenue due to the COVID-19 pandemic and further impacts of driver shortages and fuel costs.	1,950	0	1,271	994	100	100
Test, Trace, Protect	Ensure people can be tested quickly for COVID-19 and tracing of recent contact of anyone who tests positive.	0	3,011	0	1,436	0	62

## NOTES TO THE CORE FINANCIAL STATEMENTS

The Council also acts as an agent on behalf of Welsh and other Government departments in receiving and distributing various grants. These are summarised in the table below -

Grant title	Description	Funding received		Admin fee received	
		2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Childcare Offer Grant	Funding to provide free childcare for working parents of 3-4 year olds. Administered on behalf of Flintshire, Wrexham and Denbighshire.	3,491	9,639	352	337
Financial Recognition of Social Care Worker Scheme	£1,498 payment to care workers employed in eligible roles.	0	5,462	0	1
Statutory Sick Pay (SSP) enhancement scheme	Top-up of SSP to full pay for care workers when they can't work due to COVID-19.	0	154	0	0
Self-Isolation Support Payment Scheme	£500/£750 payment to individuals who are self-isolating as a result of exposure / potential exposure to COVID-19.	0	396	0	100
Income loss	Income loss claimed on behalf of Cambrian Aquatics, Aura Leisure & Libraries, NEWydd Catering & Cleaning Ltd, Holywell Leisure Centre and the Music Service.	0	90	0	0
Winter Fuel	£200 payment to eligible households to provide support towards paying their on-grid winter fuel bills.	96	3,095	0	60
Cost of Living Support Scheme	Funding to support households across Wales facing an unprecedented cost-of-living crisis, fuelled by soaring energy bills and household living costs.	0	6,871	0	233
Financial Support for Unpaid Carers	Payments to unpaid carers in receipt of Carers Allowance.	0	848	0	21
Energy Bills Support Scheme - Alternative Funding	Funding to provide support to households not eligible for the automatic Energy Bills Support Scheme (£400 payment paid by energy suppliers).	0	552	41	0
Alternative Fuel Payment - Alternative Fund	Funding to provide payments to households who use alternative fuel and who do not have a direct relationship with an electricity supplier to receive payment through the main scheme.	0	285	included with the Energy Bills Support Scheme admin fee	0
Ukraine Response Scheme - £200 emergency support payments, £350/£500 host support payments & £150 thank you payment top-ups	£200 payment per Ukrainian arrival. £350 (less than 12 months)/£500 (more than 12 months) per Ukrainian host per month. £150 top up host payments from WG when a Ukrainian arrival is less than 12 months (topped up from £350 to £500)	164	148	0	0

£0.003m of the funding received in 2022/23 for the Cost of Living Support Scheme was carried forward to 2023/24 as a receipt in advance. £0.002m of this funding was unspent and has been carried forward in the Council's Balance Sheet as a receipt in advance.

£0.552m of the funding received in 2022/23 for the Energy Bills Support Scheme-Alternative Funding was carried forward to 2023/24 as a receipt in advance and fully spent in year. £0.285m of the funding received in 2022/23 for the Alternative Fuel Payment-Alternative Fund was carried forward to 2023/24 as a receipt in advance, £0.097m was repaid and the remainder of the funds spent.



## NOTES TO THE CORE FINANCIAL STATEMENT

The Council also granted 75% (50% 2022/23) NDR rate relief to businesses in the retail, leisure and hospitality sectors. This rate relief was funded by Welsh Government and the Council's receipt from the NDR pool was not impacted. The Council's total receipt from the NDR pool was £50.840m (£55.650m in 2022/23). £4.089m (£3.055m 2022/23) was reimbursed to the Council for this rate relief. The Council also received £0.013m (£0.014m 2022/23) from WG for administering this relief.

### 33. OTHER FUNDS ADMINISTERED BY THE COUNCIL

In the Social Services portfolio, the Social Services for Adults Section maintain individual bank accounts for service users living in the community who are unable to manage their own financial affairs; individual members of the Deputyship team are approved to act as corporate appointee with the Department for Work and Pensions for each service user. The total amount held by the Council at 31<sup>st</sup> March 2024 was £6.823m in 392 separate accounts (£6.588m in 382 accounts in 2022/23).

The Social Services for Adults Section also manage bank accounts in relation to Supported Living Properties where service users live. The bank accounts are used to receipt housing benefit and any payments in relation to the property are paid from this bank account i.e. rent and utilities. The total amount held in these 47 accounts as at 31<sup>st</sup> March 2024 was £0.598m (£0.530m in 46 accounts in 2022/23).

### 34. CONTINGENT LIABILITIES

In accordance with the provisions of Part 2A of the Environmental Protection Act 1990 and the Council's Contaminated Land Inspection Strategy, sites within the county will be considered and the condition of each assessed in due course. The assessments may conclude that liability for carrying out some or all of any necessary remediation works will be the Council's responsibility.

The Council recognises that any future payments made by Municipal Mutual Insurance (MMI) will be made at the reduced rate of 75% and has created an earmarked reserve to fund that part of the remaining 25% that the Council in any future claim settled will need to fund. The projection of future claims is uncertain because of the latent nature of many of the claims that MMI is still receiving. The levy is subject to review at least once every 12 months by the scheme administrator.

Flintshire is the legislative successor body in respect of all abuse claims relating to the former Clwyd County Council. A number of claims continue to be brought by former children in care or accessing youth services. In some cases the Council's insurers were not on cover and so the Council may need to fund any such claim that is successful.

A small number of employees are claiming against the Council in Employment Tribunals which will be heard in the next financial year. Based on the outcome of the cases the Council could have to pay all, some or none of the claims.

The Council has set up various alternative service delivery models which has involved the transfer of Council employees to the new service providers. The Council has given pension guarantees to Newydd Catering and Cleaning Ltd, Aura Leisure and Libraries Ltd (Aura), Holywell Leisure Centre and the Theatr Clwyd Trust. These guarantees mean that if these bodies are unable to meet their pension obligations at a future point in time then the Council will assume responsibility for them.

A small number of Council tenants are claiming against the Council for housing disrepair. Based on the outcome of the cases the Council could have to pay all, some or none of the claims.

At any point in time the Council and its insurers will be responding to a number of insurance claims. The Council may have to pay all, some or none of these claims. The Council has an earmarked reserve set aside to fund these costs as they fall due for payment.

## NOTES TO THE CORE FINANCIAL STATEMENTS

An appeal has been made to the Council in relation to a noise abatement notice. The case will be heard in the next financial year and as a result the Council may have to pay all, some or none of the claim.

The Council is assessing the outcome and likely implications of a recent Supreme Court Judgement which may have a financial impact, due to the potential for an amendment to the holiday pay calculations for irregular hours workers, including those who are contracted to work term time only.

A judicial review has been made against the Council in relation to care home fees, which as a result the Council may have to pay all, some or none of the claim.

Discussions took place in March 2023 between WG and the Council as to the reasons for not achieving its statutory minimum waste recycling target. The Council has subsequently been instructed by WG to engage with the Waste and Resources Action Programme (WRAP) and Local Partnerships to review our waste strategy and develop a new action plan. Depending on the outcome of the review, the Minister will take a decision at that point whether to levy a fine.

From December 2023, the Renting Homes (Wales) Act 2016 brought into effect a change in rights for tenants and increased safety responsibilities for landlords. This has potential financial implications for the HRA, however this cannot be estimated at this stage. The Council is taking legal advice to clarify its responsibilities and any potential remedial actions.

### 35. CONTINGENT ASSETS

Section 106 of the Town and Country Planning Act 1990 allows legal agreements as part of planning approval that commits the developer to undertake works or in-kind contributions towards a variety of infrastructure or services. An affordable housing scheme called 'Shared Equity' is one such commitment, the developer makes a number of properties available for purchase by those on the affordable housing register at 70% of the market value. The remaining 30% share in the properties is transferred to the Council in the form of a legal charge against the property. At any point in the future the homeowner can redeem the Council's 30% share, or sell the property. The first call is a sale to others on the affordable housing register. If after a set period the property does not sell it can be sold on the open market. It is probable that the Council will benefit in the form of capital receipts in the future from these agreements, however the receipt must be used for the provision of affordable housing.

### 36. CRITICAL JUDGEMENTS AND ASSUMPTIONS MADE

In preparing the Statement of Accounts, the Council has had to make judgements, estimates and assumptions for certain items that affect the application of its policies and reported levels of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, current trends and other relevant factors that are considered to be reasonable and are used to inform the basis for judgements about the carrying values of assets and liabilities, where these are not readily available from other sources. However, because these cannot be determined with certainty, actual results could be materially different from those assumptions and estimates made.

The significant accounting estimates within the Statement of Accounts relate to non-current assets and the impairment of financial assets. Estimates and underlying assumptions are reviewed regularly. Changes in accounting estimates that result from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities, are reflected in adjustments of the carrying amount of an asset or a liability, or the rate of consumption of an asset. Changes to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## NOTES TO THE CORE FINANCIAL STATEMENTS

The critical accounting judgements made by the Council which have a significant effect on the financial statements are -

- Future levels of Government funding and levels of reserves – there is a high degree of uncertainty about future levels of funding for local authorities, in particular, the receipt of specific revenue and capital grants. The Council has set aside amounts in provisions, working balances and reserves which it believes are appropriate based on local circumstances, including its overall budget size, risks, robustness of budget estimates, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions and the Council's track record in financial management.
- Provisions – the Council is required to exercise judgement in assessing whether a potential liability should be accounted for as a provision or contingent liability. The Council also exercises judgement in calculating the level of provisions; they are measured at the Council's best estimate of the costs required to settle the obligation at the Balance Sheet date.
- Investment Properties – the Council classifies investment properties in accordance with the requirements of the Code of Practice, as being assets that are held solely for rental income or capital appreciation. Assessment of such properties involves exercising judgement, which could be subject to a difference in interpretation.
- Asset Valuations – the Council values its Housing Stock by estimating the 'Existing Use Value – Social Housing'. The valuation methodology applied is the Adjusted Vacant Possession Value (known as the Beacon Approach). There is currently no guidance in Wales that specifically defines the components within the methodology, some of which rely on professional judgements particular to local circumstances.

The approach values the asset based on the fair value (market value) assuming 'vacant possession' of the asset which is then adjusted to reflect the asset's use for social housing with a sitting tenant. The underlying principles of this approach are -

- A representative asset is normally used as the basis for valuing a set of similar assets.
  - The asset's fair value (market value) is determined from sales evidence relating to comparable properties. This provides a 'vacant possession' value.
  - The market value is adjusted by a factor to reflect the difference between private sector rents / yields and social housing rents / yields. This is intended to reflect the differential cash flows that would arise between the two types of landlord given that there is a sitting tenant in the property and that any development value is to be ignored as continuation of the existing use is assumed.
- Accounting for arrangements containing a lease (embedded leases) – during 2016/17 the Council entered into an arrangement where supply and maintenance of all vehicles, along with fleet management, would be undertaken by Essential Fleet Services (EFS). The Council has reviewed the appropriate accounting guidance, sought professional advice, and concluded that this arrangement contains embedded operating leases.
  - CATs – involve leasehold transfer (at nominal value) of specific Council assets to organisations with a social purpose who plan to use the assets for the benefit of the local community. The lease agreements have been considered; whilst operational risk and reward transfers to the community group, the Council's view is that the risk and reward of ownership remains with the Council and therefore the value of the assets have remained on the Council's Balance Sheet.
  - Theatr Clwyd and Leisure and Libraries property leases – involve leasehold transfer of specific Council assets to charitable, not-for-profit, organisations which are responsible for managing Theatr Clwyd and the majority of leisure centres and libraries previously operated directly by the Council. The lease agreements have been considered; whilst operational risk and reward transfers to the charitable organisation, the Council's view is that the risk and reward of ownership remains with the Council and therefore the value of the assets have remained on the Council's Balance Sheet. The classification of the assets have also remained consistent with prior years' treatment. They are recognised as operational property, plant and equipment, which aligns with the classification most suitable to the use of the assets when compared to other definitions of assets such as those of investment assets.

## NOTES TO THE CORE FINANCIAL STATEMENTS

The key sources of estimation uncertainty identified by the Council which have a significant effect on the financial statements are -

- Retirement benefit obligations – the Council recognises and discloses its retirement benefit obligation in accordance with the measurement and presentational requirements of IAS 19 “Employee Benefits”. The estimation of the net pension liability depends on a number of complex judgements and estimates relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. Changes in these assumptions can have a significant effect on the value of the Council’s retirement benefit obligation. Further detail assessing the sensitivities of estimates can be found in Note 43.
- Impairment of financial assets – the Council provides for the impairment of its receivables based on the age, type and recoverability of each debt. A reasonable estimate of impairment for doubtful debts and expected credit losses is provided for within the Council’s accounts at the Balance Sheet date, however in the current economic climate it is not certain that such an allowance would be sufficient.
- Property, plant and equipment – assets are depreciated over their useful life and reflect such matters as the level of repairs and maintenance that will be incurred in relation to individual types of asset, cost of replacement and, assuming prudent maintenance, an estimate of the unexpired useful life of the asset.
- Valuation techniques are used to determine the fair value of surplus assets, assets held for sale and investment properties. This involves developing estimates and assumptions consistent with how market participants would value such assets. As far as possible, assumptions are based on observable data. If observable data is not available the best information available is used. Thus, estimated fair values may vary from actual prices that would be achieved in an arm’s length transaction at the reporting date.
- Britain leaving the European Union – this continues to create uncertainty in the valuation of the Council’s assets and pension liability in the Council’s Balance Sheet due to volatility in financial markets, uncertainty in the economic outlook, supply chain disruption and higher energy prices. Currently there is no evidence to indicate that the assets of the Council are impaired or that the discount rate used to calculate the pension liability needs amending. This will be regularly reviewed. Further detail of the impact on the pension valuation can be found in Note 43.

### 37. PROVISION FOR REPAYMENT OF EXTERNAL LOANS

Section 22 of the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 requires the Council to set aside a minimum revenue provision (MRP) in respect of the financing of capital expenditure incurred in that year or in any financial year prior to that year.

	2023/24	2022/23
	£000	£000
Council Fund	4,704	4,436
HRA	1,681	1,610
Set aside from Capital Receipts	200	195
	<u>6,585</u>	<u>6,241</u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 38. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the following table (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement, a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The Council's capital financing requirement as at 31<sup>st</sup> March 2024 was £354.983m (£355.311m as at 31<sup>st</sup> March 2023).

	2023/24	2022/23
	£000	£000
<b>Capital Investment</b>		
Property, plant and equipment	63,184	49,992
Investment properties	217	71
REFCUS	6,407	4,950
	<u>69,808</u>	<u>55,013</u>
 <b>Sources of Finance</b>		
Capital receipts	(5,672)	(1,428)
Capital grants and contributions	(44,038)	(30,344)
Capital reserves / Capital Expenditure from Revenue Account (CERA)	(13,840)	(14,261)
	<u>(63,550)</u>	<u>(46,032)</u>
 <b>Increase/(decrease) in capital financing requirement</b>	<u>6,258</u>	<u>8,981</u>
 Increase in supported borrowing	4,025	4,022
Increase in other (unsupported) borrowing	2,233	4,959
	<u>6,258</u>	<u>8,981</u>

### 39. FUTURE CAPITAL COMMITMENTS

As at 31<sup>st</sup> March 2024, the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years. The major commitments, in excess of £1.000m, are shown below -

Contract Details	Contract Sum	Payments to 31 March 2024	Balance Outstanding
	£000	£000	£000
<b>Council Fund</b>			
New Welsh Medium Primary School, Flint	13,352	1,022	12,330
Croes Ati 2, Elderly People Home, Flint	18,000	3,799	14,201
Theatr Clwyd Redevelopment	37,800	17,038	20,762
B5129 - Shotton Bus Lanes Scheme	3,735	15	3,720
	<u>72,887</u>	<u>21,874</u>	<u>51,013</u>

Further to the commitments listed in the table above, the Council has the strategic aim of meeting the Welsh Government target for all social housing to be maintained to the Welsh Housing Quality Standard (WHQS). The Council's in-year programmed WHQS work schemes in line with the Housing Asset Management Strategy have been tendered and have agreed price schedules with contractors. The Council is under no commitment to refurbish any number of houses contractually.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 40. LEASING

#### Lessee Rentals

#### Finance Leases

The Council has acquired a number of items of vehicles, plant and equipment under finance leases. The assets acquired under these leases are carried as property, plant and equipment in the Balance Sheet at the net amount of £1.502m (£2.048m 2022/23).

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property, plant and equipment acquired by the Council, and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts -

	31 March 2024	Repaid	New	31 March 2023
	£000	£000	£000	£000
Finance lease liabilities (net present value of the minimum lease payments):				
Current	654	33	0	621
Non-current	1,474	(654)	0	2,128
	<u>2,128</u>	<u>(621)</u>	<u>0</u>	<u>2,749</u>
Finance costs payable in future years	305	(220)	0	525
Minimum lease payments	<u>2,433</u>	<u>(841)</u>	<u>0</u>	<u>3,274</u>

Minimum lease payments - the lowest amount that a lessee can expect to pay on a lease over its lifetime

Finance lease liabilities - the capital element of the minimum lease payments

Finance costs - the interest element of the minimum lease payments

The minimum lease payments and finance lease liabilities will be payable over the following periods -

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Not later than one year	818	841	654	621
Later than one year and not later than five years	1,614	2,433	1,474	2,128
Later than five years	0	0	0	0
	<u>2,432</u>	<u>3,274</u>	<u>2,128</u>	<u>2,749</u>

#### Operating Leases

Operating lease rentals paid are detailed below -

	2023/24	2022/23
Asset Classification	£000	£000
Land	79	65
Buildings	199	174
EFS Fleet Contract	3,879	3,020
Vehicles, plant and equipment	301	541
	<u>4,458</u>	<u>3,800</u>

## NOTES TO THE CORE FINANCIAL STATEMENTS

The minimum lease payments due under operating leases in future years are -

	Land £000	Buildings £000	EFS Fleet Contract £000	Vehicles, Plant & Equipment £000	Total £000
Not later than one year	39	205	360	186	790
Later than one year and not later than five years	152	579	0	126	857
Later than five years *	1,167	1,562	0	100	2,829
	<b>1,358</b>	<b>2,346</b>	<b>360</b>	<b>412</b>	<b>4,476</b>

\* Any open ended agreements are calculated to 2035/36 in line with the general average life of the longest leases

During 2016/17 the Council entered into an arrangement where supply and maintenance of all vehicles, along with fleet management, would be undertaken by EFS. This arrangement is considered to contain embedded leases, therefore payments to EFS are included in the figures above. It is not considered practical to split the payments into lease elements and non-lease elements, therefore the total payments are shown. The figures are adjusted to reflect the fact under this arrangement EFS are reimbursing the Council for existing vehicle leases until their expiry.

### Lessor rentals

#### Operating leases

The Council leases out land and property under operating leases. In 2023/24, lease rentals receivable amounted to £2.451m (£2.453m in 2022/23).

The minimum lease payments receivable under operating leases in future years are -

	Land £000	Buildings £000	Total £000
Not later than one year	413	1,989	2,402
Later than one year and not later than five years	1,626	7,274	8,900
Later than five years *	24,955	13,046	38,001
	<b>26,994</b>	<b>22,309</b>	<b>49,303</b>

\* Any open ended agreements are calculated to 2035/36 in line with the general average life of the longest leases

### Finance leases

The Council does not lease out any properties on finance leases.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 41. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 has introduced the following changes, amendments and interpretations to existing standards. They are mandatory for the Council's accounting periods beginning on or after 1<sup>st</sup> April 2024 or later periods and may require changes to accounting policies in next year's accounts, but the Council has chosen not to adopt them early.

- IFRS 16 (Leases) – will be mandatory for accounting periods beginning on or after 1<sup>st</sup> April 2024. The Council has decided not to adopt IFRS 16 in the 2023/24 year and therefore a disclosure has been included at the bottom of this note, as is the requirement for the 2023/24 financial statements, to outline the estimated impact of adopting this standard.
- Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- Amendments to IAS 1 – (Classification of Liabilities as Current or Non-current) – issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period,
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement ,
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- Amendments to IAS 1 (Non-current Liabilities with Covenants) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- Amendments to IAS 12 (International Tax Reform: Pillar Two Model Rules) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
  - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
  - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The adoption of IFRS 16 will have a material impact on the Council's financial statements. The value of the liabilities to be included in the Council's Balance Sheet within the 2024/25 financial statements has been estimated to be approximately £75.000m.



## NOTES TO THE CORE FINANCIAL STATEMENTS

### 42. FINANCIAL INSTRUMENTS

Financial instruments included in the Balance Sheet are made up of the following financial liabilities and assets -

Short term creditors (Note 17) includes a further £15.162m (£21.343m in 2022/23) that does not meet the definition required for inclusion as a financial instrument.

Short term debtors (Note 13) includes a further £60.115m (£63.686m in 2022/23) that does not meet the definition required for inclusion as a financial instrument.

	Long-term		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
<b>Financial liabilities at amortised cost</b>				
Principal	294,363	290,202	37,948	17,002
Accrued interest	0	0	6,256	2,906
<b>Borrowing</b>	<b>294,363</b>	<b>290,202</b>	<b>44,204</b>	<b>19,908</b>
Cash overdrawn	0	0	3,662	2,427
<b>Cash &amp; cash equivalents</b>	<b>0</b>	<b>0</b>	<b>3,662</b>	<b>2,427</b>
Finance leases	1,474	2,128	654	621
<b>Deferred liabilities</b>	<b>1,474</b>	<b>2,128</b>	<b>654</b>	<b>621</b>
Trade payables	565	0	33,636	35,518
<b>Within creditors</b>	<b>565</b>	<b>0</b>	<b>33,636</b>	<b>35,518</b>
<b>Total financial liabilities</b>	<b>296,402</b>	<b>292,330</b>	<b>82,156</b>	<b>58,474</b>
<b>Financial assets at amortised cost</b>				
Principal	3,659	3,659	5,000	5,000
Accrued interest	0	0	83	54
<b>Investments</b>	<b>3,659</b>	<b>3,659</b>	<b>5,083</b>	<b>5,054</b>
Cash & cash equivalents	0	0	34,518	29,947
Accrued interest	0	0	243	87
<b>Cash &amp; cash equivalents</b>	<b>0</b>	<b>0</b>	<b>34,761</b>	<b>30,034</b>
Trade receivables	49	49	17,659	15,424
Loans	11,753	11,950	0	0
<b>Within debtors</b>	<b>11,802</b>	<b>11,999</b>	<b>17,659</b>	<b>15,424</b>
<b>Total financial assets</b>	<b>15,461</b>	<b>15,658</b>	<b>57,503</b>	<b>50,512</b>

Within the cash and cash equivalent line on the Balance Sheet financial assets and liabilities are offset -

	31 March 2024	31 March 2023
	Net	Net
	Total	Total
	£000	£000
Financial assets - bank accounts in credit	34,761	30,034
Financial liabilities - cash overdraft	(3,662)	(2,427)
<b>Net position reported on Balance Sheet</b>	<b>31,099</b>	<b>27,607</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Material Soft Loans

Soft loans are those advanced at below market rates in support of the Council's service priorities. The loans to NEW Homes to build affordable homes for rent in Flintshire are deemed to be material soft loans. Movements in material soft loan balances during the year are -

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Opening carrying amount of soft loans	10,231	10,259
New loans made in year	0	0
Fair value adjustment on initial recognition	0	0
Interest accrued	(1)	(2)
Amounts repaid	(200)	(128)
Movement in discounted amount	103	102
	<b>10,133</b>	<b>10,231</b>

Soft loans have been valued by discounting the contractual payments at the estimated market rate of interest for a similar loan. The market interest rate has been derived using the European Commission's State Aid guidance.

The gains and losses recognised in the CIES in relation to financial instruments are made up as follows -

	<b>2023/24</b>		<b>2022/23</b>	
	<b>Financial Liabilities</b>	<b>Financial Assets</b>	<b>Financial Liabilities</b>	<b>Financial Assets</b>
	<b>Measured at Amortised Cost</b>		<b>Measured at Amortised Cost</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Interest expense	(14,129)	0	(13,592)	0
<b>Interest payable and similar charges</b>	<b>(14,129)</b>	<b>0</b>	<b>(13,592)</b>	<b>0</b>
Interest income	0	3,007	0	1,510
<b>Interest and investment income</b>	<b>0</b>	<b>3,007</b>	<b>0</b>	<b>1,510</b>
Net gain/(loss) for the year	<b>(14,129)</b>	<b>3,007</b>	<b>(13,592)</b>	<b>1,510</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Fair value of assets and liabilities carried at amortised cost

Financial assets and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Fair values of financial liabilities in the table below have been estimated by calculating the net present value of the remaining contractual cash flows at 31<sup>st</sup> March 2024, using the following methods and assumptions -

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- Discount rates for “Lender’s Option Borrower’s Option” (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of finance lease have been calculated by discounting the contractual cash flows (excluding non-lease elements) at the appropriate AA-rated corporate bond yield.
- No early repayment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

The fair values are calculated as follows, the fair value hierarchy is explained within the Council’s Accounting Policies.

	Fair Value Level	31 March 2024		31 March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		£000	£000	£000	£000
<b>Financial liabilities</b>					
PWLB	2	279,025	270,705	271,540	260,929
LOBOs	2	18,950	20,368	18,950	20,552
Lease payables	3	2,128	2,217	2,748	2,894
		<b>300,103</b>	<b>293,290</b>	<b>293,238</b>	<b>284,375</b>
<b>Financial assets</b>					
Certificates of deposits	2	0	0	0	0

The PWLB fair value is lower than the carrying amount because the Council’s portfolio of loans includes a number of fixed loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This commitment to pay interest below current market rates decreases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans. The opposite is the case for LOBOs, with the interest rates higher than the PWLB rates available at the balance sheet date, resulting in a higher fair value.

The Council is in receipt of Loans from the Salix Energy Efficiency scheme delivered by WG in partnership with Salix Finance and The Carbon Trust to provide interest free loans. The Council does not account for these loans as soft loans because the fair value adjustment is not material. This approach has also been taken for other WG loans.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Disclosure of nature and extent of risks arising from financial instruments

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Welsh Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost. These practices include financial risks such as credit risk, liquidity risk and market risk.

The Council's activities expose it to a variety of financial risks -

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by Flintshire County Council in the Policy Statement and Strategy. Flintshire provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

### Risk – liabilities

The Council has raised long term finance by either borrowing from the PWLB or the market via LOBOs.

- PWLB - this debt is fixed rate, hence there is interest rate risk. If rates fall in the future, the Council will be paying higher than the current market rate, however, it is considered more beneficial to have budget certainty on future payments of interest in a low interest rate environment. Liquidity risk is managed through the debt maturity profile and a prudential indicator which does not allow any more than 20% of debt to reach maturity in any one year.
- LOBOs - All LOBOs have a fixed rate of interest for a period of between 12 and 23 months followed by a further fixed rate for the period of the loan, however the loan can be recalled by the lender after a certain fixed period of time. LOBOs are used because they have an interest rate lower than PWLB and this is balanced against the risks of rates rising and the loan having to be repaid which results in re-financing risk at a time of higher interest rates.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Risk – loans and receivables

#### Long term investments -

- Investments of more than 1 year are referred to as non-specified investments because of the additional interest rate risk. There is a limit of £5m for long term investments and additional procedures for authorisation by the Corporate Finance Manager.
- Deposits with banks and building societies do carry some credit risk and this is managed by using three rating agencies. The Council uses the following criteria, and investments are made subject to the monetary and time limits shown.

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£4m	Unlimited
Secured investments *	25 years	£3m	Unlimited
Banks (unsecured) *	13 months	£3m	Unlimited
Building societies (unsecured) *	13 months	£3m	Unlimited
Registered providers (unsecured) *	5 years	£2m	Unlimited
Money market funds *	n/a	£4m	Unlimited
Strategic pooled funds	n/a	£1m	£5m
Real estate investment trusts	n/a	£1m	£1m
Other investments *	5 years	£2m	£10m

\* Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

The analysis below shows the financial effect of a 1% rise and fall in interest rates based on net borrowing as at 31<sup>st</sup> March 2024.

Impact of 1% rate rise			Impact of 1% rate fall		
£000			£000		
Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
0.017	(0.073)	(0.079)	0.129	0.263	0.268

#### Other receivables

Customers are required to make arrangements to pay outstanding monies due to the Council, based on their ability to pay. Customers are requested to complete a financial assessment form and are required to confirm in writing the amount agreed and the start date of the arrangement, and to make the Council fully aware of any circumstances surrounding their ability to pay which they wish to be taken into account in making the assessment.

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Loans to subsidiaries

The Council has committed to provide new affordable homes throughout the county to address the identified housing shortage. Loans have been granted to NEW Homes to build affordable homes for rent across the county at below market rates of interest. The loans will be repaid from rents. The Council wholly owns NEW Homes and exerts a high level of control over its activities with Cabinet required to approve its business plan each year. All property assets owned by NEW Homes are provided as security against the loans, at the balance sheet date the value of assets was higher than the value of the loans. All of which serves to mitigate the credit risk posed by NEW Homes failing to meet its obligations to repay the loans.

### 43. PENSIONS

#### Pensions – teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme a multi-employer defined benefit scheme, providing teachers with specified benefits upon their retirement. For accounting purposes it is treated as a defined contribution scheme as the Council is unable to identify its share of assets and liabilities with sufficient reliability. The scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate.

The Council contributes to the scheme by making contributions based on a percentage of teachers' pensionable salaries. In 2023/24 the Council paid £14.974m (£14.244m in 2022/23), which represents 23.68% (average) of teachers' pensionable pay (23.68% in 2022/23). The contributions due in 2024/25 are estimated to be £17.601m, 27.86% of teachers' pensionable pay.

The Council is not liable to the scheme for any other entities' obligations under the plan.

In addition, the Council is responsible for all pension payments relating to the award of discretionary post-retirement benefits on early retirements (also known as added years) it has awarded, together with the related increases, outside of the terms of the teachers' scheme. These are accounted for on a defined benefit basis as detailed in the following section.

#### Pensions - Other Employees

As part of the terms and conditions of employment of its officers the Council makes contributions towards the costs of post-employment benefits. Officers employed by the Council are members of the Local Government Pension Scheme (LGPS), the Clwyd Pension Fund, administered locally by Flintshire County Council. This is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Discretionary post-retirement benefits awarded on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when payments are made. There are no plan assets built up to meet these pension liabilities.

The Clwyd Pension Fund is operated under the regulatory framework for the LGPS and the governance of the scheme is the responsibility of the Clwyd Pension Fund Committee. Policy is determined in accordance with the Pension Fund Regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Further information regarding the Clwyd Pension Fund accounts and the Clwyd Pension Fund Annual Report are available from [mss.clwydpensionfund.org.uk](https://mss.clwydpensionfund.org.uk).

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Transactions relating to Retirement Benefits

The cost of retirement benefits is recognised in the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The transactions that have been made in the CIES and the Movement in Reserves Statement during the year are -

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
<b>CIES</b>				
<b>Service Expenditure Analysis</b>				
Current service cost	19,652	42,897	0	0
Past service cost/(gain)	48	37	0	0
Curtailments	129	107	0	0
<b>Other Operating Expenditure</b>				
Administration expenses	882	827	0	0
<b>Financing and Investment Income and Expenditure</b>				
Net interest expense	1,704	8,628	1,414	1,086
<b>Net charge to surplus / deficit on the provision of services</b>	<b><u>22,415</u></b>	<b><u>52,496</u></b>	<b><u>1,414</u></b>	<b><u>1,086</u></b>
<b>Other Comprehensive Income and Expenditure</b>				
<b>Remeasurement of the net defined benefit liability</b>				
Return on plan assets	37,577	(66,432)	0	0
Actuarial gains and (losses) - experience gain or (loss)	(4,577)	(129,204)	(181)	(3,054)
Actuarial gains and (losses) - financial assumptions	13,127	466,108	137	9,272
Actuarial gains and (losses) - demographic assumptions	11,283	34,046	497	1,510
Asset Ceiling Adjustment	(10,974)	0	0	0
FCC's share of Other Comprehensive Income and Expenditure relating to NWEAB	(5)	44	0	0
<b>Net charge to Other Comprehensive Income and Expenditure</b>	<b><u>46,431</u></b>	<b><u>304,562</u></b>	<b><u>453</u></b>	<b><u>7,728</u></b>
<b>Net charge to Comprehensive Income and Expenditure</b>	<b><u>68,846</u></b>	<b><u>357,058</u></b>	<b><u>1,867</u></b>	<b><u>8,814</u></b>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to surplus / deficit on the provision of services for retirement benefits in accordance with IAS 19	(22,415)	(52,496)	(1,414)	(1,086)
<b>Actual amount charged against the Council fund balance for pensions in the year</b>				
Employers' contributions payable to scheme	22,989	23,579	2,963	2,856
FCC's share of NWEAB charged against the Council Fund balance in year	5	74	0	0
<b>Net debit/(credit) to the Movement in Reserves Statement</b>	<b><u>579</u></b>	<b><u>(28,843)</u></b>	<b><u>1,549</u></b>	<b><u>1,770</u></b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Pensions assets and liabilities in relation to retirement benefits recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows -

	Present value of liabilities		Fair value of assets		Asset Ceiling Adjustment		Net liability arising from defined benefit obligation	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Local Government Pension Scheme	(837,377)	(825,989)	848,351	778,979	(10,974)	0	0	(47,010)
Discretionary Benefits Arrangements	(28,711)	(30,713)	0	0	0	0	(28,711)	(30,713)
	<b>(866,088)</b>	<b>(856,702)</b>	<b>848,351</b>	<b>778,979</b>	<b>(10,974)</b>	<b>0</b>	<b>(28,711)</b>	<b>(77,723)</b>
FCC's share of net liability relating to NWEAB							0	0
							<b>(28,711)</b>	<b>(77,723)</b>

The liabilities total reflects the underlying long-term commitments that the Council has in respect of retirement benefits due.

### Reconciliation of present value of the scheme liabilities -

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
1st April	825,989	1,145,430	30,713	40,210
Current service cost	19,652	42,897	0	0
Interest cost	38,985	31,745	1,414	1,086
Contributions by scheme participants	6,780	6,381	0	0
Actuarial (gains) and losses - experience gains or losses	4,577	129,204	181	3,054
Actuarial (gains) and losses - financial assumptions	(13,127)	(466,108)	(137)	(9,272)
Actuarial (gains) and losses - demographic assumptions	(11,283)	(34,046)	(497)	(1,510)
Benefits paid	(34,373)	(29,658)	(2,963)	(2,855)
Past service costs	48	37	0	0
Curtailments	129	107	0	0
<b>31st March</b>	<b>837,377</b>	<b>825,989</b>	<b>28,711</b>	<b>30,713</b>

### Reconciliation of fair value of the LGPS assets -

	2023/24 £000	2022/23 £000
1st April	778,979	822,818
Interest income	37,281	23,117
Administration Expenses	(882)	(827)
Return on plan assets	37,577	(66,432)
Employer contributions	22,989	23,580
Contributions by scheme participants	6,780	6,381
Benefits paid	(34,373)	(29,658)
<b>31st March</b>	<b>848,351</b>	<b>778,979</b>



## NOTES TO THE CORE FINANCIAL STATEMENTS

The LGPS's assets consist of the following categories -

	2023/24		2022/23	
	£000	£000	£000	£000
Equity investments:				
Global Quoted*	117,921		45,181	
Emerging Markets*	<u>0</u>		<u>39,728</u>	
		117,921		84,909
Bonds:				
Overseas Other	85,683		79,456	
LDI*	<u>223,965</u>		<u>214,219</u>	
		309,648		293,675
Property:				
UK*	35,631		41,286	
Overseas	<u>3,393</u>		<u>6,232</u>	
		39,024		47,518
Cash:				
Cash Instruments	<u>43,266</u>		<u>34,275</u>	
		43,266		34,275
Alternatives:				
Hedge Funds	41,569		56,086	
Private Equity	124,708		101,267	
Infrastructure	50,901		45,181	
Timber & Agriculture	3,393		3,895	
Private Credit	21,209		21,032	
DGF	<u>96,712</u>		<u>91,141</u>	
		338,492		318,602
		<u>848,351</u>		<u>778,979</u>

\* Denotes classes of assets that have a quoted market price in an active market.

The scheme maintains positions in a variety of financial instruments which exposes it to a variety of financial risks including credit risk, counterparty risk, liquidity risk, market risk and exchange rate risk. Risk management procedures are annually reviewed and focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The current policy is to lower risk by diversifying investments across asset classes, investment regions and fund managers.

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Mercer Human Resource Consulting Limited, an independent firm of actuaries; estimates for the Council are based on the latest full valuation of the scheme as at 31<sup>st</sup> March 2022. The significant assumptions used by the actuary are -

## NOTES TO THE CORE FINANCIAL STATEMENTS

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2023/24	2022/23	2023/24	2022/23
<b>Mortality Assumptions</b>				
Longevity at 65 for current pensioners -				
Men	21.0yrs	21.4yrs	21.0yrs	21.4yrs
Women	23.5yrs	23.8yrs	23.5yrs	23.8yrs
Longevity at 65 for future pensioners -				
Men	22.4yrs	22.9yrs	n/a	n/a
Women	25.3yrs	25.6yrs	n/a	n/a
Rate of inflation (Consumer Prices Index)	2.7%	2.7%	2.7%	2.7%
Rate of increase in salaries	4.0%	4.0%	n/a	n/a
Rate of increase in pensions	2.8%	2.8%	2.8%	2.8%
Rate for discounting scheme liabilities	4.9%	4.8%	4.9%	4.9%

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis shows the effect on the net liability by altering relevant assumptions, whilst assuming that all other variables remain the same. This approach is not necessarily realistic, since some assumptions are related; for example, if the scenario is to show the effect of higher than expected inflation, it might be reasonable to expect that nominal yields on corporate bonds will be higher too. However, the analysis isolates one effect from another.

	<b>£000</b>
Net liability arising from defined benefit obligation (excluding asset ceiling impact)	(17,737)
<u>Illustration of net liability -changes in actuarial assumption/investment return</u>	
Longevity (increase in 1 year)	(40,024)
Rate of inflation (increase by 0.25%)	(50,546)
Rate of increase in salaries (increase by 0.25%)	(11,588)
Discount Rate (increase by 0.5%)	44,311
Change in 23/24 Investment Returns (increase by 1%)	2,216
Change in 23/24 Investment Returns (decrease by 1%)	(14,704)

### Impact on cash flows

Regulations governing the scheme require actuarial valuation to be carried out every three years. Contributions for each employer are set having regard to their individual circumstances. The Regulations require the contributions to be set with a view to targeting the scheme's solvency, and the detailed provisions are set out in the Clwyd Pension Fund Funding Strategy Statement. The most recent valuation was carried out as at 31<sup>st</sup> March 2022, which showed a surplus of assets against liabilities of £125.000m at that date; equivalent to a funding level of 105%. The average recovery period of the scheme's employers is 12 years.

The total contributions expected to be made to the LGPS by the Council in the year to 31<sup>st</sup> March 2025 are £18.153m.

The duration of the defined benefit obligation for LGPS members is 17 years 2023/24 (17 years 2022/23).

## NOTES TO THE CORE FINANCIAL STATEMENTS

### Impact of 'McCloud' Judgement

The remedy for McCloud became law from October 2023. The key feature of the remedy is to extend the final salary scheme underpin to all members who were in a public sector scheme on or before 31<sup>st</sup> March 2012 and either remain active or left service after 1<sup>st</sup> April 2014. The estimated impact of the McCloud judgement has been included in the Council's accounts since 2018/19 in line with the remedy. It is the view of the actuary that no further adjustments are required in relation to McCloud.

### Virgin Media Court Case

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in June 2024 but the appeal was dismissed.

For the Local Government Pension Scheme, the Government Actuary's Department do not believe that there are any absent actuarial confirmations. Therefore, they do not expect any liability changes to arise following this judgement. The Government Actuary's Department will confirm that actuarial confirmations are available in due course.

### 44. EVENTS AFTER THE REPORTING PERIOD

The financial statements and notes have not been adjusted for the following events, which took place after 31 March 2024, as they provide information that is relevant to an understanding of the authority's financial position but do not relate to conditions at that date

Aura was established as a Community Benefit Society in 2017 to run the Council's leisure and libraries services. Aura have been eligible to receive grant funding from the Council and a funding agreement has been in place between the Council and Aura since 2017. The current funding agreements came to an end in October 2024. A new funding arrangement with Aura was not agreed and the Council has now set up a Local Authority Trading Company (LATC), Flintshire Libraries and Leisure Limited, to be responsible to deliver leisure and library services from November 2024. A estimate of the financial effect cannot be made.

## HOUSING REVENUE ACCOUNT - INCOME AND EXPENDITURE STATEMENT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Statement.

	2023/24		2022/23	
	£000	£000	£000	£000
<b>Expenditure</b>				
Repairs and maintenance		13,797		10,868
Management and supervision		5,375		6,218
Specialist services		2,415		1,902
Rents, rates, taxes and other charges		314		161
Depreciation and impairment of non-current assets		8,562		(6,395)
Debt management costs		47		38
Increase in bad debt provision		194		290
		<b>30,704</b>		<b>13,082</b>
<b>Income</b>				
Dwelling rents (gross)	38,787		36,783	
Non-dwelling rents (gross)	336		347	
		39,123		37,130
Charges for services and facilities		530		985
Reimbursement of costs		398		404
Contribution towards expenditure		2,722		314
		<b>42,773</b>		<b>38,833</b>
<b>Net cost of HRA services as included in the Council's CIES</b>		<b>(12,069)</b>		<b>(25,751)</b>
<b>Other Operating Expenditure</b>				
Net (gain) / loss on the disposal of non-current assets		(116)		(74)
Admin. expenses on the net defined benefit liability		54		49
<b>Financing and Investment Income and Expenditure</b>				
Interest payable and similar charges		5,121		4,902
Net interest on the net defined benefit liability		157		554
Movement in expected credit losses on financial assets		(20)		62
<b>Taxation and Non-Specific Grant (Income)</b>				
Capital grants and contributions receivable		(8,268)		(7,633)
<b>Total (surplus) / deficit for the year on HRA services</b>		<b>(15,141)</b>		<b>(27,891)</b>

## HOUSING REVENUE ACCOUNT - MOVEMENT IN RESERVES STATEMENT AND NOTES TO THE INCOME AND EXPENDITURE STATEMENT

This statement shows how the surplus/deficit on the HRA Income and Expenditure Statement for the year reconciles to the surplus/deficit for the year on the Statutory HRA.

	Note (from core notes)	2023/24 £000	2022/23 £000
<b>At 1st April</b>		<b>6,477</b>	<b>5,239</b>
Surplus/(deficit) on the HRA income and expenditure statement		15,141	27,891
<b>Total comprehensive income and expenditure</b>		<b>15,141</b>	<b>27,891</b>
Adjustments between accounting and funding basis under regulations	7	(14,316)	(26,653)
<b>Increase/(decrease) in year on the HRA</b>		<b>825</b>	<b>1,238</b>
<b>At 31st March</b>		<b>7,302</b>	<b>6,477</b>

### 1. LEGISLATION

The HRA, in accordance with the Local Government and Housing Act 1989, reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure - maintenance, rent rebates, administration - and capital financing costs, and how these are met by rents, subsidy and other income.

### 2. HOUSING STOCK

The type and number of dwellings were -

	31 March 2024 No.	31 March 2023 No.
Houses	4,113	4,107
Flats	1,436	1,408
Maisonettes	10	10
Bungalows	1,805	1,805
	<b>7,364</b>	<b>7,330</b>

### 3. RENT ARREARS

The rents total includes, in addition to the basic rent element, amounts due in respect of water/sewerage rates, heating charges, household insurance, communal television licences and value added tax on some garage rentals. These individual rent elements cannot be separately identified from the whole.

	31 March 2024 £000	31 March 2023 £000
<b>Analysis of arrears</b>		
<b>Rents</b>		
Current tenants	2,062	2,028
Former tenants	201	143
	<b>2,263</b>	<b>2,171</b>

## NOTES TO THE HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

	2023/24	2022/23
	£000	£000
<b>Provision for impairment losses (bad debts)</b>		
Opening provision	674	611
Written off in year	(192)	(284)
Increase in provision	175	347
	<b>657</b>	<b>674</b>

### 4. NON-CURRENT ASSET ACCOUNTING

#### Capital Expenditure and Financing

HRA capital expenditure was incurred as follows;

	2023/24	2022/23
	£000	£000
Council Dwellings	22,619	19,814
Assets Under Construction	748	4,096
Equipment	163	1,087
	<b>23,530</b>	<b>24,997</b>

Financed as follows -

	2023/24	2022/23
	£000	£000
Capital Grants & Contributions	9,571	9,203
Revenue Contributions	12,752	12,566
Borrowing	1,207	3,228
	<b>23,530</b>	<b>24,997</b>

#### MRA

Included within the capital grants and contributions total is the 2023/24 MRA allocation figure of £4.980m (£4.978m in 2022/23). The MRA allocation figure is included within the Taxation and Non-Specific Grant Income line in the CIES. This Welsh Government grant was fully used in 2023/24 in financing qualifying capital expenditure.

#### Capital Receipts

Gross capital receipts were realised by way of the disposal of dwellings, land sales, and shared ownership sales -

	2023/24	2022/23
	£000	£000
Shared ownership sales	171	105
Land sales	0	0
	<b>171</b>	<b>105</b>

## NOTES TO THE HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

### Depreciation

Straight line depreciation is provided for on all HRA non-current assets with a finite useful life, other than for non-depreciable land. The charge is based on the 2023/24 opening net balance sheet valuations (valuation list less cumulative depreciation), with assumed nil residual values.

	2023/24 £000	2022/23 £000
Dwellings	4,961	4,958
Garages	19	19
Other land & buildings	111	111
Plant and equipment	635	418
	<b>5,726</b>	<b>5,506</b>

### Impairment Losses and Revenue Expenditure Funded from Capital Under Statute

A HRA impairment adjustment total of £20.874m was accounted for in 2023/24 (£20.056m in 2022/23). No REFCUS was accounted for in 2023/24 (£0m in 2022/23).

### 5. HRA SHARE OF CONTRIBUTIONS TO / FROM PENSIONS RESERVE

The cost of retirement benefits is recognised in the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to the HRA is based on the employers' contributions made in year, so the real cost of retirement benefits is reversed out in the movement in reserves statement.

The HRA transactions in the comprehensive income and expenditure statement and the movement in reserves statement during the year are -

	2023/24 £000	2022/23 £000
<b>CIES</b>		
<b>Service Expenditure Analysis -</b>		
Current service cost	1,126	2,394
<b>Other Operating Expenditure -</b>		
Administration expenses	54	49
<b>Financing and Investment Income and Expenditure</b>		
Net interest expense	157	554
<b>Total HRA Charge</b>	<b>1,337</b>	<b>2,997</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to surplus / deficit on the provision of services for retirement benefits in accordance with IAS 19	(1,337)	(2,997)
<b>Actual amount charged against the HRA balance for pensions in the year:</b>		
Employers' contributions payable to scheme	1,408	1,400

## STATEMENT OF ACCOUNTING POLICIES

### General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31<sup>st</sup> March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended) which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise The Code supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### Accruals of Income and Expenditure

The revenue and capital accounts of the Council are prepared on an accruals basis. Sums are included in the final accounts to cover income or expenditure attributable to the year of account for goods received or work done, but for which payment has not been received/made by 31<sup>st</sup> March 2024. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. In particular, supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.

### Borrowing Costs

The Council has elected to adopt the adaptation by the Code in respect of IAS 23 which allows borrowing costs in respect of qualifying assets to be expensed rather than capitalised. Therefore, all borrowing costs are recognised as an expense as they are incurred.

### Capital Receipts

Capital receipts arise from the disposal of property assets and the repayment of advances, and are accounted for on an accruals basis; amounts not exceeding £0.010m from any disposal are treated as revenue income, in accordance with capital regulations. The balance of receipts which has not been used for capital financing purposes is included in the Balance Sheet as usable capital receipts.

### Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

### Charges to Revenue for Non-Current Assets

Service portfolios are charged with the following amounts to record the cost of holding fixed assets during the year -

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.



## STATEMENT OF ACCOUNTING POLICIES

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are, therefore, replaced by the contribution – MRP – in the Council Fund balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Council's MRP is calculated in accordance with the 2016/17 MRP Policy Statement agreed by Council in February 2016, subsequently amended in June 2016, February 2017, March 2018 and March 2021, set in accordance with Welsh Government Guidance on MRP. The Council's policy is as follows -

- Charge 2% of Council Fund debt outstanding, fixed at 31<sup>st</sup> March 2017, on capital expenditure incurred before 1<sup>st</sup> April 2008 and capital expenditure funded by supported borrowing between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2016 using the annuity method to the Council Fund.
- Capital expenditure incurred on or after 1<sup>st</sup> April 2008 funded by prudential borrowing, capital expenditure incurred on or after 1<sup>st</sup> April 2016 funded by supported borrowing, and all future debt funded capital expenditure will be repaid by an annual charge to the Council Fund based on the expected useful life of the asset using the annuity method.
- Charge 2% of HRA debt outstanding, fixed at 31<sup>st</sup> March 2021, on capital expenditure incurred before this date using the annuity method, and from the 1<sup>st</sup> April 2021 onwards using the annuity method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
- Capital receipts received from NEW Homes will be set aside to repay loans issued to NEW Homes in connection with affordable housing which have been classed as capital expenditure under statute.

In addition, the Council may pay off or replace loans earlier than originally planned as part of its debt management strategy, dependent upon prevailing market conditions, risk and financial benefit. A breakdown of MRP charged for the year is disclosed in Note 37.

### **Employee Benefits**

#### ***Benefits Payable during Employment***

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. flexi time, time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year.

The accrual is charged to Surplus or Deficit on the Provision of Services (but then reversed out through the Movement in Reserves Statement), so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### ***Termination Benefits***

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructure.

## STATEMENT OF ACCOUNTING POLICIES

When termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### ***Post Employment Benefits***

Employees of the Council are members of two separate pension schemes -

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The LGPS, Clwyd Pension Fund (administered by Flintshire County Council).

The schemes provide defined benefits to members (retirement lump sums and pensions) earned as employees work for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is, therefore, accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Education and Youth's portfolio service line in the CIES is charged with the employer's contributions payable to Teachers' Pensions in the year.

### ***The LGPS***

The Local Government Scheme is accounted for as a defined benefits scheme -

- The liabilities of the pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit actuarial cost method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the market yields at the reporting date on high quality corporate bonds.
- The assets of Clwyd Pension Fund attributable to the Council are included in the Balance Sheet at their fair value.
- The change in the net pensions liability is analysed into nine components -
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked.
  - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES.
  - Gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the CIES.

## STATEMENT OF ACCOUNTING POLICIES

- Net Interest on the net defined benefit liability – the net interest expense for the Council, the change during the period that arises from the passage of time – debited to the Financing and Investment Income and Expenditure line in the CIES. Calculated as interest on pension liabilities less the interest on assets. The value of liabilities is calculated by discounting the expected future benefit payments for the period between the expected payment date and the date at which they are being valued. Interest on assets is the interest on assets held at the start of the period and cash flows occurring during the period, calculated using the discount rate at the start of the year.
- Administration expenses – the costs of running the fund attributable to the Council, does not include investment management expenses – debited to Other Operating Expenditure line in the CIES.
- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve.
- Asset ceiling adjustment – reduces any net pensions asset to the calculated asset ceiling if this is lower than the asset position – charged to the Pensions Reserve.
- Contributions paid to the Clwyd Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund / HRA balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund / HRA of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

### ***Discretionary Benefits***

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any employee (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

### **Events After the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified -

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

## STATEMENT OF ACCOUNTING POLICIES

### **Fair Value Measurement**

The Council measures some of its non-financial assets such as surplus assets and investment properties and some financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assuming that -

- Transactions take place in the principal market, or the most advantageous market.
- Prices are set by market participants acting in their best economic interest.
- Non-financial assets will be used in their highest and best use by both buyer and seller.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which the fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows -

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset or liability.

### **Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

### ***Financial Liabilities***

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets with another entity that is potentially unfavourable to the Council.

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES, for interest payable, are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the CIES in the year of repurchase/settlement. However, where repurchase has taken place as part of restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted or added to the amortised cost of the new or modified loan and the write down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

## STATEMENT OF ACCOUNTING POLICIES

When premiums and discounts have been charged to the CIES regulations allow the impact on the Council Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or the discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### ***Financial Assets***

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual obligation to receive cash or another financial asset.

Financial assets are categorised based on a classification and measurement approach that reflects the Council's business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at -

- amortised cost,
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost.

### ***Financial Assets Measured at Amortised Cost***

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

The Council has granted loans to a wholly owned subsidiary, NEW Homes, at less than market rates (soft loans). When soft loans are made to subsidiaries, the difference is recorded as an additional long term investment in the Council's single entity Balance Sheet for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a higher effective rate of interest than the rate receivable from NEW Homes, with the difference serving to increase the amortised cost of the loan in the Council's single entity Balance Sheet. Statutory provisions require the impact of soft loans on the Council Fund Balance be the interest receivable for the financial year. The reconciliation of amounts credited to the CIES (at the higher effective interest rate) to the contractual rate of interest receivable required against the Council Fund Balance is managed by a transfer through the Capital Adjustment Account in the Movement in Reserves Statement.

Any gains or losses that arise on derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

## STATEMENT OF ACCOUNTING POLICIES

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. The Council applies the expected credit losses model on all of its financial assets held at amortised cost. The expected credit loss model also applies to lease receivables. The Council's financial assets have shared risk characteristics. The basis for the collective assessment of expected credit losses for the portfolio of financial assets is based on a matrix that uses historical default data for the portfolio, adjusted with relevant local information to adjust loss rates and any further intelligence for specific classes of financial asset where credit risk could increase. The loss allowance is calculated as a cumulative product of this matrix.

### **Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that -

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential realised using the grant or contribution are required to be consumed by the recipient as specified or must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (Grants Receipts in Advance).

When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **Heritage Assets**

Heritage assets are those assets that the Council intends to preserve in trust for future generations because of their cultural, environmental or historical associations. The Council's heritage assets include historical buildings, its archive (records office) collections, and museum collections.

#### ***Historical Buildings***

The Council's historical buildings are located primarily in the Greenfield Valley Heritage Park. Historical buildings are classified as operational or non-operational.

#### ***Operational***

If in addition to being held for their heritage characteristics, they are used for other activities or to provide other services; they are valued in the same way as other buildings of that general asset type, and accounted for as operational assets.

## STATEMENT OF ACCOUNTING POLICIES

### ***Non-Operational***

If held for their heritage characteristics only; they are valued in accordance with FRS 30 (Heritage Assets). Consideration has been given to the categorisation and valuation of these assets on the basis of their existing and any potential alternative use. The majority of these do not command a market value and given their nature such value cannot be made on replacement cost basis; as such, historical cost measurement is considered appropriate where records are held. In accounting for these assets, it is recognised that the acquisition of the majority of them pre-date the existence of the current administrative authority (i.e. pre 1996 Local Government Re-organisation), and thereby prevents the collection of accurate/total historical cost information for accounting purposes.

### ***Collections -***

#### ***County Archives***

The archives, ranging from a single piece of paper to thousands of documents, are held under a variety of terms, the most common ones being deposit (long-term loan), gift or purchase.

The majority of archives are held on deposit. No attempt has been made to assign a cash or insurance value to this irreplaceable historical and cultural heritage, although in cases where the archives have been purchased, records of their saleroom value at the time may exist. Obtaining a valuation of all the owned assets would be a lengthy, resource intensive and costly exercise, and any market value placed on these assets would not be a true reflection of the value of the assets to the County's heritage; the assets, if lost, could not be replaced or reconstructed. Consequently, the Council does not recognise these assets on the Balance Sheet.

A small number of items are artefacts rather than documentary material which forms the large majority of the holdings, and as such are exceptions. The Council considers it appropriate to insure the artefacts even though it does not own them; their historical insurance value is £174,415 and is not considered material for reporting/disclosure purposes.

#### ***County Museum***

The County Museum collection consists of about 6,800 items or groups of items. Of these approximately 260 are displayed at Mold Museum, 200 at Buckley Museum and a group of about 580 items are on loan to Greenfield Valley Trust. The remainder are held in an off-site store. The majority of the collection items have been donated. The vast majority of the collection cannot be valued because of its diverse and unique nature. Conventional valuation approaches lack sufficient reliability and the cost of obtaining the valuations for these items would be disproportionate in terms of the benefit derived. As with the County Archives collection, the Council does not recognise these assets on the Balance Sheet. The museum collections are managed by Aura under an SLA although remain under the ownership of the Council.

### ***Intangible Assets***

Intangible assets are non-monetary assets without physical substance. Expenditure on intangible assets is capitalised only where it is expected that future economic benefits will flow to, or service potential be provided to, the Council and where the cost of the asset can be measured reliably.

Development expenditure, or purchased software licences may meet the definition of intangible assets when access to the future economic benefits that they represent is controlled by the Council, either through custody or legal protection; a de minimis expenditure level of £0.020m below which the requirements of capital accounting will not be applied is in place.

Intangible assets are carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the CIES. Amortisation commences the first full year following acquisition / addition.

## STATEMENT OF ACCOUNTING POLICIES

The most common useful lives used in respect of amortisation are -

	Years
Software licences	5
Development expenditure	7

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation charges are not permitted to have an impact on the Council Fund Balance, and are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

### Interest Charges

External interest payable is charged to the CIES together with the amortisation of gains and losses on the repurchase or early settlement of borrowing carried forward in the Balance Sheet.

### Inventory

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of each type of inventory is measured in a different way; the measurements used in respect of the Council's main inventories are -

- Alltami Depot (grounds & vehicle maintenance and rock salt) Weighted average
- Alltami Depot (fleet fuel) FIFO (first in first out)

All other stock is measured at cost.

### Investments

Investments are shown in the Balance Sheet at fair value (market value) for each class of financial instrument.

Short term deposits and investments are included in the cash and cash equivalents rather than short term investments if they mature within 3 months of the acquisition date, under IAS 7.

### Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use.

Properties are not depreciated but are revalued annually reflecting market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account (and for any sale proceeds greater than £0.010m, the Capital Receipts Reserve).



## STATEMENT OF ACCOUNTING POLICIES

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance.

### **Joint Committees**

The Council recognises on the Balance Sheet the assets that it controls and the liabilities that it incurs from the activity of any service delivered in conjunction with other parties and reflects within the CIES the expenditure it incurs, and the share of income it earns from such.

### **Leases**

#### ***Finance Leases***

For a lease to be classified as a finance lease substantially all risks and rewards of ownership need to be borne by the Council. There are five examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease. These are -

- The lease transfers ownership of the asset to the lessee by the end of the lease term.
- The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value so as to make it reasonably certain the option will be exercised.
- The lease term is for the major part of the economic life of the asset.
- The present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset (the Council have determined 'substantially all' to equate to 90% as advised by their independent lease consultants); and
- The leased assets are of such a specialised nature that only the lessee can use them without major modifications.

Where substantially all risks and rewards of ownership of a leased asset are borne by the Council, the asset is recorded as property, plant and equipment and a corresponding liability is recognised.

The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The property, plant and equipment acquired under finance leases are depreciated over the life of the asset as per the depreciation accounting policy. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires.

The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability.

#### ***Operating Leases***

Leases that do not meet the definition of finance leases are accounted for as operating leases. Operating lease rentals are charged to revenue accounts, on an accruals basis, on a straight-line basis over the term of the lease.

Property leases are classified and accounted for as separate leases of land and buildings.

## STATEMENT OF ACCOUNTING POLICIES

### Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment that is deemed to enhance the value of an asset is initially capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Such assets are subsequently revalued in-year and impaired or revalued as appropriate to ensure they are held at the correct carrying value.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. A de minimis expenditure level of £0.020m below which the requirements of capital accounting will not be applied is in place.

### Measurement

Assets are initially measured at cost, comprising -

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets are then carried in the Balance Sheet using the following measurement bases -

- Council dwellings – current value, determined using the existing use value for social housing (EUV – SH).
- Infrastructure assets – depreciated historical cost.
- Vehicles, plant, furniture and equipment – depreciated historical cost.
- All other operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Community assets – historical cost and not depreciated.

## STATEMENT OF ACCOUNTING POLICIES

- Surplus assets – current value measurement is based on fair value, estimated at highest and best use from a market participant's perspective.
- Assets under construction – historical cost.

Where there is no market-based evidence of current value because of the specialist nature of an asset, DRC is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

### Revaluation

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. The Council meets this requirement by revaluing a proportion of the total asset portfolio as at 1<sup>st</sup> April each year; in 2023/24 approximately 24% of operational non-dwelling assets were revalued. Valuations are undertaken in accordance with the RICS Valuation – Global Standards 2017: UK national supplement. Valuations are carried out by the Council's in-house RICS valuers wherever possible, but in some cases external valuers are used.

The valuation methodology used for the HRA Housing Stock is the Beacon Approach, an adjusted vacant possession value technique based on the value of the property assuming vacant possession, with an adjustment factor to reflect continued occupation by a secured tenant. This methodology - the most widely adopted amongst local authorities in Wales - is the methodology that is most likely to produce consistent valuations of similar HRA properties in different local authorities. The current value of council dwellings is measured using existing use value–social housing (EUV–SH) as defined by RICS Valuation Standards, being the estimated amount for which a property should exchange (on the date of valuation) between a willing buyer and a willing seller, in an arm's-length transaction.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### Impairment

Assets are reviewed for impairment at the end of each reporting period to ensure that they are not carried at a value higher than their recoverable amount. Examples of impairment include a significant reduction in a specific assets value and evidence of physical damage (e.g. fire damage).

## STATEMENT OF ACCOUNTING POLICIES

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for as follows -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of any accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets with a finite useful life. An exception is made for assets without a determinable finite useful life and assets that are not yet available for use (i.e. assets under construction). Depreciation on new assets is charged from the first full year following addition in the case of all assets other than those acquired under finance leases, for which provision is made from the year of addition.

Depreciation is calculated on a straight line basis, assuming nil residual values for all property, plant and equipment, with the most common useful lives being -

	Years
Buildings	50
Fixtures, fittings and services	20-25
Vehicles, plant, furniture and equipment	3-10
Infrastructure assets	40

Council dwellings are depreciated by a sum equivalent to the MRA.

Assets capitalised under finance leases are depreciated over the life assigned to the asset by either the contract in place or, in the absence of this information being available, the Council's independent lease consultants as a result of their review of the lease.

Assets under construction are not depreciated until the asset is brought into use.

### Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item and whose estimated useful life is significantly different from the useful life of the main asset, the components are depreciated separately.

A de minimis materiality level of £2.500m for the asset value has been set, below which individual items of property, plant and equipment will not be considered for componentisation; significant components will be deemed as those whose current value is 20% or more of the total current value of the asset.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

## STATEMENT OF ACCOUNTING POLICIES

### **Derecognition of Property, Plant and Equipment**

An item of Property, Plant or Equipment is derecognised by disposal or when no future economic benefit or service potential is expected from its use.

### **Disposals and Non-Current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale once all of the following criteria are met -

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.
- The sale must be highly probable; the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset (or disposal group) must be actively marketed for a sale at a price that is reasonable in relation to its current fair value.

The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £0.010m are categorised as Capital Receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax or rents, as the cost of non-current assets is fully provided for under separate capital financing arrangements. Amounts are appropriated to the Capital Adjustment Accounts from the Council Fund Balance in the Movement in Reserves Statement.

## STATEMENT OF ACCOUNTING POLICIES

### Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of obligation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

#### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

#### Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

#### Schools

All of the Council's maintained schools are considered to be entities controlled by the Council. In line with the requirements of the code the Council accounts for its maintained schools within its single entity financial statements. This includes school income, expenditure, assets, liabilities, reserves and cash flows.

#### Non-Current Assets - Schools

Non-current assets of Community schools are owned by the Council and are included in the Balance Sheet.

## STATEMENT OF ACCOUNTING POLICIES

Voluntary Aided and Voluntary Controlled school buildings are owned by religious bodies and therefore are not recognised on the Balance Sheet. Any land and/or playing fields that are owned by the Council at Voluntary Aided / Controlled schools is included on the Balance Sheet. The Council's single Foundation school is owned by the governors of the school and is therefore included in the Balance Sheet.

### **Subsidiaries**

The Council wholly owns two companies, NEW Homes and Newydd Catering & Cleaning Ltd.

As the Council controls these entities the Code requires that their accounts are consolidated into the Council's group accounts. In the Council's single entity accounts, the interests in subsidiaries is recorded at cost.

### **Reserves**

Amounts set aside for purposes falling outside the definition of provisions are considered as reserves. They represent either a planned set-aside of cash to resource unforeseen expenditure demands in the short term, resources to assist cash flow management or accumulated resources which have not been spent or earmarked at the end of the accounting period. Transfers to and from Reserves are shown as appropriations in the Movement In Reserves Statement.

### **REFCUS**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year.

Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the levels of council tax or rent.

Examples of REFCUS expenditure are Disabled Facilities Grants, grants to businesses and private property enhancement schemes.

### **Value Added Tax (VAT)**

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

## GROUP ACCOUNTS

The Code requires that a local authority with material interests in subsidiaries, associates and joint ventures prepare Group Accounts in addition to its single entity accounts.

A subsidiary is an entity including an unincorporated entity such as a partnership that is controlled by another entity (the Council), known as the parent.

For Group Accounts purposes the Council has consolidated the accounts of two wholly owned subsidiaries of the Council -

- NEW Homes, and
- Newydd Catering & Cleaning Ltd.

The Council's other collaborative working arrangements have been reviewed against the requirements of the Code, and it has been determined that none of these arrangements require inclusion in Group Accounts.

The Group Accounts include -

- Group Movement in Reserves Statement
- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Cash Flow Statement

### NEW Homes

NEW Homes was established on 3<sup>rd</sup> April 2014 to own, lease and manage properties with the aim of increasing the quantity and quality of affordable housing across the County, whilst providing a professional service to landlords and tenants.

NEW Homes is a company limited by shares, wholly owned by the Council (1 at £1 par value), established under Section 95 of the Local Government Act 2003. The Council has a high level of control over NEW Homes as the single shareholder approving -

- the issue of share capital
- the distribution of trading surplus
- annual business plan
- any asset disposals
- any borrowing against assets
- appointment of directors to the board

Further information on NEW Homes is available on its website [www.northeastwaleshomes.co.uk](http://www.northeastwaleshomes.co.uk)

NEW Homes currently owns and manages 173 units across Flintshire. These are made up of a combination of new build schemes delivered through SHARP and properties acquired from developers through Section 106 agreements. 61 properties have been donated by private developers under Section 106 agreements to provide affordable housing. These agreements between developers and local planning authorities are negotiated as part of a condition of planning consent and enable local authorities to negotiate contributions towards a range of infrastructure and services, including affordable housing. The total value of these properties in the NEW Homes Balance Sheet is £11.990m. The remaining 112 properties are purchased (19 properties) and new build (93 properties) affordable homes for rent in Flintshire. The total value of these properties in the NEW Homes Balance Sheet is £19.894m.



## GROUP ACCOUNTS

The Council and NEW Homes enter into a nomination rights agreement in respect of each property, which entitles the Council to select every tenant, and uses this to house people on the Flintshire affordable housing register.

The NEW Homes Business Plan proposes to expand the company over the next two years. This will bring the total number of properties managed by NEW Homes to 247 by 2026/27.

### **Newydd Catering & Cleaning Ltd**

Newydd Catering & Cleaning Ltd a local authority trading company incorporated on 28<sup>th</sup> February 2017 as a company limited by shares with the Council owning all of the shares, 100 at £1 par value. The catering and cleaning service has been created with the objective to be more responsive to the demands of the market and be free to attract new customers outside of the Council.

The Council has a high level of control over Newydd Catering & Cleaning Ltd as the single shareholder approving -

- any strategic objectives and decisions
- any transfer or transmission of shares in the Company
- the retention or distribution of any financial surplus
- the issue by the Company of any shares in the capital of the Company, and the rights and/or restrictions of any shares.
- any borrowing against assets

Further information on Newydd Catering & Cleaning Ltd is available on its website [www.newydd.wales](http://www.newydd.wales).

### **Risk Management**

The relationship between the Council and its subsidiaries includes business plans which are developed by the subsidiaries being approved by the Council's Cabinet. This provides the Cabinet with the ability to understand the broad risk environment in which the subsidiaries operate, consider specific risks that the subsidiaries face and assess the way in which subsidiaries manage and mitigate those risks. This provides assurance to the Council that risks are appropriately managed and mitigated and that the Council's own exposure to risk is therefore minimised.

The performance of NEW Homes and Newydd Catering & Cleaning Ltd is scrutinised by the appropriate overview and scrutiny committee. The subsidiaries are subject to audit by the Council's internal audit team which also helps provide assurance that risk is being managed and that control mechanisms are in evidence and operating effectively.

### **Accounting Policies**

The accounting policies for the Group follow those adopted by Flintshire County Council in the single entity statements, as detailed on pages 74 to 89. Where the subsidiaries accounting policies are different, adjustments have been made on consolidation to align any differences in accounting treatment.

## GROUP MOVEMENT IN RESERVES STATEMENT

	Council Fund Reserves £000	Other Usable Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves of the Council £000	Subsidiary Reserves £000	Total Group Reserves £000
<b>At 31st March 2023</b>	49,720	40,766	90,486	576,599	667,088	11,005	678,093
Total comprehensive income and expenditure	22,734	15,141	37,875	87,243	125,118	7,595	132,713
Adjustments between group accounts and authority accounts	(8,199)	0	(8,199)	0	(8,199)	(5,672)	(13,871)
<b>Net increase/(decrease) before transfers</b>	<b>14,535</b>	<b>15,141</b>	<b>29,676</b>	<b>87,243</b>	<b>116,919</b>	<b>1,923</b>	<b>118,842</b>
Adjustments between accounting and funding basis under regulations	(25,978)	(21,159)	(47,137)	47,137	0	0	0
<b>Increase/(decrease) in year</b>	<b>(11,443)</b>	<b>(6,018)</b>	<b>(17,461)</b>	<b>134,380</b>	<b>116,919</b>	<b>1,923</b>	<b>118,842</b>
<b>At 31st March 2024</b>	<b>38,277</b>	<b>34,748</b>	<b>73,025</b>	<b>710,979</b>	<b>784,007</b>	<b>12,928</b>	<b>796,935</b>
	Council Fund Reserves £000	Other Usable Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves of the Council £000	Subsidiary Reserves £000	Total Group Reserves £000
<b>At 31st March 2022</b>	55,627	38,239	93,866	246,725	340,591	8,170	348,761
Total comprehensive income and expenditure	(23,001)	27,891	4,890	327,795	332,685	5,904	338,589
Adjustments between group accounts and authority accounts	(6,190)	0	(6,190)	0	(6,190)	(3,069)	(9,259)
<b>Net increase/(decrease) before transfers</b>	<b>(29,191)</b>	<b>27,891</b>	<b>(1,300)</b>	<b>327,795</b>	<b>326,495</b>	<b>2,835</b>	<b>329,330</b>
Adjustments between accounting and funding basis under regulations	23,285	(25,364)	(2,078)	2,078	0	0	0
<b>Increase/(decrease) in year</b>	<b>(5,906)</b>	<b>2,527</b>	<b>(3,378)</b>	<b>329,873</b>	<b>326,495</b>	<b>2,835</b>	<b>329,330</b>
<b>At 31st March 2023</b>	<b>49,720</b>	<b>40,766</b>	<b>90,489</b>	<b>576,599</b>	<b>667,088</b>	<b>11,005</b>	<b>678,093</b>

## GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2023/24			2022/23		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
<b>Service Expenditure Analysis</b>						
Chief Executive's	1,676	(89)	1,587	1,888	(65)	1,823
Education & Youth	161,391	(37,360)	124,031	180,978	(36,736)	144,242
Governance	14,764	(2,109)	12,655	16,574	(2,072)	14,502
Housing & Communities*	46,329	(38,576)	7,753	42,864	(39,106)	3,758
People & Resources	5,162	(574)	4,588	5,998	(475)	5,523
Planning, Environment & Economy	13,781	(6,364)	7,417	15,872	(7,066)	8,806
Social Services	136,773	(34,179)	102,594	126,723	(30,790)	95,933
Streetscene & Transportation	77,956	(28,156)	49,800	74,703	(25,424)	49,279
Central & Corporate Finance	5,468	(816)	4,652	6,905	(2,488)	4,417
Capital Programme & Assets**	30,086	(5,368)	24,718	21,055	(5,085)	15,970
HRA	30,704	(42,758)	(12,054)	13,082	(38,812)	(25,730)
<b>Cost of services</b>	<b>524,090</b>	<b>(196,349)</b>	<b>327,741</b>	<b>506,642</b>	<b>(188,119)</b>	<b>318,523</b>
Other Operating Expenditure			35,629			33,335
Financing and Investment (Income) and Expenditure			11,946			17,279
Taxation and Non-Specific Grant (Income)			(404,374)			(366,899)
<b>(Surplus)/deficit on the provision of services</b>			<b>(29,058)</b>			<b>2,238</b>
Tax expenses of subsidiary			52			(76)
<b>Group (surplus)/deficit</b>			<b>(29,006)</b>			<b>2,162</b>
(Surplus)/deficit arising on revaluation of non-current assets			(43,540)			(15,433)
(Surplus)/deficit arising on revaluation of available-for-sale financial assets			0			0
Tax relating to other comprehensive income			795			1,207
Actuarial (gains) or losses on pension assets and liabilities			(46,990)			(317,189)
<b>Total comprehensive (income) and expenditure</b>			<b>(118,741)</b>			<b>(329,253)</b>

\*2022/23 figures restated to exclude the Capital Programme & Assets service which is now separately disclosed.

\*\*2022/23 figures restated to combine the previously separately disclosed Strategic Programmes Service and elements previously included within the Housing & Communities portfolio.

## GROUP BALANCE SHEET

		31 March 2024		31 March 2023	
	Note	£000	£000	£000	£000
<b>NON-CURRENT ASSETS</b>					
<b>Property, Plant &amp; Equipment</b>					
Council dwellings		328,606		301,283	
Other land and buildings		528,241		497,759	
Vehicles, plant, furniture and equipment		19,907		20,413	
Surplus assets		3,327		4,319	
Infrastructure assets		156,361		156,994	
Community assets		5,524		5,408	
Assets under construction		44,705		16,160	
<b>Total Property, Plant &amp; Equipment</b>	<b>1</b>	<b>1,086,671</b>		<b>1,002,336</b>	
Investment properties and agricultural estate			29,340		29,092
Long term debtors			2,313		2,303
<b>NON-CURRENT ASSETS TOTAL</b>			<b>1,118,324</b>		<b>1,033,731</b>
<b>CURRENT ASSETS</b>					
Inventories		990		850	
Short term debtors (net of impairment provision)		77,390		78,869	
Short term investments		5,083		5,054	
Cash and cash equivalents		32,636		29,369	
Assets held for sale		513		306	
<b>CURRENT ASSETS TOTAL</b>			<b>116,612</b>		<b>114,448</b>
<b>CURRENT LIABILITIES</b>					
Borrowing repayable on demand or within 12 months		(44,204)		(19,908)	
Short term creditors		(48,461)		(56,887)	
Provision for accumulated absences		(4,151)		(6,722)	
Deferred liabilities		(654)		(621)	
Grants receipts in advance		(5,097)		(3,737)	
Provisions		(58)		(52)	
<b>CURRENT LIABILITIES TOTAL</b>			<b>(102,625)</b>		<b>(87,927)</b>
<b>NON-CURRENT LIABILITIES</b>					
Long term creditors		(1,185)		(1,140)	
Long term borrowing		(294,364)		(290,201)	
Deferred liabilities		(1,474)		(2,128)	
Provisions		(1,106)		(1,067)	
Other long term liabilities		(28,711)		(77,723)	
Grants receipts in advance		(4,123)		(6,268)	
Deferred Tax Liability		(4,412)		(3,632)	
<b>NON-CURRENT LIABILITIES TOTAL</b>			<b>(335,375)</b>		<b>(382,159)</b>
<b>NET ASSETS</b>			<b>796,936</b>		<b>678,093</b>

## GROUP BALANCE SHEET

	Note	31 March 2024		31 March 2023	
		£000	£000	£000	£000
<b>USABLE RESERVES</b>					
Capital receipts reserve		15,013		19,149	
Capital grants unapplied		12,435		15,142	
Council Fund		15,271		19,162	
Profit and Loss reserve		2,981		2,806	
Earmarked reserves		23,007		30,558	
HRA		7,301		6,477	
<b>USABLE RESERVES TOTAL</b>			<b>76,008</b>		<b>93,294</b>
<b>UNUSABLE RESERVES</b>					
Revaluation Reserve		241,258		208,280	
Capital Adjustment Account		516,775		465,567	
Financial Instruments Adjustment Account		(4,292)		(4,652)	
Pensions Reserve		(28,711)		(77,723)	
Deferred capital receipts		49		49	
Accumulated Absences Account		(4,151)		(6,722)	
<b>UNUSABLE RESERVES TOTAL</b>			<b>720,928</b>		<b>584,799</b>
<b>TOTAL RESERVES</b>			<b>796,936</b>		<b>678,093</b>

## GROUP CASH FLOW STATEMENT

	2023/24		2022/23	
	£000	£000	£000	£000
Net surplus or (deficit) on the provision of services	29,644		(1,588)	
Adjustment to surplus or deficit on the provision of services for non-cash movements	12,649		33,599	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<u>(42,798)</u>		<u>(33,033)</u>	
Net cash flows from operating activities		(505)		(1,022)
Net cash flows from investing activities	(20,513)		(17,114)	
Net cash flows from financing activities	<u>24,288</u>		<u>1,835</u>	
<b>Net increase or decrease in cash and cash equivalents</b>		<u>3,775</u>		<u>(15,279)</u>
		3,270		(16,301)
Cash and cash equivalents at the beginning of the reporting period		29,367		45,668
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>32,637</b>		<b>29,367</b>

## NOTES TO THE GROUP ACCOUNTS

### 1. PROPERTY, PLANT AND EQUIPMENT

	Flintshire County Council	NEW Homes	Newydd Catering & Cleaning Ltd	Group
	£000	£000	£000	£000
<b>Net Book Value at 31st March 2024</b>				
Council dwellings	328,606	0	0	328,606
Other land and buildings	499,539	28,702	0	528,241
Vehicles, plant, furniture and equipment	19,768	0	139	19,907
Surplus assets	3,327	0	0	3,327
Infrastructure assets	156,361	0	0	156,361
Community assets	5,524	0	0	5,524
Assets under construction	44,705	0	0	44,705
	<b>1,057,830</b>	<b>28,702</b>	<b>139</b>	<b>1,086,671</b>

	Flintshire County Council	NEW Homes	Newydd Catering & Cleaning Ltd	Group
	£000	£000	£000	£000
<b>Net Book Value at 31st March 2023</b>				
Council dwellings	301,283	0	0	301,283
Other land and buildings	471,601	26,159	0	497,760
Vehicles, plant, furniture and equipment	20,212	0	201	20,413
Surplus assets	4,319	0	0	4,319
Infrastructure assets	156,994	0	0	156,994
Community assets	5,408	0	0	5,408
Assets under construction	16,160	0	0	16,160
	<b>975,977</b>	<b>26,159</b>	<b>201</b>	<b>1,002,337</b>

# INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF FLINTSHIRE COUNTY COUNCIL

## Opinion on financial statements

I have audited the financial statements of:

- Flintshire County Council; and
- Flintshire County Council's Group

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

Flintshire County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Movement in Reserves Statement, the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

Flintshire County Council's Group financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Flintshire County Council and Flintshire County Council's Group as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

## Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Flintshire County Council and the group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Flintshire County Council and the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.



# INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF FLINTSHIRE COUNTY COUNCIL

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## Matters on which I report by exception

In the light of the knowledge and understanding of Flintshire County Council, the group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

## Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10 of the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including Flintshire County Council's Group financial statements, which give a true and fair view and comply with proper practices;

## INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF FLINTSHIRE COUNTY COUNCIL

- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing Flintshire County Council and the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Flintshire County Council and the group will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Council's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Flintshire County Council and group's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals, bias in accounting estimates and significant transaction outside the normal course of business.
- Obtaining an understanding of Flintshire County Council and group's framework of authority as well as other legal and regulatory frameworks that Flintshire County Council and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Flintshire County Council and group.
- Obtaining an understanding of related party relationships

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

## INDEPENDENT AUDITOR'S REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF FLINTSHIRE COUNTY COUNCIL

- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Flintshire County Council and group's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Flintshire County Council and group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton  
Auditor General for Wales  
November 2024

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

2023/24

Flintshire County Council  
Our Approach to the Annual Governance Statement  
Enclosure 1

## ANNUAL GOVERNANCE STATEMENT

### What is the purpose of this document?

This document outlines our approach to the assessment of the Council's governance arrangements and the completion of the Annual Governance Statement. This document 'Our approach to Approach to the Annual Governance Statement' (Enclosure One) explains:

- What Governance is;
- What is the Annual Governance Statement;
- How has the Annual Governance Statement been prepared;
- What are the key principles of the Corporate Governance arrangements;
- Contributors to effective Governance arrangements; and
- How have we monitored and evaluated the effectiveness of our governance arrangements

The outcome of our assessment identifying areas of best practice and areas for further improvement is detailed within the document Annual Governance Statement 2023/24 – Part 2

### What is Governance?

“Governance is at the heart of public services. It underpins how resources are managed, how decisions are made, how services are delivered and the impact they have, now and in the future. It also infuses how organisations are led and how they interact with the public. Governance needs to be robust, but it must also be proportionate. Well-governed organisations are dynamic and take well-managed risks; they are not stagnant and bureaucratic.”<sup>1</sup>

The governance arrangements comprises the culture, values, systems and processes by which an organisation is directed and controlled. The arrangements bring together an underlying set of legislative requirements, good practice principles and management processes.

Flintshire County Council acknowledges its responsibility for ensuring that there is a sound system of governance. We have developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on our website. A summary of the principles upon which it is based can be found later in this document.

Our governance arrangements supports our aim as a modern public body which has the **philosophy** of operating as a social business which refers to it:

- being lean, modern, efficient and effective;
- being designed, organised, and operated to meet the needs of communities and the customer; and
- working with our partners to achieve the highest possible standards of public service for the well-being of Flintshire as a County

To meet these aspirations, we have set the **standards** of:

- achieving excellence in corporate governance and reputation;
- achieving excellence in performance against both our own targets and against those of high performing peer organisations;
- being modern and flexible, constantly adapting to provide the highest standards of public, customer, and client service and support;
- using its four resources - money, assets, people, and information - strategically, effectively and efficiently; and
- embracing and operating the leanest, least bureaucratic, efficient, and effective business systems and processes

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<sup>1</sup> Wales Audit Office: “Discussion Paper: The governance challenges posed by indirectly provided, publicly funded services in Wales” 2017

## ANNUAL GOVERNANCE STATEMENT

To achieve these standards, our **behaviours** are:

- showing strategic leadership both of the organisation and our partnerships;
- continuously challenging, reviewing, changing and modernising the way we do things;
- being as lean and un-bureaucratic as possible;
- using new technology to its maximum advantage; and
- using flexible working to its maximum advantage

We are committed to the **principles** of being:

- a modern, fair and caring employer;
- fair, equitable and inclusive in its policies and practices; and
- conscientious in planning and managing its activities, and making decisions, in a sustainable way

We are committed to specific values and principles in working with our key partners and partnerships. These cover strategic partnerships such as the Public Services Board and with the third sector such as agreeing a set of Voluntary Sector Funding principles.

## ANNUAL GOVERNANCE STATEMENT

### What is the Annual Governance Statement?

We are required by the Accounts and Audit (Wales) Regulations 2018 to prepare a statement on internal control. Alongside many authorities in Wales, we refer to this as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- acknowledge our responsibility for ensuring that there is a sound system of governance;
- summarise the key elements of the governance arrangements and the roles of those responsible for the development and maintenance of the governance environment;
- describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- provide details of how we have responded to any issue(s) identified in last year's governance statement; and
- report on any governance issues identified from this review and provide a commitment to addressing them.

The Annual Governance Statement reports on the governance arrangements that has been in place at Flintshire County Council for the financial year 2023/24 and up to the date of approval of the Annual Statement of Accounts.



## ANNUAL GOVERNANCE STATEMENT

### How has the Annual Governance Statement been prepared?

The initial review of our governance arrangements was carried out by the Corporate Governance Working Group. This group worked with each corporate Chief Officer and also for some specific governance functions such as finance, human resources and legal. Our approach was based on the seven principles that follow in the main part of this document and were assessed to identify any areas for improvement. A challenge workshop for Governance and Audit Committee members was held to go through the initial scores of the Annual Governance Statement and a Questionnaire summarising these from the workshop were completed by some cabinet and Chairs of Overview and Scrutiny committees members.

The preparation and content of this year's governance arrangements has been considered by the statutory officer's, with assurance support from Internal Audit, Governance & Audit Committee and Audit Wales. We recognise that our governance arrangements cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

In preparing the Annual Governance Statement, we have:

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- reviewed the Council's existing governance arrangements against the Local Code of Corporate Governance.
- updated the Local Code of Corporate Governance where necessary, to reflect changes in the Council's governance arrangements and the requirements of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities.
- assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period.
- Considered the findings in the Corporate Self-Assessment

The Chief Officer Team, which is led by the Chief Executive, have also considered the governance issues and principles facing the Council. These are evidenced in the Annual Governance Statement (Part 2) from Page 122 of the document. Principles assessed as needing further improvement are detailed in the Annual Governance Statement from Page 136.

Our Governance & Audit Committee provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. As part of this role the Committee reviews and approves the Annual Governance Statement. The Governance and Audit Committee were also asked to consider and comment on the progress made on the last Annual Governance Statement and any further matters to be considered. They expressed general satisfaction with the Annual Governance Statement.

The five Overview & Scrutiny Chairs have also considered and commented on issues within the remit of their respective committees as well as Cabinet members. They expressed general satisfaction and agreement with the findings of the with the Annual Governance Statement.

## ANNUAL GOVERNANCE STATEMENT

### What are the key principles of the Corporate Governance Arrangements?

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. The seven key principles are:

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Principle B	Ensuring openness and comprehensive stakeholder engagement
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Principle E	Developing our organisation's capacity, including the capability of its leadership and the individuals within it
Principle F	Managing risks and performance through robust internal control and strong public financial management
Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Please note whilst the Code refers to an 'entity' for the purpose of greater clarity we have replaced this with 'our organisation'.

## ANNUAL GOVERNANCE STATEMENT

### Contributors to an effective Governance Arrangements

Council	<ul style="list-style-type: none"> <li>• Approves the Council Plan</li> <li>• Endorses the Constitution</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>• Primary decision making body of the Council</li> <li>• Comprises of the Leader of the Council and Cabinet Members who have responsibility for specific portfolios</li> </ul>
Governance & Audit Committee	<ul style="list-style-type: none"> <li>• Help raise the profile of internal control, risk management and financial reporting issues within the Council, as well as providing a forum for the discussion of issues raised by internal and external auditors</li> </ul>
Standards Committee	<ul style="list-style-type: none"> <li>• Standards Committee promotes high standards of conduct by elected and co-opted Members and monitors the operation of the Members' Code of conduct</li> <li>• Constitution &amp; Democratic Services Committee considers and proposes changes to the Constitution and the Code of Corporate Governance</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>• Track efficiencies, highlighting risk and mitigating actions to achievement</li> <li>• Consider the robustness of efficiency planning and forecasting and consider resourcing of planned delivery</li> </ul>
Overview & Scrutiny Committees	<ul style="list-style-type: none"> <li>• Review and scrutinise the decisions and performance of Council, Cabinet, and Committees</li> <li>• Review and scrutinise the decisions and performance of other public bodies including partnerships</li> <li>• Assists the Council and Cabinet in the development of the Budget and Policy framework by in-depth analysis of policy issues</li> <li>• Established the Chair/Vice Chair Liaison Group</li> </ul>
Chief Officer Team & Service Managers	<ul style="list-style-type: none"> <li>• Set governance standards</li> <li>• Lead and apply governance standards across portfolios</li> <li>• Undertake annual self-assessment</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Provide an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements</li> <li>• Investigates fraud and irregularity</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### How we monitored and evaluated the effectiveness of our governance arrangements?

On an annual basis, we review the effectiveness of our governance arrangements including the system of internal control. The key elements of assurance that inform this governance review are detailed below:

Chief Officers Team	Monitoring Officer	Section 151 Officer	Information Governance	Internal Audit
<ul style="list-style-type: none"> <li>Corporate oversight and strategic planning</li> <li>Annual Corporate Governance Assessment</li> <li>Implement and monitor regulatory and other governance protocols</li> </ul>	<ul style="list-style-type: none"> <li>Legal and regulatory assurance</li> <li>Monitors the operation of the Constitution</li> <li>Ombudsman investigations</li> <li>Designated Senior Information Risk Owner (SIRO)</li> </ul>	<ul style="list-style-type: none"> <li>Proper administration of the Council's financial affairs</li> </ul>	<ul style="list-style-type: none"> <li>The Monitoring Officer is designated as our Senior Information Risk Owner (SIRO)</li> <li>The Information Governance Manager is our Data Protection Officer (DPO)</li> <li>Information Compliance including associate policies, procedures and systems (Data Protection, Freedom of Information)</li> <li>Information Security, Information Standards &amp; Records Management</li> </ul>	<ul style="list-style-type: none"> <li>Annual opinion report on adequacy of internal controls, risk management and governance arrangements</li> <li>Internal Audit plan and report tracking / performance by Audit Committee</li> <li>Provision of advice &amp; consultancy</li> </ul>
Overview & Scrutiny Committees	Governance & Audit Committee	Risk Management	External Audit / Inspections	Counter Fraud
<ul style="list-style-type: none"> <li>Policy review and challenge</li> <li>Overview &amp; scrutiny of topics</li> <li>Corporate &amp; Portfolio Performance &amp; Risk monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Self-assessment of Governance &amp; Audit Committee</li> <li>Review effectiveness of internal and external audit</li> <li>Consider the adequacy of the internal control, risk management and Governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management Framework and procedure</li> <li>Quarterly monitoring and reporting of Strategic Risks to Cabinet, Overview and Scrutiny Committees and Governance and Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Financial statements audit</li> <li>Thematic &amp; national reviews</li> <li>Other external inspections</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Fraud and Corruption &amp; Whistleblowing arrangements</li> <li>Codes of Conduct for Officers and Members</li> <li>Financial and Contract Procedure Rules</li> </ul>

# ANNUAL GOVERNANCE STATEMENT

## Flintshire County Council Corporate Governance Arrangements

### Public Key Documents: Annual Review / Production

- Annual Governance Statement
- Annual Outturn Finance Report
- Annual Performance Report
- Annual Information Governance Statement
- Capital Strategy and Asset Management Plan
- Code of Corporate Governance
- Code of Ethical Practice on Procurement
- Contract Procedure Rules
- Council Plan
- Digital Strategy
- Equal Pay Audit (Gender Pay Reporting)
- Financial Procedural Rules
- Medium Term Financial Strategy
- Members' Allowance Scheme
- Overview and Scrutiny Annual Report
- People Strategy
- Portfolio Business Plans
- Public Services Board Wellbeing Plan
- Statement of Accounts
- Strategic Equality Plan
- Strategic Risk Register
- Treasury Management Strategy
- Annual Audit Report
- Pay Policy Statement

### Key Documents: Ad-hoc Review / Production

- Anti-Fraud Work plan
- Business Continuity Plans
- Communications Principles
- Constitution
- Digital Strategy
- Data Protection Policy
- Equality and Diversity Policies
- Employment Policies
- Health & Safety Policies
- Internal/External Audit Protocol
- IT Policies
- Members Code of Conduct
- Officers Code of Conduct
- Procurement Strategy
- Social Media Policy
- Welsh Language Standards
- Whistle Blowing Policy

### Contributing Processes Regulatory Monitoring

- Appraisal and Supervision
- Attendance management
- Governance & Audit Committee
- Budget Monitoring Reports
- Comments, Complaints and Compliments
- Corporate Governance
- Corporate Health & Safety
- Council (Plan) Governance arrangements
- Council Meetings
- Engagement and Consultation
- External Audit
- Flintshire County Council website
- Inspectorate Reports
- Induction (Corporate and Service)
- Internal Audit
- Job Descriptions / Person Specifications
- Manager Toolkits
- Member Training
- Monitoring Officer
- Partnership Self Assessments
- Performance Management
- Risk Management
- Scrutiny arrangements
- Your Council newsletter

**2023/24**

Flintshire County Council  
Annual Governance Statement  
Enclosure 2

### What is the Purpose of this Document?

This document details our assessment against the Council's Corporate Governance arrangements and identifies the areas of best practise and areas for further improvement. The document explains:

- What is the Annual Governance Statement (AGS)?
- Comparison of the Effectiveness of the Council's Governance arrangements
- Key principles of the Corporate Governance arrangements and our statement:
  - Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
  - Principle B - Ensuring openness and comprehensive stakeholder engagement
  - Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Principle E - Developing our organisations capacity, including the capability of our leadership and the individuals within it
  - Principle F - Managing risks and performance through robust internal control and strong public financial management
  - Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- How have we addressed the governance and strategic issues from 2022/23 AGS
- What are the governance issues identified during 2023/24
- What are the strategic issues identified during 2023/24
- Certification of the Annual Governance Statement

## What is the Annual Governance Statement?

The Accounts and Audit (Wales) Regulations 2018 require us to prepare a statement on internal control. Like many authorities in Wales, this is referred to as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- Acknowledge our responsibility for ensuring that there is a sound system of governance;
- Summarise the key elements of that governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- Describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- Provide details of how we have responded to any issue(s) identified in last year's governance statement;
- Report on any governance issues identified from this review and provide a commitment to addressing them; and
- In referring to the Council, this includes its group relationship with other entities such as New Homes and Newydd

The Annual Governance Statement reports on the governance framework that has been in place at Flintshire County Council during the financial year 2023/24 and up to the date of approval of the Statement of Accounts.



## Independent Assurance

### Audit Wales Annual Audit Summary

The Annual Audit Summary sets out the audit and regulatory work completed by Audit Wales of Flintshire County Council since the last annual report which was published in March 2023. Overall, the Auditor General for Wales has reached a positive conclusion. No formal recommendations have been made during the year and proposals for improvement have arisen from the national and local reviews undertaken. The Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 12 April 2024, after the deadline agreed with the Welsh Government of 30 November 2023. The audit was delivered later than in previous years mainly due to the impact of new auditing standard requirements.

Our Annual General Meeting of Council was held on 4<sup>th</sup> May 2023, at which point the five committee Overview and Scrutiny structure was agreed.

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### Internal Audit Annual Opinion

*"For the year ending 31 March 2024, based on the work the Internal Audit Service has undertaken my opinion is that Flintshire County Council has, overall, an adequate and effective framework of governance, risk management and internal control".* Internal Audit, Performance and Risk Manager, Flintshire County Council.

### Governance and Audit Committee

The Governance and Audit Committees is a key component of an authority's governance arrangements. They provide independent and high-level focus on the adequacy of Council's governance, risk, and control arrangements. In accordance with CIPFA's best practice, there is a requirement for the Governance and Audit Committee to be held to account by the Council for the work they undertake. To support this the Governance and Audit Committee presented its Annual Report to Council in December 2023 where it confirmed the Committee had fulfilled its duties in accordance with their Terms of Reference, separately assessed their effectiveness as a Committee and established an action plan to support the Committee, its new members and continuous improvement.

## Chief Finance Officer Statement on Compliance with the Financial Management Code

The CIPFA Financial Management Code (CIPFA FM Code) sets out the principles by which authorities should be guided in managing their finances. It has been developed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The CIPFA FM Code sets out the specific standards that authorities should, as a minimum seek to achieve.

The Code is based on a series of principles including the CIPFA Statement of Principles of Good Financial Management. These principles are the benchmarks for authorities to measure the effectiveness of their financial management and sustainability to enable authorities to:

- financially manage the short, medium- and long-term finances of a local authority;
- manage financial resilience to meet foreseen demands on services; and
- financially manage unexpected shocks in their financial circumstances.

The specific principles within the code include the elements of Organisational Leadership, Accountability, Transparency, Professional Standards, Assurance, and Sustainability.

Each local authority must demonstrate that the requirements of the Code are being satisfied.

As Section 151 Officer I have the Statutory Responsibility (supported by the Chief Officer Team and Elected Members) for ensuring compliance with the CIPFA FM Code.

As part of the annual review of the Annual Governance Statement I have reviewed our previous assessment of Flintshire's compliance with the CIPFA FM Code and I can confirm that in my opinion Flintshire is still compliant with the code in the majority of areas.

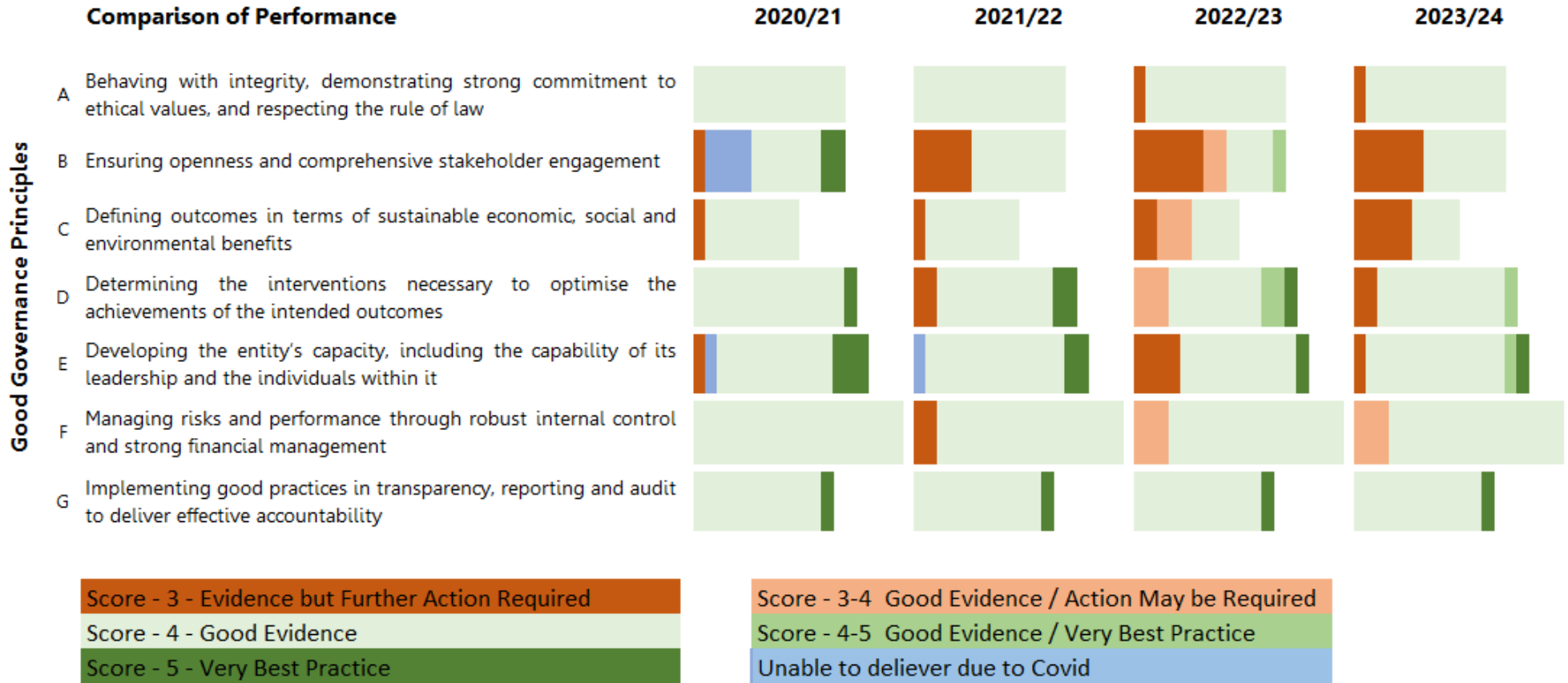
**However, the assessment recognises that, due to the continuing financial challenges for all local authorities, the following areas will require continual review and improvement:**

- The absence of any indicative Welsh Government funding settlement for 2025/26 and beyond presents significant challenges and uncertainty and requires a prudent approach whilst urgently prioritising our budget planning requirements
- As part of the above develop the latest Medium Term Financial Strategy and begin considerations early on options for ensuring a sustainable budget including exploring any opportunities for transformation of services over the medium term.
- Ensure compliance with the process for increased engagement for services in contributing to and signing off method statements for both pressures and cost reductions.
- To review and develop a future approach to budget consultation as part of Stakeholder Engagement.

ANNUAL GOVERNANCE STATEMENT

Comparison of the Effectiveness of the Council’s Governance Framework

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There will not be a separate action for those scored 3-4 if the issue has already been covered by actions to address those scored a 3

## ANNUAL GOVERNANCE STATEMENT

### Areas of Very Best Practice (Score of 4/5 and 5):

- (D48) Ensuring the achievement of 'social value' or 'community benefits' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community over and above the direct purchase.
- (E52, E64) Recognising the benefits of partnerships and collaborative working where added value can be achieved. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.
- (G92) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.

### Further Action Required (Score of 3 and 3/4):

- (A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation.
- (B17, B18, B21, B23, B24, B25, B26) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. However, a Customer Service and Communication Manager is now in post and work has begun to improve how the Council consults and engages more effectively.
- (C28, C29, C31, C32, C33) Delivering defined outcomes on a **sustainable** basis within the resources that will be available and considering and balancing the combined economic, social, and environmental impact of policies, plans and decisions when taking decisions about service provision. Principle C further actions required have linkage with actions identified within Principle B.
- (D37, D40) Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to priorities competing demands within limited resources available including people, skills, land, and assets and bearing in mind future impacts. Considering and monitoring risks facing each partner when working collaboratively including shared risks.
- (E61) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.
- (F66, F69, F73) Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. Aligning the risk management strategy and policies on internal control with achieving the Council's objectives.

## The Main Themes Identified for Improvement for 2023/24

The Council is facing ever more challenges as an organisation due to the continued low level of funding received and the increasing challenges it faces with workforce resilience. The recruitment market is competitive, and the Council is no longer able to compete resulting in many vacancies and the loss of key staff. This combined with increasing aging population and the demand for services is proving challenging not only whether the same level of services can be delivered but how improvements to service delivery can be made.

Taking this into context the Corporate Governance Working Group during 2023/24 reviewed the Council's position against the 7 Good Governance Principles and the 94 Sub Principle. In May 2024 a workshop was undertaken with members from the Governance and Audit Committee and Cabinet to review the Annual Governance Statement scoring in relation to the Good Governance Principles.

Furthermore, an Annual Governance Questionnaire was provided to Cabinet and Chairs and Vice Chairs of Overview and Scrutiny Committees, with the aim of the questionnaire being to determine if Members agreed with the themes that had been identified as areas for improvement.

The five themes identified for improvement are;

- **Improvement in internal and external stakeholder engagement, consultation and participation**
  - Enhanced decision making to ensure the most appropriate course of action is taken.
  - The ability to receive and use feedback to shape service improvement, including improved complaints handling.
  - Ensuring inclusivity with stakeholder groups and encouragement of public participation.
  - Improved social media presence.
- **Development of the Integrated Impact Assessments (IIAs)**
  - This will ensure the Council assesses the impact of their decisions and policies on equality groups, the environment, the economy, and other areas of interest prior to policy / strategy changes.
- **Sustainability of Resources and Resilience of Workforce**
  - Effectively managing service expectations with the resources available with all stakeholders especially.
  - Developing and retaining the workforce capacity, recruitment and retention following a pay modelling review.
  - Increase the use of the Welsh language within the workforce and members.
- **Training Opportunities**
  - Enhanced decision making and challenge process through focused training, facilitated sessions available to Members and Senior Officers.

## ANNUAL GOVERNANCE STATEMENT

- **Embedding of Risk Management**

- Implementing robust and integrated risk management arrangements, within the Council's financial, social and environmental position.
- Increase level of awareness and understanding of risk management across the Council through the development and roll out of risk management e-learning module.

Outcome of the questionnaires completed by Members:

Members agreed with the five themes identified for improvement, stating that;

- Making improvements within these themes will lead to enhanced decision making and shape service improvements
- Develop and retain the workforce capacity is at the crux of service delivery
- It is of paramount importance that all new Members and also employees are provided with relevant training on their roles and responsibilities
- Increasing the use of Integrated Impact Assessments being completed will ensure that Flintshire County Council assesses the impact of any decision made
- All Members agreed that the Welsh language is of great importance and that there needs to be an increase in the use of the language within the workforce
- Embedding of Risk Management will enable the Council to identify future risks and also opportunities.

## Key Principles of the Corporate Governance Framework

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. In the following section we have defined how we achieve the standard against the seven key principles which are:

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Principle B	Ensuring openness and comprehensive stakeholder engagement
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Principle F	Managing risks and performance through robust internal control and strong public financial management
Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

## ANNUAL GOVERNANCE STATEMENT

### Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

Sub Principles	How we do this / How we achieve this
Behaving with Integrity	<ul style="list-style-type: none"> <li>The behaviour and expectations of Members and Officers are set out in our Codes of Conduct, Constitution, and a suite of policies and procedures</li> <li>Codes of Conduct for Members and Officers specify the requirements around declarations of interests formally and at the beginning of meetings, gifts and hospitality etc</li> <li>We take fraud seriously. Key policies are in place to prevent, minimise and manage such occurrences</li> <li>Compliance with policies and protocols e.g., Contract Procedure Rules</li> <li>Enhanced profile of Internal Audit</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>A set of leadership competencies are deployed in each Portfolio and led by each Chief Officer</li> <li>Our recruitment policy, training and competencies based appraisal processes underpin personal behaviours with ethical values</li> <li>Robust policies and procedures are in place, subject to formal approval prior to adoption by formal committees</li> <li>All contracts and external service providers, including partnerships are engaged through the robust procurement process and follow the Contract Procedure rules regulations</li> <li>Application of the corporate operating model; working internally to promote high standards of professional performance and ethical behaviour to achieve organisational priorities and objectives</li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>We ensure that our Members and Officers fulfil legislative and regulatory</li> <li>We ensure that the full use of the Council powers are optimised by regular challenge and keeping abreast of new legislation to achieve corporate priorities have an Effective Anti-Fraud and Corruption framework</li> <li>Our Monitoring Officer is responsible for ensuring the Council complies with the law and avoids maladministration. Our Constitution and Democratic Services Committee promotes high standards of conduct which are monitored by the Standards Committee</li> </ul>

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Areas of Good Evidence 2023/24 (Score of 4)	Areas Identified for Further Improvement 2023/24 (Score of 3)
<ul style="list-style-type: none"> <li>Open decision making on the basis of evidence and the sub principles within Principle A is at the heart of the standard form of reporting that is made to the Council, Cabinet and committees</li> </ul>	<ul style="list-style-type: none"> <li>(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation</li> </ul>



## ANNUAL GOVERNANCE STATEMENT

### Principle B - Ensuring openness and comprehensive stakeholder engagement

Sub Principles	How we do this/how we achieve this
Openness	<ul style="list-style-type: none"> <li>• Committed to having an open culture, demonstrated through accessible website, policies and procedures and open environment meetings.                             <ul style="list-style-type: none"> <li>○ The most appropriate and effective interventions / courses of action are determined using formal and informal consultation and engagement. Consultation principles</li> <li>○ Formal and informal engagement models with employees and communities e.g. alternative delivery models Member workshops</li> <li>○ County Forum (Town and Community Councils)</li> <li>○ Positive engagement with Trade Unions both formally and informally</li> </ul> </li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• We engage effectively with stakeholders to ensure successful and sustainable outcomes by:                             <ul style="list-style-type: none"> <li>○ Effective application and delivery of communication strategies to support delivery</li> <li>○ Targeting communications and effective use of Social Media (limited currently)</li> <li>○ Effective stakeholder engagement on strategic issues</li> <li>○ Service led feedback questionnaires and events</li> </ul> </li> <li>• Effective use of resources and achievement of outcomes is undertaken by the Council both through informal and formal partnerships:                             <ul style="list-style-type: none"> <li>○ Extensive range of partnerships to support the delivery of the Council's strategic priorities, including the Public Services Board</li> <li>○ Open and productive partnership arrangements supported by an effective governance framework</li> <li>○ Trust and good relations lead to delivery of intended outcomes e.g. community asset transfers</li> </ul> </li> </ul>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>• The achievement of intended outcomes by services is supported by a range of meaningful guidance on consultation engagement and feedback techniques with individual citizens, service users and other stakeholders</li> <li>• We have structures in place to encourage public participation governed through the Communication and Social Media Policies. These include the following: E-newsletters, the Council's website, Tenants Forums, Service user groups, Quality circles, Use of infographics, Surveys (for example, Survey of Tenants and Residents)</li> </ul>

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Areas of Good Evidence 2023/24 (Score of 4)	Areas Identified for Further Improvement 2023/24 (Score of 3)
<ul style="list-style-type: none"> <li>• Formal and informal partnerships from strategic levels (PSB) to operational partnerships (Community Endowment Fund / Regional Armed Forces Partnership)</li> <li>• The joint Flintshire and Wrexham Public Services Board / North Wales Research and Insight Partnership continue to work well</li> <li>• Good management relationship with external partners</li> <li>• Opportunities for discussions and debates ensures the Council has a range of views and perspectives, which are considered when making decisions and provides real value</li> </ul>	<ul style="list-style-type: none"> <li>• (B17, B18, B21, B23, B24, B25, B26) Customer Service and Communication Manager is now in post and work has begun to improve how the Council consults and engages more effectively e.g., through better use of social media and a new consultation and engagement hub which is due to be launched on the Council's website imminently. Research is currently underway to identify areas of good practice to help inform and develop a local strategy for consultation and engagement</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

	<ul style="list-style-type: none"><li>• A mid-plan review of Council Plan 2023-28 is planned for late 2024, early 2025, which will also include consultation to ensure the views and experience of citizens, service users are considered</li><li>• A recent Audit Wales report has identified that improvement in Service User perspective / views needed to inform decisions and proposals to the recommendations will be implemented over the next year</li></ul>
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## ANNUAL GOVERNANCE STATEMENT

### Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub Principles	How we do this/how we achieve this
Defining outcomes	<ul style="list-style-type: none"> <li>• We have a clear vision describing the organisation’s purpose and intended outcomes which is achieved through:                             <ul style="list-style-type: none"> <li>○ Linking of vision and intent to the Medium-Term Financial Strategy (MTFS)</li> <li>○ Service Planning consideration including sustainability of service delivery</li> </ul> </li> <li>• Risk Management is applied consistently at all levels ensuring consistent application of risk process and terminology</li> <li>• The development of the County’s Well-being Plan and delivery of the Public Services Board’s priorities ensure that public services work effectively together to add value</li> <li>• Annual Performance Report contains recommendations of improvements or area of priority working for the following year</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• When deciding future service provision we take a longer-term view, balancing the economic, social, environmental impact along with the wider public interest. This is supported by:                             <ul style="list-style-type: none"> <li>○ Longer term business planning and budgeting using effective forecasting models</li> <li>○ Multi-disciplinary approach to policy development delivering defined outcomes and ensuring fair access to services</li> <li>○ Procurement strategy defines expectations around economic, social and environment benefits which inform service specifications, tenders and contracts</li> <li>○ Communication plans for public and community engagement</li> </ul> </li> </ul>

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Areas of Good Evidence 2023/24 (Score of 4)	Areas Identified for Further Improvement 2023/24 (Score of 3)
<ul style="list-style-type: none"> <li>• Member workshops/briefing sessions</li> <li>• In addition to the normal budget management process significant monitoring took place to manage the additional expenses / funding received / reallocation of resources to support the budget pressures – corporate events/meetings with portfolios regarding budget pressures</li> <li>• The Public Services Board, Well-being Plan 2023 to 2028 focuses on improving local well-being in the area, supporting the achievement of the seven well-being goals for Wales as part of The Well-Being of Future Generations (Wales) Act 2015</li> </ul>	<ul style="list-style-type: none"> <li>• (C28, C29, C31) Increasing priorities with limited additional resources available (vacancy management and financial challenges) continues to provide pressures on the Council and is in some instances impacting negatively on service delivery. However, by continuing to embed the use of Integrated Impact Assessments it supports and inform decision making and determining priorities, making best use of resources available</li> <li>• (C32, C33) Development of business planning within performance management system will support longer term business planning, whilst evidencing any associated risks / opportunities. This includes consider and balancing the combined economic, social and environmental impacts of policies and strategies</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles	How we do this/how we achieve this
Determining interventions	<ul style="list-style-type: none"> <li>• Full engagement with Members on a longer-term basis e.g. Medium Term Financial Strategy (MTFS), Council Plan, Business Planning and other key workforce strategies e.g. digital and procurement</li> <li>• The MTFS and budget setting process provides opportunities for all public, stakeholders to be engaged in considering options.</li> <li>• Active engagement of key decision making in the development of initial ideas, options and potential outcomes and risks e.g. ADM Programme, Gateways</li> <li>• Clear option appraisals, including the use of forecasting models, to ensure best value is achieved</li> <li>• Regular budget monitoring for each Portfolio</li> <li>• Application of Integrated Impact Assessments</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• We established and implemented robust planning and control cycles covering response and recovery through Emergency Management Response Team</li> <li>• Regular monitoring of business planning, efficiency and reliability including feedback</li> <li>• Service performance is measured by establishing a range of local indicators, which are regularly monitored, reported and used for recovery monitoring</li> </ul>
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Resource requirements are identified through the business planning process, including any projected shortfall in those requirements.</li> <li>• Regular engagement and ownership of the budget process is undertaken through the Chief Officer Team and in consultation with Members through workshops and the scrutiny process</li> <li>• Social values are achieved through the effective commissioning of services and compliance with Council procedures</li> <li>• Consultation and engagement events, particularly relating to ongoing decisions on significant service delivery issues or to changes in the external environment set the context for the MTFS for both residents and employees</li> </ul>

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Areas of Very Best Practice 2023/24 (Score of 4/5)	Areas Identified for Further Improvement 2023/24 (Score of 3)
<ul style="list-style-type: none"> <li>• (D48) Use of historical data to inform the MTFS and looking forward in terms of what the future landscape for services may be and applying a risk based approach to decision making around the budget setting process</li> </ul>	<ul style="list-style-type: none"> <li>• (D37) Implementing the recommendations identified from within the Audit Wales regarding Use of Performance Information: Service User Perspective and Outcomes</li> <li>• (D40) When working with partners and collaboratively risks (and also opportunities) are being explored consistently</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### Principle E - Developing our organisations capacity, including the capability of our leadership and the individuals within it

Sub Principles	How we do this/how we achieve this
Developing our organisation's capacity	<ul style="list-style-type: none"> <li>• We review our operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness through service delivery reviews, performance and risk management and Programme Boards' development and monitoring</li> <li>• We review the sufficiency and appropriateness of resource allocation through techniques such as benchmarking internally against previous performances and to support internal challenge, and normally externally to identify improvement opportunities</li> <li>• Benefits of collaborative and partnership working both regionally and nationally to ensure added value is achieved by linking services and organisation priorities to partnership working</li> <li>• Develop and maintain the workforce plan to enhance the strategic allocation of resources and future workforce and succession planning</li> </ul>
Developing the capability of our organisation's leadership and other individuals	<ul style="list-style-type: none"> <li>• Effective shared leadership which enables us to respond successfully to changing external demands and risks is supported by a range of management and leadership development programme, run in partnership with Coleg Cambria                             <ul style="list-style-type: none"> <li>○ The Leader of the Council and the Chief Executive have clearly defined and distinct leadership roles</li> </ul> </li> <li>• Individual and organisational requirements are supported through:                             <ul style="list-style-type: none"> <li>○ Corporate induction for new employees to the Council and service specific inductions for employees in new jobs</li> <li>○ Opportunities for continued learning and development for employees</li> <li>○ A comprehensive range of learning and development opportunities available</li> <li>○ Feedback and shared learning to the organisations both through reports and interactive sessions such as the Senior leaders 'Academi'</li> </ul> </li> <li>• Support and maintain physical and mental wellbeing of the workforce, via our in-house Occupational Health Service, Care First (Employee Assistance Programme) and a range of internal training and awareness sessions to support mental, financial and physical health related issues.</li> </ul>

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<b>Areas of Very Best Practice 2023/24 (Score of 5)</b>
<ul style="list-style-type: none"> <li>• (E52) Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> </ul>
<b>Areas of Good Evidence 2023/24 (Score of 4 and 4/5)</b>
<ul style="list-style-type: none"> <li>• Partnership and collaborative working – locally, regionally and nationally</li> <li>• Service specific inductions continue to take place</li> <li>• Employee Engagement Survey undertaken, which included health and wellbeing questions, responses indicate interventions are welcomed and positive. A Well-being Strategy currently in draft</li> <li>• Dedicated mental health and employee wellbeing page on the Infonet which provides links to MIND Wellness Action Plans, our Employee Assistance Programme (available 24/7 365 days per year)</li> </ul>
<b>Areas Identified for Further Improvement 2023/24 (Score of 3)</b>
<ul style="list-style-type: none"> <li>• (E51) Improving resource use through appropriate application of techniques such as benchmarking and other options to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### Principle F - Managing risks and performance through robust internal control and strong public financial management

Sub Principles	How we do this/how we achieve this
Managing risk	<ul style="list-style-type: none"> <li>The Council has clear and concise risk management framework. There are a number of risk registers which are reported regularly which outline the risks faced by the Council and its service areas. These all include, current risk ratings and target risk ratings supported by mitigation comments</li> </ul>
Managing performance	<ul style="list-style-type: none"> <li>Members and senior management are provided with regular reports on service performance against key performance indicators and milestones against recovery objectives</li> <li>Members are clearly and regularly informed of the financial position and implications including environmental and resource impacts</li> </ul>
Robust internal control	<ul style="list-style-type: none"> <li>Internal Audit provides the Council, through the Governance and Audit Committee, with an annual independent and objective opinion on the adequacy and effectiveness of the Council's internal control, risk management, governance arrangements and associated policies.</li> <li>We are dedicated to tackling fraud as detailed within the Anti-Fraud and Corruption Strategy, Fraud Response Plan, and Whistleblowing Policy</li> </ul>
Managing data	<ul style="list-style-type: none"> <li>We have effective strategic direction, advice and monitoring of information management with clear policies and procedures on personal data and provide regular training to ensure compliance with these</li> <li>We have appropriate Information Sharing Protocols in place in respect of all information shared with other bodies</li> <li>The quality and accuracy of data used for decision making and performance monitoring is supported by guidance from a range of professional bodies</li> <li>Internal Audit review and audit regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul>
Strong public financial management	<ul style="list-style-type: none"> <li>Our Financial management arrangements support both the long-term achievement of outcome and short-term financial performance through the delivery of the MTFs</li> <li>Setting a prudent Minimum Revenue Provision for the repayment of debt</li> <li>The integration of all financial management and control was reviewed as part of the finance modernisation project</li> </ul>

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Good Evidence 2023/24 (Score of 4)	Areas Identified for Further Improvement 2023/24 (Score of 3/4)
<ul style="list-style-type: none"> <li>Maintained and frequent reporting and monitoring of performance and risk</li> <li>Risk Management Framework reviewed and updated</li> <li>Effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made</li> </ul>	<ul style="list-style-type: none"> <li>(F66) Embedding the risk management framework</li> <li>(F69) Risks identified and reported upon in more detail within Committee reports</li> <li>(F73) Continuing to align the risk management framework and policies on internal control with achieving the Council's objectives</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principles	How we do this/how we achieve this
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• We recently improved the layout and presentation of our reports in order to improve the presentation of key information to decision-makers and monitor this regularly</li> <li>• We are mindful of providing the right amount of information to ensure transparency</li> <li>• A review of information sharing protocols has been undertaken and new principles adopted</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• We report at least annual on the achievement and progress of our intended outcome and financial position. This is delivered through the Annual Performance report assessing performance against the Council Plan</li> <li>• Progress against the Well-being Plan</li> <li>• Annual Statement of Accounts</li> <li>• Our Annual Governance Statement is published following robust and rigorous challenge to assess and demonstrate good governance</li> </ul>
Assurance and effective accountability	<ul style="list-style-type: none"> <li>• Through robust assurance mechanism, we can demonstrate effective accountability. These mechanisms include:                             <ul style="list-style-type: none"> <li>○ Internal Audit undertakes independent reviews to provide an annual assurance opinion of the Council’s control, risk management, and governance framework. To allow this Internal Audit has direct access to Chief Officer and Members of the Council</li> <li>○ All agreed actions from Internal Audit reviews are monitored regularly through monthly reports to Chief Officers and each Governance and Audit Committee</li> <li>○ Any ‘limited/red’ assurance opinions are reported to Governance and Audit Committee in full and progress monitored closely</li> <li>○ Peer challenge and inspection from regulatory bodies and external compliance reviews. The outcomes from these inspections are used to inform and improve service delivery</li> <li>○ Through effective commissioning and monitoring arrangements and compliance with Council’s procedures, we gain assurance on risk associated with delivering services through third parties and any transitional risks</li> <li>○ Reports are presented to Cabinet and an annual report to Governance and Audit Committee of external feedback from regulatory work and peer reviews along with the Council’s responses</li> </ul> </li> </ul>

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Areas of Very Best Practice 2023/24 (Score of 5)	Good Evidence 2023/24 (Score of 4)
<ul style="list-style-type: none"> <li>• (G92) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Open and embracing attitude. Effectives processes are in place to monitor outstanding Internal Audit actions, reporting to Chief Officers monthly.</li> <li>• All external regulatory reports and the corresponding response to recommendations are considered by Cabinet and Overview and Scrutiny Committee’s with an overview going to Governance and Audit Committee annually.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### How Have We Addressed the Governance and Strategic Issues From 2022/23 AGS?

The 2022/23 Annual Governance Statement contained 15 governance and 29 strategic issues. Of these areas:

- Three Internal Governance issues were closed and detailed within the table below;
- Twelve Internal Governance issues remain open and these are included below and within the 2023/24 actions;
- Fifteen risks remain a red strategic risk and shown within the 2023/24 Strategic Issues
- Eight risks have since improved
- Six risks have closed

### Progress Updates For Significant Governance Issues Reported in the 2022/23 AGS

The review of the effectiveness of the Council's governance arrangements identified 15 governance issues during 2022/23. Progress updates of how the risk has been addressed and if it remains open is provided below:

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Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation	Action plan for to enhance Members understanding of their role. Workshop for Members and to provide relevant training and learning opportunities	<b>Open</b>	The council has voluntarily adopted a register of interests for senior officers to further demonstrate openness. The Council continues to provide relevant training and learning opportunities for Members to ensure Members are fully aware and have an understanding of their role.	<b>Amber</b>
(B17, B18, B21, B23, B24, B25) Circumstances previously curtailed the Council's ability to consult and engage, but not the willingness to do so.	An action plan was developed to make improvements in the regards to Consultation and Engagement with residents of Flintshire.	<b>Open</b>	Following a service review in late 2022, a new Customer Service and Communications Manager was appointed in 2023. A priority is to develop a Consultation and Engagement Strategy for the Council. The intention of the strategy is to have a clear and consistent approach to consultation and engagement across all services which will enable better sharing of customer insight. The strategy will act as a toolkit to assist services to	<b>Amber</b>



## ANNUAL GOVERNANCE STATEMENT

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
			consult and engage with communities successfully. work has begun to improve how the Council consults and engages more effectively e.g., through better use of social media and a new consultation and engagement hub.	
(C29, C32) Delivering defined outcomes on a sustainable basis within the resources that will be available and considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.	<ul style="list-style-type: none"> <li>Review of the pay model</li> <li>Integrated Impact Assessments are utilised and happen consistently across all portfolio's</li> <li>Review the challenges with vacancy management</li> </ul>	<b>Open</b>	<p>Due to existing budget pressures and vacancy management, which impacts sustainability (Five Ways of Working, Well-being of Future Generations (Wales) Act 2015) work remains ongoing regarding review of pay model. Workshops have been undertaken with Members to review pay model options and costing associated.</p> <p>Integrated Impacts Assessments need to be embedded further within the Council.</p> <p>Development of Portfolio business plans within the Performance Management System is progressing and will assist with linking policies, risks, and plans.</p>	<b>Amber</b>
(E51, E53, E57, E61) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.	<ul style="list-style-type: none"> <li>Develop the use of APSE</li> <li>Career conversation to form part of the appraisal</li> <li>A review of the Member Development</li> </ul>	<b>Closed (excluding E61)</b>	<p>Recent training provided by APSE to highlight range of benchmarking available and ongoing support provided to key services area. New benchmarking now available to support Climate Change with APSE with the Council exchanging in this opportunity.</p> <p>Career conversations form part of annual appraisals.</p> <p>A review of Member Development and training needs has been completed, with the Constitution and Democratic Services Committee having oversight of this process. A report covering</p>	<b>Green</b>

## ANNUAL GOVERNANCE STATEMENT

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
			<p>training and development is taken to the Committee at least quarterly. A final programme will identify sessions / topics that will be 'mandatory', and the Committee will monitor delivery and attendance of these (and all sessions included within the programme).</p> <p>Specific training for members of the Scrutiny Committees has been delivered, as well as sessions on Chairing skills which have been offered to all Members as well as targeting the Chairs and Vice-Chairs of Committees.</p> <p style="color: red;">(E51, E53, E57 closed and E61 – remains open in 2023/24)</p>	<b>Green</b>
<p>(F66, F73,) An Internal Audit review of the risk management framework and risk register was undertaken during 22/23 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward.</p>	<ul style="list-style-type: none"> <li>• Continue to embed the Risk Management Framework</li> <li>• The development and implementation of InPhase continues</li> <li>• Roll out of the E-learning risk management training module</li> </ul>	<b>Open</b>	<p>Risk Management Framework was revised and approved by Governance and Audit Committee in January 2024, shared with Officers and available on the Council's website and Infonet. Officers are reviewing their risks monthly with all risks now transferred and managed within the performance and risk management system.</p> <p>Risk Management e-learning module is in its final stages and will be rolled out August 2024.</p>	<b>Amber</b>

## ANNUAL GOVERNANCE STATEMENT

### Progress Updates For Significant Strategic Issues Reported in the 2022/23 AGS

The review of the effectiveness of the Council’s governance arrangements identified 29 strategic issues (red risks) during 2022/23. 15 risks remain a red strategic risk, eight risks have since improved and six risks have closed. Reasons as to why six risks have closed and why eight risks have improved is provided below:

Strategic issues in 2022/23 which have since closed	Current Status	Progress Update	Progress RAYG
<b>CC01</b> – Non-compliance of the Welsh Language Standards	<b>CLOSED</b>	Closed as of April 2024 as Contact Centre is fully staffed with 30% Welsh speakers.	<b>Green</b>
<b>CF14</b> - Impact on the Housing Revenue Account (HRA) of a sustained loss of housing rent due to the financial position of tenants	<b>CLOSED</b>	Closed as of April 2024 as this risk emanates from the covid response and is no longer a significant risk to the HRA as rent arrears have stabilised, and are consistently falling, over a period of 12 months.	<b>Green</b>
<b>HA06</b> - Impacts on income stream based on delayed/non recovery of housing benefit overpayment	<b>CLOSED</b>	Risk was merged with CF14 during financial year 2023/24 and closed in April 2024.	<b>Green</b>
<b>SS29</b> - Insufficient capacity in the social care workforce (social work and occupational therapy) is a risk to the reputation of the Council and its ability to fulfil its statutory and essential functions with respect and care	<b>CLOSED</b>	Risk closed September 2023 for the whole service, however an open risk remains for Children’s Services workforce of qualified and experienced staff.	<b>Green</b>
<b>HR24</b> - Changes to holiday pay calculations and practices in light of the Supreme Court Judgement in Harper Trust and Brazel	<b>CLOSED</b>	Risk closed May 2024 as changes to calculations and increases in the Council’s annual leave provision means that the Council is legally compliant.	<b>Green</b>
<b>CPA17</b> - Impact of workload demand and HR issues on remaining employees	<b>CLOSED</b>	Closed December 2023 following a risk register review by the Capital Programme and Assets portfolio and this risk has merged with RCPA01 to become one risk.	<b>Green</b>
<b>CPA12</b> - Failure to secure mutually agreeable new agreement with Aura / Newydd could lead to financial, reputation, legal and service implications	<b>CLOSED</b>	Risk is closing in June 2024 as it considers all Alternative Delivery Models (ADM). Each ADM will be an individual risk within the risk register.	<b>A RAG is not applicable</b>

## ANNUAL GOVERNANCE STATEMENT

Strategic issues in 2022/23 which have since closed	Current Status	Progress Update	Progress RAYG
<p><b>New code as of 2023/24 – RCPA12</b></p> <p><b>New description as of 2023/24 - Contractual arrangements requiring review and agreement of Alternative Delivery Models (ADM's)</b></p>			

Red Strategic issues in 2022/23 which have since improved	Current Score	Progress Update	Progress RAYG
<p><b>EY06</b> - Insufficient funding to deliver new archive premises <b>New code as of 2023/24 – REY06</b></p>	<b>4</b>	This risk is reducing as a grant funding offer has been received from National Lottery Heritage Fund to assist with the costs of building a new archive for the North East Wales Archive on the Theatr Clwyd site, supported by matched capital funding from Flintshire and Denbighshire Councils. Acceptance of the grant funding now needs to be formally approved by both Cabinets.	<b>Yellow</b>
<p><b>PE12</b> - The implications of Ash Dieback on finances and reputation of the Council due to the scale of the problem and the ability to make safe trees on or adjacent to Highways and Council amenity land which pose a risk to life or property</p>	<b>6</b>	Winter works have been completed now waiting for summer survey period.	<b>Amber</b>
<p><b>PE33</b> - Prevent delays in development proceeding by mitigating the impact of Phosphates <b>New code as of 2023/24 – RPE33</b></p>	<b>2</b>	There are no delays being incurred as National Resource Wales and Welsh Water have now published their joint review of permits for Waste Water Treatment Works, where all three affected Waste Water Treatment Works in Flintshire have a valid permit and headroom within the permit limit to treat more phosphates.	<b>Green</b>
<p><b>PE34</b> - Failure to update the Council's Flood Risk Management Strategy to mitigate the flood risk to vulnerable communities <b>New code as of 2023/24 – RPE34</b></p>	<b>3</b>	A framework strategy has been produced working with the Council's consultants. Meeting consultants at the end of April took place to review draft, identify gaps and information required, and plan engagement both internally within the Council and with key stakeholders.	<b>Yellow</b>

## ANNUAL GOVERNANCE STATEMENT

Red Strategic issues in 2022/23 which have since improved	Current Score	Progress Update	Progress RAYG
<p><b>PE42</b> - Slow progress with the Strategic Development Plan (SDP) fails to set context for Local Development Plan 2</p> <p><b>New code as of 2023/24 – RPE42</b></p>	4	The Council does not control the progress with the SDP as this is with the CJC, who have recently appointed a project co-ordinator. Planning Strategy Manager is leading on producing a background context report for the SDP, highlighting respective positions with LDPs in North Wales, cumulative housing and employment growth targets, and assessing strategic objectives and policies to develop a common set of themes for the SDP. Will also produce an outline framework for the structure of what the SDP could look like.	<b>Yellow</b>
<p><b>SS09</b> - Insufficient numbers of residential and nursing beds to meet demand because of the long-term fragility and instability of the care home sector and challenges in the recruitment of staff</p> <p><b>New code as of 2023/24 – RSS09</b></p>	9	We are still finding it difficult to source enough capacity externally to be able to meet the residential need. However, we have stabilised the market. The Croes Atti 2 development will increase our internal capacity, and an independent sector home that was previously closed reopened in January, providing capacity for EMI nursing and possibly some residential care.	<b>Amber</b>
<p><b>SS10</b> - Insufficient capacity to provide the quantities and levels of care to clients at home and in the community because of challenges in recruitment of direct care workers and instability in the care market</p> <p><b>New code as of 2023/24 – RSS10</b></p>	9	The domiciliary inbox remains high with individuals having to wait for care in some cases. We have been successful in purchasing a block hours contract in Holywell, and are looking at other areas where care is difficult to source; expressions of interest for block hours contracts are going out to the Framework. The ongoing development of Microcare is helping to alleviate the situation; there have been an additional 7 Micro-Carers setup during this financial year, increasing the number of active Micro-Carers to 38. We have directly commissioned with 3 Micro-Care providers this year for personal care services, and 4 for well-being services, and we are actively seeking to develop more direct commissioning.	<b>Amber</b>
<p><b>HR09</b> - The Pay model and associated costing may increase/decrease depending on when a) agreement is reached and b) when the new pay model is implemented due to changes in structure and/or headcount.</p> <p><b>New code as of 2023/24 – RHR09</b></p>	9	A number of pay models have been developed and costed (excluding vacancies). Work is underway to validate genuine vacancies (with budget) between HR and Finance. Cabinet/Council advised that no budget has been identified for this workstream.	<b>Amber</b>

## ANNUAL GOVERNANCE STATEMENT

### What are the Governance Issues Identified During 2023/24?

The review of the effectiveness of the Council's governance arrangements identified thirteen internal governance issue during 2023/24. Details of how the issue has been addressed and if it remains open is provided below. New issues identified are highlighted in red:

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Internal Council Governance issues for 2023/24	Mitigation Actions
<ul style="list-style-type: none"> <li>(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation</li> </ul>	<ul style="list-style-type: none"> <li>Continue to highlight the role and responsibility of Members</li> <li>Workshop for Members (as and when required)</li> <li>To continue to provide relevant training and learning opportunities</li> </ul>
<ul style="list-style-type: none"> <li>(B17, B18, B21, B23, B24, B25, <b>B26</b>) Circumstances previously curtailed the Council's ability to consult and engage, but not the willingness to do so. Ongoing planning to ensure implementation of the Local Government and Elections (Wales) Act 2021</li> </ul>	<ul style="list-style-type: none"> <li>Development of a consultation and engagement hub</li> <li>Creating a Customer and Engagement and Public Participation Strategy</li> <li>Development of social media platforms (Facebook has already been developed)</li> <li>Use of Council's complaints and feedback for continued service improvement</li> </ul>
<ul style="list-style-type: none"> <li>(<b>C28</b>, C29, <b>C31</b>, C32, <b>C33</b>) Delivering defined outcomes on a <b>sustainable</b> basis within the resources that will be available and considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.</li> </ul>	<ul style="list-style-type: none"> <li>Review of the pay model</li> <li>Integrated Impact Assessments to be utilised and happen consistently across all portfolio's</li> <li>Review the challenges with vacancy management</li> </ul>
<ul style="list-style-type: none"> <li>(<b>D37</b>) Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to priorities competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</li> <li>(<b>D40</b>) Considering and monitoring risks facing each partner when working collaboratively including shared risks.</li> </ul>	<ul style="list-style-type: none"> <li>(D37) Implementing the recommendations identified from within the Audit Wales regarding Use of Performance Information: Service User Perspective and Outcomes. Mid-plan review of Council Plan (2023-28) to ensure consideration of service user perspective</li> <li>(D40) When working with partners and collaboratively risks (and also opportunities) are being explored consistently.</li> </ul>
<ul style="list-style-type: none"> <li>(E51) Ensuring that there are structures in place to encourage public participation</li> </ul>	<ul style="list-style-type: none"> <li>This internal governance issue mitigation actions for E51 are the same for B17, B18, B21, B23, B24, B25, B26</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Internal Council Governance issues for 2023/24	Mitigation Actions
<ul style="list-style-type: none"> <li>(F66, F69, F73,) An Internal Audit review of the risk management framework and risk register was undertaken during 23/24 and has highlighted some areas for improvement to build upon the risk management framework.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to embed the Risk Management Framework</li> <li>Undertake annual review of Risk Management Framework</li> <li>The further develop the reporting of risks within the performance and risk management system</li> <li>Reports presented to Committees as of Autumn 2024</li> <li>Roll out of the E-learning risk management training module August 2024</li> </ul>
<ul style="list-style-type: none"> <li>Red / Limited Assurance Audit – Deferred Charges and Management of Residential Care Liabilities</li> </ul>	<ul style="list-style-type: none"> <li>Full Action Plan has been developed and shared with Governance and Audit Committee in April 2024</li> </ul>
<ul style="list-style-type: none"> <li>Red / Limited Assurance Audit – Recycling Targets</li> </ul>	<ul style="list-style-type: none"> <li>Full Action Plan has been developed and will be shared with Governance and Audit Committee in July 2024</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

### What are the **Strategic** Issues Identified During 2023/24?

The review of the effectiveness of the Council’s governance arrangements identified 19 Strategic Red Risks during 2023/24. Details of how the issues have been addressed is provided below:

Strategic Issues for 2023/24	Mitigating Actions	Target Score <sup>1</sup>
<b>EY01</b> - Secondary schools are not financially viable due to insufficient base funding and falling pupil numbers <b>New code as of 2023/24 - REY01</b>	<ul style="list-style-type: none"> <li>Challenge and support meetings with Headteacher/School Business Manager and regular budget monitoring sessions with schools to confirm adherence to licensed deficit protocol</li> <li>Financial Performance Monitoring Group meetings</li> <li>Schools’ pupil funding Formula review</li> <li>Local Authority approval mechanisms for recruitment in schools with budget deficits</li> </ul>	15
<b>EY13</b> - Inability to fully deliver on Welsh Government's Sustainable Communities for Learning Programme due to financial, workforce and contractor implications <b>New code as of 2023/24 - REY13</b>	<ul style="list-style-type: none"> <li>Effective project plans, project risk register and Project Officers in place ensure projects are progressing within budget and timescales with regular reports to Education programme and Capital and Assets Programme Boards to track progress</li> <li>Regular reporting and dialogue with Welsh Government</li> <li>Regular dialogue with North Wales Construction Partnership contractors and supply chain</li> </ul>	15
<b>EY36</b> - External Grants for Revenue Expenditure <b>New code as of 2023/24 – REY36</b>	<ul style="list-style-type: none"> <li>Monitoring through monthly Portfolio Finance Meetings; Education programme Board</li> </ul>	15
<b>REY37</b> - Lack of resources/capacity to meet increasing demand for specialist provision, means children and young people with complex educational needs are not accessing appropriate education provision <b>New risk for 2023/24</b>	<ul style="list-style-type: none"> <li>Options for an increase in specialist school provision by use of WG grant funding; using grant funding to increase number of places within resource provision in secondary sector</li> </ul>	8
<b>CG02</b> - Significant Loss of Corporate data and systems due to security / environmental / Technical incident	<ul style="list-style-type: none"> <li>Maintain a valid PSN and prepare for Cyber Essentials Accreditation.</li> <li>Participation in National Security Groups, such as Warp, and constant review of National Cyber Security Centre guidance.</li> </ul>	15

<sup>1</sup> Target score for some strategic risks are a red RAYG status and this is due to the nature of the risk itself



## ANNUAL GOVERNANCE STATEMENT

Strategic Issues for 2023/24	Mitigating Actions	Target Score <sup>1</sup>
<p><b>New code as of 2023/24 - RGV01</b></p>	<ul style="list-style-type: none"> <li>Use of Citrix technologies provides a secure environment which delivers the majority of our business systems.</li> <li>Maintain a second active datacentre allows for the continual provision of critical systems.</li> <li>Utilise strong security controls, vulnerability management and delivery mechanism to reduce this risk.</li> <li>Development of Cyber incident response and recovery plan.</li> <li>Regular review and testing of IT Disaster Recovery Plan.</li> <li>Identify list of critical business applications.</li> <li>Complete full review on IT Security Policies Risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) including a review of the adequacy of levels of bad debt provision across the Council</li> <li>Additional funding (circa £1.05m) from Welsh Government to compensate for losses of 2020/21 council tax collections is helping to provide financial resilience as we enter the recovery phase</li> </ul>	12
<p><b>GO10</b> - Failure to meet agreed deadlines within the Digital Strategy</p> <p><b>New code as of 2023/24 - RGV03</b></p>	<ul style="list-style-type: none"> <li>Investigate the potential for automation to free up resource within the IT Service.</li> <li>Continue with the DSB prioritisation process to reduce burden at any one time.</li> </ul>	6
<p><b>NR03</b> - The Council is unable to meet its homelessness statutory obligations due to shortages in staff, budgetary pressures, and lack of available accommodation</p> <p><b>New code as of 2023/24 – RHC09</b></p>	<ul style="list-style-type: none"> <li>Monitor demand for homeless services with a view to informing workforce, prevention activities and homeless accommodation planning</li> <li>Monitor levels of emergency accommodation with a view to informing workforce, move-on activities and homeless accommodation planning</li> <li>Monthly financial review of budgets to monitor current expenditure and project in-year an future pressures</li> </ul>	12
<p><b>NR04</b> - The Council does not have access to sufficient/adequate/ right type of housing supply to meet the demands of those individuals on the common housing register and due to the increase in the levels of homelessness.</p>	<ul style="list-style-type: none"> <li>Monitoring Common Housing Register data to ensure the Local Authority has strategic oversight for housing needs to include future build plans and redevelopment of housing stock and/or future policy changes</li> <li>Ensure Common Allocations Policy adhered to when assessing housing needs and eligibility for Common Housing Register</li> </ul>	

## ANNUAL GOVERNANCE STATEMENT

Strategic Issues for 2023/24	Mitigating Actions	Target Score <sup>1</sup>
<p><b>New code as of 2023/24 – RHC10</b></p>	<ul style="list-style-type: none"> <li>• Use Common Housing Register data to inform Housing Strategy and redevelopment and new build plans for affordable housing as annually through the Housing Prospectus</li> <li>• Monitor notices from within the private sector resulting in homeless presentations to inform future engagement strategies for landlords and agents and scope for purchase options on the back of recent changes from Welsh Local Government Association (WLGA) on the Social Housing Grant (SHG) programme</li> <li>• Monitor expenditure on homeless emergency accommodation with a view to informing financial risk and MTFS / budget planning</li> </ul>	15
<p><b>NR05</b> – Delays in pre-construction process due to planning and Sustainable Drainage Approval Body (SABS) applications</p> <p><b>New code as of 2023/24 – RHC11</b></p> <p><b>Updated description - Delays in pre-construction process due to planning and sustainable drainage approval body (SABS) applications may lead to late delivery of schemes, and loss of Social Housing Grant (SHG) within the annual PDP allocation</b></p>	<ul style="list-style-type: none"> <li>• Monitor programme deliverables in line with agreed timescales and budget.</li> <li>• Delivery risks to be highlighted at regular intervals to Housing Programme Board, Assets Board and Chief Officer of Housing and Communities and any mitigating actions identified and implemented.</li> <li>• Key milestones in pre-construction to be monitored on a scheme-by-scheme basis with the development teams for Flintshire County Council (FCC) projects and Registered Social Landlords (RSL) partners for the PDP (Planned Development Programme). These will be WLGA technical approval, planning approval, SABS approval, contractor appointment and scheme approval.</li> <li>• Mitigations will be realistic time assumptions for SABS, WLGA technical approval and planning processes, resource, redeployment to address “pinch points” and adjustment to PDP to bring forward alternative schemes to maximise SHG allocations to FCC.</li> </ul>	8
<p><b>RPE03</b> - Unable to regenerate Town Centres through implementation of the Town Centre Strategy due to insufficient resources and wider economic trends</p> <p><b>New risk for 2023/24</b></p>	<ul style="list-style-type: none"> <li>• Develop new place making plans to set out future actions in each town. Each plan to be based upon refreshed data analysis, commercial assessment and community consultation</li> <li>• Manage expectations from stakeholders by differentiating between aspirations and agreed actions with resources</li> <li>• Monitor the progress of the place making plans and availability of resources for their delivery.</li> </ul>	4

## ANNUAL GOVERNANCE STATEMENT

Strategic Issues for 2023/24	Mitigating Actions	Target Score <sup>1</sup>
<p><b>RPE55</b> - Inability of the Council to cost its carbon reduction strategy causing issues with identification and commitment of funds to realise the actions needed to become a net zero carbon Council.</p> <p><b>New risk for 2023/24</b></p>	<ul style="list-style-type: none"> <li>• Work with Welsh Government, Welsh Local Government Association and other Welsh local authorities to understand and utilise best practice methods for costing carbon actions. Keep abreast of emerging technological solutions and cost implications of same. Where possible, utilise baseline data to forecast costs of associated decarbonisation works.</li> </ul>	4
<p><b>SS01</b> –Expenditure on out of county placements increases as placement costs increase in a demand led market.</p> <p><b>New code as of 2023/24 – RSS01</b></p>	<ul style="list-style-type: none"> <li>• Working with local providers to reshape the residential market</li> <li>• Maximising local housing options</li> </ul>	9
<p><b>SS22</b> - An insufficient supply of placements leads to young people being placed in unregistered settings</p> <p><b>New code as of 2023/24 – RSS22</b></p>	<ul style="list-style-type: none"> <li>• Implement Multiagency Support Team to work with families of young people on the edge of care and prevent placement breakdown</li> <li>• Combat exploitation through the Strategic and Operational MET (Missing, Exploitation, Trafficking) group</li> <li>• Develop policies and models to attract new foster carers and expand the type of placements offered</li> <li>• Working with local providers to reshape the residential market</li> <li>• Maximising local housing options</li> </ul>	9
<p><b>ST-S07</b> - Inability to achieve national recycling targets due to increased residual waste tonnages collected</p> <p><b>New code as of 2023/24 – RST07</b></p>	<ul style="list-style-type: none"> <li>• Undertake a review of the Council Waste Strategy to identify improve service delivery methods to minimise residual waste disposal and increase recycling.</li> </ul>	2
<p><b>CF18</b> - Impact on the stability of the Medium-Term Financial Plan of increases in service demand, high inflation and reduced future Welsh Government Local Government Settlements</p> <p><b>New code as of 2023/24 – RCF18</b></p>	<ul style="list-style-type: none"> <li>• Regular monitoring of the financial impact across the organisation</li> <li>• Analysis of funding support announcements by WG in line with above</li> <li>• Reporting impact to Financial TCG on a weekly basis</li> <li>• Weekly engagement with Society of Welsh Treasurers (SWT) to gain all Wales position</li> <li>• Regular liaison with WLGA contacts re escalation with Welsh Government</li> </ul>	9

## ANNUAL GOVERNANCE STATEMENT

Strategic Issues for 2023/24	Mitigating Actions	Target Score <sup>1</sup>
<p><b>RCF09</b> - Sufficient funding capacity to meet Welsh Housing Quality Standards 2.0 targets</p> <p><b>New risk for 2023/24</b></p>	<ul style="list-style-type: none"> <li>Finance and service area are working to assess financial impact and mitigation options, findings reported through to SMT, programme board and COT</li> </ul>	10
<p><b>CPA01</b> - Impact of restructuring and efficiency savings over time. Resulting in reduction in HR to point where fulfilling current and increasing service demand is untenable</p> <p><b>New code as of 2023/24 – RCPA01</b></p> <p><b>New description as of 2023/24 – Difficulties in fulfilling workload, recruiting and retaining the right/qualified staff and the impact on the existing workforce. This is a result of multiple factors such as: reduced human resource as a result of historic restructuring and efficiencies; workforce demographics; loss of professional qualified employees.</b></p>	<ul style="list-style-type: none"> <li>Commission service delivery, with supporting budget</li> <li>Explore different ways of working</li> <li>Review workload/demand and resource</li> </ul>	12
<p><b>RCPA09</b> - Compliance with carbon targets for corporate assets/ property</p> <p><b>New risk for 2023/24</b></p>	<ul style="list-style-type: none"> <li>All corporate offices have a Building Management System (BMS) . Ty Dewi Sant BMS is being upgraded and will be completed in 24/25 financial year.</li> <li>Building Management systems are being installed in schools, as of May 2024 this project is 80% complete.</li> <li>All new Schools and care homes being constructed will be achieving the Net Zero Carbon requirement, examples being; Mynydd Isa Campus, Ysgol Croes Atti, Flint and the new Croes Atti residential care home.</li> <li>The annual Capital and Repair and Management programme to routinely undertake projects, such as reroofing (and in doing so insulation is brought up to the required standard), single glazed windows to be replaced by thermally efficient units.</li> <li>The phase out of oil boilers of the school’s portfolio has been completed and other boilers within the school’s portfolio to be replaced with the most efficient product available.</li> </ul>	4

## ANNUAL GOVERNANCE STATEMENT

Strategic Issues for 2023/24	Mitigating Actions	Target Score <sup>1</sup>
	<ul style="list-style-type: none"> <li>The Council has agreed and will be undertaking a Refit Programme and is contained within the Capital programme. Aim is to achieve an annual CO2 savings of 481 tonnes.</li> <li>To implement the proposed office rationalisation project in order to further reduce the Council's CO2.</li> </ul>	
<p><b>CPA13</b> - Lack of resource to respond swiftly to increasing demand of capital projects with grant funding requiring swift/in-year spend. May result in loss of grant funding and/or high profile project failure</p> <p><b>New code as of 2023/24 – RCPA13</b></p>	<ul style="list-style-type: none"> <li>Commissioning services need to challenge via established routes</li> </ul>	12

\* The strategic risks identified for 2023/24 are kept under frequent review\*

## ANNUAL GOVERNANCE STATEMENT

### Certification

The review provides good overall assurance that Flintshire County Council's arrangements continue to be regarded as fit for purpose in accordance with the governance framework requirements for Local Authorities within Wales.

Opportunities to maintain and develop the Council's governance arrangements have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Flintshire County Council

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**Neal Cockerton – Chief Executive**

**Cllr. Ian B Roberts – Leader of the Council**

## Audit of Accounts Report – Flintshire County Council

Audit year: 2023-24

Date issued: November 2024

Document reference: 4577A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.



# About Audit Wales

## Our aims and ambitions

### Assure



the people of  
Wales that public  
money is well  
managed

### Explain



how public  
money is being  
used to meet  
people's needs

### Inspire



and empower  
the Welsh  
public sector to  
improve



Fully exploit  
our unique  
perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent  
voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for  
the public sector  
in Wales and  
beyond

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# Introduction

I have now largely completed my audit in line with my 2024 Detailed Audit Plan dated June 2024.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 accounts. My team have already discussed these issues with Corporate Finance Manager (Section 151 Officer) and his team.

The accounts were prepared to a high standard this year, which is reflected in the small number of amendments required following my audit. I am very grateful to your officers for their support in undertaking this audit.



**Adrian Crompton**

Auditor General for  
Wales

# Financial statements' materiality



**Materiality – Group £5.717 million**

**Materiality – Flintshire County Council £5.684 million**

My aim is to identify and correct material misstatements, ie those that might otherwise cause the user of the accounts to be misled.

Group materiality is calculated using:

- 2023-24 gross expenditure of £571.7 million
- Materiality percentage of 1%

The materiality for Flintshire County Council (single entity) is calculated using:

- 2023-24 gross expenditure of £568.4million
- Materiality percentage of 1%

I will report to you any misstatements above £284,000 calculated as 5% of materiality (called the 'trivial level').



## Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts. We set lower materiality levels for these as follows:

- Senior officer remuneration £1,000
- Related party disclosures relating to individuals £10,000

# Ethical compliance



## Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

In our Detailed Audit Plan, we notified you of a potential threat to auditor independence and Objectivity. We confirm that the planned safeguards set out in our Plan have operated as intended.

# Proposed audit opinion



## Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 1**.



## Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.

# Issues arising during the audit



## Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

### Uncorrected misstatements

There are no misstatements identified in the accounts which remain uncorrected.

### Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 3**.



## Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you.

There were no such issues identified during the audit.



# Appendix 1

## Proposed audit report

### The report of the Auditor General for Wales to the members of Flintshire County Council

#### Opinion on financial statements

I have audited the financial statements of:

- Flintshire County Council; and
- Flintshire County Council's Group

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

Flintshire County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Movement in Reserves Statement, the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

Flintshire County Council's Group financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Flintshire County Council and Flintshire County Council's Group as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

#### Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Flintshire County Council and the group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Flintshire County Council and the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

## Matters on which I report by exception

In the light of the knowledge and understanding of Flintshire County Council, the group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

## **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10 of the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, including Flintshire County Council's Group financial statements, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing Flintshire County Council and the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Flintshire County Council and the group will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Council's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Flintshire County Council and group's policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals, bias in accounting estimates and significant transaction outside the normal course of business.
  - Obtaining an understanding of Flintshire County Council and group's framework of authority as well as other legal and regulatory frameworks that Flintshire County Council and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Flintshire County Council and group.
  - Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Flintshire County Council and group's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Flintshire County Council and group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton  
Auditor General for Wales  
November 2024

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

# Appendix 2

## Letter of representation

[Audited Body's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

25 November 2024

## Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Flintshire County Council, and of its group, for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Flintshire County Council and its group, and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

## Representations by Flintshire County Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by 25 November 2024

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Gary Ferguson  
Corporate Finance Manager  
25 November 2024

Brian Harvey  
Chair of the Governance and Audit  
Committee  
25 November 2024



# Appendix 3

## Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Nature of correction	Reason for correction
£12,851,000 (disclosure only)	<p><b>Note 8 – Property, Plant &amp; Equipment</b></p> <p><u>Cost or valuation – reclassifications</u></p> <ul style="list-style-type: none"> <li>Other land &amp; buildings: increased by (£419,000)</li> <li>Surplus assets: increased by (£1,008,000)</li> <li>Assets under construction: increased by £12,851,000</li> </ul> <p><u>Cost or valuations – other movements in cost or valuations</u></p> <ul style="list-style-type: none"> <li>Other land &amp; buildings: increased by £419,000</li> <li>Surplus assets: increased by £1,008,000</li> <li>Assets under construction: increased by (£12,851,000)</li> </ul>	To correct analysis of asset reclassifications in the note.
£10,974,000	<p><b>Pensions liability (IAS19)</b></p> <p><u>Balance sheet</u></p> <ul style="list-style-type: none"> <li>Other long term liabilities (Note 43): increased by £10,974,000</li> <li>Pensions reserve (Note 22): Increased by (£10,974,000)</li> </ul> <p><u>Comprehensive Income &amp; expenditure account</u></p> <ul style="list-style-type: none"> <li>Actuarial (gains)/losses on pensions assets and liabilities: decreased by £10,974,000</li> </ul> <p>There are also associated amendments to the Narrative Report, Movement in Reserves Statement, Accounting Policies and Group Accounts in respect of the above.</p>	To take account of the asset ceiling arising from the net surplus on the LGPS

<p>Narrative disclosure only</p>	<p><b>Note 44 – Events after the reporting period</b>  At the time the draft financial statements were prepared, the funding position for Aura Leisure &amp; Libraries was uncertain and a disclosure to explain this was made in Note 34 – Contingent Liabilities.</p> <p>Subsequently, the funding arrangement ended in October 2024 and the Council has now included a more detailed disclosure in Note 44 – events after the reporting period.</p>	<p>To update the disclosure regarding Aura</p>
<p>Various: other presentational changes to supporting notes</p>	<p>A number of other narrative, presentational and minor amendments were made to supporting disclosure notes.</p>	<p>To ensure that all disclosures are accurately presented.</p>

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

## Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

## Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

## Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

\* QAD is the quality monitoring arm of ICAEW.

# Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies and to support those bodies in continuing to improve the services they provide to the people of Wales.

## Visit our website to find:

	our <a href="#">Good Practice</a> work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our <a href="#">newsletter</a> which provides you with regular updates on our public service audit work, good practice, and events.
	our <a href="#">publications</a> which cover our audit work completed at public bodies.
	information on our <a href="#">forward performance audit work programme 2023-2026</a> which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various <a href="#">data tools</a> and <a href="#">infographics</a> to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).





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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

**Gary Ferguson**  
Corporate Finance Manager  
Rheolwr Cyllid Corfforaethol



Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

Your Ref/Eich Cyl

Our Ref/Ein Cyf LOR 2023.24

Date/Dyddiad 25 November 2024

Ask for/Gofynner am: Chris Taylor

Direct Dial/Rhif Union

Fax/Ffacs

25 November 2024

## Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Flintshire County Council, and of its group, for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

County Hall, Mold. CH7 6NB  
[www.flintshire.gov.uk](http://www.flintshire.gov.uk)  
Neuadd y Sir, Yr Wyddgrug. CH7 6NB  
[www.siryfflint.gov.uk](http://www.siryfflint.gov.uk)

## Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Flintshire County Council and its group, and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.



All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### **Representations by Flintshire County Council**

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by 25 November 2024

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Gary Ferguson  
Corporate Finance Manager

Brian Harvey  
Chair of the Governance and  
Audit Committee

25 November 2024

25 November 2024

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Audit Wales Report – Financial Sustainability
<b>Report Author</b>	Corporate Finance Manager and Chief Executive

### EXECUTIVE SUMMARY

The purpose of the report is to provide an overview of the findings of a local report by Audit Wales entitled 'Financial Sustainability Review – Flintshire County Council.

Audit Wales have undertaken a review of all 22 Welsh Local Authorities with the following two main objectives:

- 1) To provide assurance that councils have proper arrangements to support their financial sustainability and
- 2) To explain councils' financial position and the key budget pressures and risks to their sustainability.

A national report will be produced later in the year once all reviews are complete.

The local report for Flintshire County Council is attached in Appendix 1 together with the key questions covered as part of the review.

The organisational response to the recommendation is included as Appendix 2 to the report.

The report was presented to Cabinet on 25 September and Corporate Resources Overview and Scrutiny Committee on 10 October.

A representative from Audit Wales will be in attendance to present their findings in more detail.

### RECOMMENDATIONS

1	That Committee consider the report on Financial Sustainability from Audit Wales.
---	--

## REPORT DETAILS

1.00	<b>EXPLAINING THE FINANCIAL SUSTAINABILITY REPORT</b>
1.01	The purpose of the report is to provide an overview of the findings of a local report by Audit Wales entitled 'Financial Sustainability Review – Flintshire County Council.'
1.02	<p>Audit Wales have undertaken a review of all 22 Welsh Local Authorities with the following two main objectives:</p> <ol style="list-style-type: none"> <li>1) To provide assurance that councils have proper arrangements to support their financial sustainability and</li> <li>2) To explain councils' financial position and the key budget pressures and risks to their sustainability.</li> </ol>
1.03	A national report will be produced later in the year once all reviews are complete. The local report for Flintshire County Council is attached in Appendix 1 together with the key questions covered as part of the review.
1.04	<p>Overall, the Audit Wales report found that <i>the Council's arrangements do not provide assurance that it can identify strategic transformation in the short and medium-term of the scale required by its financial position. This, combined with its low level of reserves and spiralling costs in some service areas, puts the Council's financial sustainability at serious risk.</i></p> <p>Audit Wales will be in attendance at the meeting to present their findings in more detail.</p>
1.05	<p>The report includes one recommendation as detailed below:</p> <p>There are weaknesses in how the Council identifies savings. To change this, the Council should:</p> <ol style="list-style-type: none"> <li>1) work with officers and members to develop arrangements for identifying savings of a scale that can impact on its identified budget gap from a range of sources; and</li> <li>2) develop and implement arrangements to identify and evaluate the impact of these savings on services and service users.</li> </ol> <p>The organisational response to the recommendation is included as Appendix 2 to the report.</p> <p>The report was presented to Cabinet on 25 September and Corporate Resources Overview and Scrutiny Committee on 10 October.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	There are no direct financial implications arising from the report. The scope, objectives and findings of the report from the Audit Wales financial sustainability review of Flintshire County Council are contained within the Audit Wales report together with the context. The recommendation of the report will be addressed within existing budget and resources.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>														
3.01	<p><b>Ways of Working (Sustainable Development) Principles Impact</b></p> <table border="1"> <tr> <td>Long-term</td> <td>Negative – the absence of longer-term funding settlements from Welsh Government means that sustainable support for service delivery is challenging for the longer term. Sustainable funding from Welsh Government that provides additional funding for Indexation, Service demands and new legislation will provide a positive and sustainable position for the Council in the longer term.</td> </tr> <tr> <td>Prevention</td> <td>As above</td> </tr> <tr> <td>Integration</td> <td>Neutral Impact</td> </tr> <tr> <td>Collaboration</td> <td>Services continue to explore opportunities for collaboration with other services and external partners to support positive impacts.</td> </tr> <tr> <td>Involvement</td> <td>Communication with Members, residents, and other stakeholders throughout the budget process.</td> </tr> </table> <p><b>Well-Being Goals Impact</b></p> <table border="1"> <tr> <td>Prosperous Wales</td> <td>Longer term funding settlements from Welsh Government that provide additional funding for indexation, service demands, and new legislation will aid sustainability and support a strong economy that encourage business investment in the region. The opposite will be true if settlements are inadequate.</td> </tr> <tr> <td>Resilient Wales</td> <td>Continuation of services to support communities and social cohesion will have a positive impact. The opposite will be true if settlements are inadequate.</td> </tr> </table>	Long-term	Negative – the absence of longer-term funding settlements from Welsh Government means that sustainable support for service delivery is challenging for the longer term. Sustainable funding from Welsh Government that provides additional funding for Indexation, Service demands and new legislation will provide a positive and sustainable position for the Council in the longer term.	Prevention	As above	Integration	Neutral Impact	Collaboration	Services continue to explore opportunities for collaboration with other services and external partners to support positive impacts.	Involvement	Communication with Members, residents, and other stakeholders throughout the budget process.	Prosperous Wales	Longer term funding settlements from Welsh Government that provide additional funding for indexation, service demands, and new legislation will aid sustainability and support a strong economy that encourage business investment in the region. The opposite will be true if settlements are inadequate.	Resilient Wales	Continuation of services to support communities and social cohesion will have a positive impact. The opposite will be true if settlements are inadequate.
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Resilient Wales	Continuation of services to support communities and social cohesion will have a positive impact. The opposite will be true if settlements are inadequate.														

	Healthier Wales	An appropriate level of funding will ensure that communities are supported and will have a positive impact. The opposite will be true if settlements are inadequate.
	More equal Wales	A positive impact with greater parity of funding from Welsh Government for all Welsh Local Authorities. The opposite will be true if settlements are inadequate.
	Cohesive Wales	Appropriate level of funding will support services working alongside partners. The opposite will be true if settlements are inadequate.
	Vibrant Wales	As Healthier and Cohesive Wales above
	Globally responsible Wales	Neutral impact.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The report will be shared with Corporate Resources Overview and Scrutiny Committee and Governance and Audit Committee.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Audit Wales report on Financial Sustainability Review – Flintshire County Council  Appendix 2 – Organisational response to the recommendation

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Gary Ferguson Corporate Finance Manager <b>Telephone:</b> 01352 702271 <b>E-mail:</b> <a href="mailto:gary.ferguson@flintshire.gov.uk">gary.ferguson@flintshire.gov.uk</a>

8.00	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Medium Term Financial Strategy (MTFS):</b> a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p><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><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>

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## Financial Sustainability Review – Flintshire County Council

Audit year: 2023-24

Date issued: August 2024

Document reference: 4439A2024

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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# Summary report

## Why we did this audit

### Our audit duties

- 1 The Council has to put in place arrangements to get value for money for the resources it uses, and the Auditor General has to be satisfied that it has done this.
- 2 We undertook this audit to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004. It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations Act (Wales) 2015.

### Our objectives for this audit

- 3 To provide assurance that councils have proper arrangements to support their financial sustainability.
- 4 To explain councils' financial position and the key budget pressures and risks to their financial sustainability.

## Why financial sustainability is important

- 5 A combination of factors including the rising cost of delivering services and increased demand for some services is placing significant pressure on local government finances.
- 6 Despite these pressures, councils are still required to set a balanced budget whilst delivering a number of statutory services. Councils also provide a range of non-statutory services that communities rely on.
- 7 In this context, it is important that councils develop a strategic approach to their financial sustainability over the longer term to help them to secure value for money in the use of their resources.

## What we looked at and what does good look like<sup>1</sup>

- 8 We reviewed the Council's strategic approach to support its financial sustainability, its understanding of its current financial position, and its arrangements for reporting and oversight of its financial sustainability. This audit was limited to a consideration

<sup>1</sup> Defined as 'what should be' according to laws or regulations, 'what is expected' according to best practice, or 'what could be', given better conditions.

of the arrangements that the Council has put in place to support its financial sustainability. It was not a review of the Council's wider financial management, or of the individual financial decisions that the Council has made or intends to make.

- 9 We recognise that some factors which will impact on councils' financial sustainability will be beyond the scope of this audit, as this audit focused on the arrangements that councils are putting in place. However, where we identified common issues through our fieldwork that go beyond the arrangements that councils have put in place, we will report on these in our planned national summary report.
- 10 We also recognise the unprecedented financial challenges that councils have faced for many years and are likely to continue to face for at least the medium term. This includes the public sector funding pressures that followed the financial crisis in 2008 and the impact of the pandemic both at the time and its continued aftereffects. More recently councils have also faced significant real-terms reductions in spending power as a consequence of the fastest increase in inflation for decades. Alongside all of these events there have also been significant increases in the demand for some services, including for example the impact of an ageing population and the resulting increased demand for some services. These factors are largely outside the control of any individual council.
- 11 Against this longer-term background of financial challenges councils have needed to respond to more recent challenges at pace and we understand that inevitably in many, if not all councils, some of the specific details of how financial pressures will be tackled over the medium-term are still to be determined. This report sets out our view on the council's financial arrangements, and where appropriate where we think these could be strengthened to help improve the council's financial sustainability over the medium-term. Our report should be viewed in the context of these wider and longer-term financial pressures.
- 12 The audit sought to answer the overall question – **Does the Council have proper arrangements to support its financial sustainability?** To do this we looked to answer the following questions:
- Does the Council have a clear strategy for its long-term financial sustainability?
  - Is the Council's financial strategy supported by a clear understanding of its financial position?
  - Do the Council's reporting arrangements support regular oversight of its financial sustainability?
- 13 The audit criteria that we used to assess the Council's arrangements against each of our questions is set out in **Appendix 1**. This has been informed by our cumulative knowledge, as well as drawing on some publications produced by the Chartered Institute of Public Finance and Accountancy (CIPFA).



## Our audit methods and when we undertook the audit

- 14 Our findings are based on document reviews and interviews with a sample of councillors and senior officers. The evidence we have used to inform our findings is limited to these sources. We undertook this work during May 2024.
- 15 We are undertaking this work at each of the 22 principal councils in Wales and, as well as reporting locally to each council, we also intend to produce a national report.



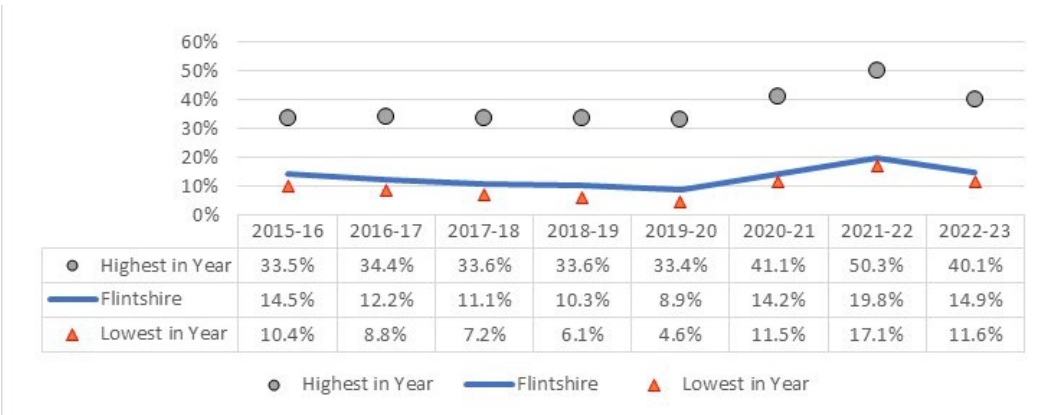
## What we found

- 16 Overall, we found that **the Council's arrangements do not provide assurance that it can identify strategic transformation in the short and medium-term of the scale required by its financial position. This, combined with its low level of reserves and spiralling costs in some service areas, puts the Council's financial sustainability at serious risk.** We set out below why we reached this conclusion.
- 17 Although the Council has engaged members well, it has taken a short-term approach to detailed financial planning that has led to weaknesses in identifying and assessing savings, which it has not looked to address. A clear, robust, and agreed financial strategy is important to identify how the Council will respond to anticipated future funding pressures, and particularly how the Council will meet its projected funding gap in the short, medium, and long term.
- 18 During its budget-setting process for 2024-25, the Council ran a series of presentations and workshops with Members to provide updates and allow them to contribute to the process. The engagement process with Members for the 2025-26 budget has already begun. This is earlier than for the previous year and will allow the Council more time to manage the process.
- 19 The Council has worked well with other bodies to identify and compare its assumptions, forecasts, and to identify budget and service pressures. This has been used in its financial planning. However, this is short-term in nature, with no joined-up review of its medium-term budget gaps or pressures.
- 20 The Council was only able to present a balanced budget for 2024-25 after two rounds of substantial savings. The second round, which was unplanned, required £10 million in December 2023, of a total of £32 million planned in-year. The Council is aware that it is not feasible to identify savings in such a manner going forward.
- 21 Additionally, there is no evidence that the Council assessed the potential impact of these savings on services and service users, partly because of the unplanned nature of the savings and the timescales required to achieve them. This could lead

to unforeseen impacts on demand and the Council’s financial resources in the medium and long-term.

22 The importance of planning in the longer-term is framed by the Council’s reserves position. Whilst the Council has not regularly relied on the unplanned use of reserves to balance outturns, a risk of failing to meet the scale of the budget gap may place additional pressure on reserves. This risk would increase with planned usage of earmarked and contingency reserves to balance budgets. In our analysis of 2022-23 accounts, the Council held the third lowest reserves as a proportion of the net cost of services. The low levels of reserves (**Exhibit 1**) means the Council can only rely on these sources of funding in a very limited manner in the future. Reserve levels have continued to decline during 2023-24. This risks it not being able to set balanced budgets or mitigate against unplanned spend in-year.

**Exhibit 1: total usable reserves not protected by law<sup>2</sup> as a percentage of the net cost of services**



Source: Audit Wales analysis of council accounts

23 The Council has a clear understanding of its financial position and pressures. A thorough understanding of current and future funding pressures, alongside other risks to financial sustainability is important to ensure that the Council’s financial strategy is well informed and appropriate to the scale of the financial challenge it faces.

24 The Council has projected budget pressures of £24.9 million in 2025-26 and £22.7 million in 2026-27. Key pressures include:

- homelessness: the service has been given an additional £2 million for 2024-25, but this is anticipated to be below the uplift required to meet the demand

<sup>2</sup> This definition is consistent with our financial sustainability data tool and will differ from the Council’s own definition of usable reserves.

predicted for the financial year. For context, the service's net expenditure in 2022-23 was £1.9 million and was projected to be £5.1 million in 2023-24.

- out of county placements: This service was projected to overspend by £1.6 million in 2023-24 and has been allocated an extra £1.5 million for 2024-25 on top of the allocation for 2023-24.
- the Council's social care budget for 2024-25 includes a 7.44% increase, which is £7.4 million. While many other services are facing cuts to their budget, the Council anticipates that this increase will only be able to match the estimated additional costs arising from increased demand, inflation and costs being passed on from the providers of commissioned services.

- 25 While there are other external pressures on the Council's budget beyond the Council's control, such as central pay awards that have been greater in recent years, there are pressures and opportunities that are within the Council's control that it is not exploring fully. These include developing a more strategic approach to identifying savings, taking decisions to alter service design and delivery on a scale that will impact its financial position, and identifying opportunities for collaboration or transformation.
- 26 The Council had developed plans to introduce a transformation program but these have yet to receive approval from Chief Officers or members. As a result, if agreed and implemented, they are unlikely to deliver savings in the short to medium term, increasing the pressure on traditional savings and reserves.
- 27 Despite a clear understanding of its financial position, the Council has not taken challenging decisions of the scale required. This, combined with Council's low level of reserves and savings approach, does not provide us with the assurance that the Council is in a position to produce balanced budgets going forward.
- 28 The Council has good arrangements for regular and detailed reporting to Members on its financial position, but these have been unable to impact its financial position. Clear, regular, and transparent reporting arrangements are important to enable effective oversight of the Council's financial position, the action it is taking to ensure its financial sustainability and the impact of this on its local communities.
- 29 Arrangements provide Members with the opportunity to scrutinise and challenge the Council's financial decisions and position. In monthly reporting to members, officers provide a very detailed review of spending and progress against planned savings. The detailed level of reporting leads to discussions about smaller matters and detracts from tackling the bigger issues facing the Council.
- 30 Officers also report on the impact of its financial position and decisions against the sustainable development principle, the national well-being goals, and the Council's corporate objectives.
- 31 However, despite these arrangements, the Council's financial position remains challenging. There is little evidence of the Governance and Audit Committee or the Corporate Resources Oversight and Scrutiny Committee providing any mitigation or decision-making to help the Council improve its financial sustainability.





## Our recommendations for the Council

### Exhibit 2: our recommendations for the Council

#### Recommendations

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- R1 There are weaknesses in how the Council identifies savings. To change this, the Council should:
- 1.1 work with officers and Members to develop arrangements for identifying savings of a scale that can impact on its identified budget gap from a range of sources; and
  - 1.2 develop and implement arrangements to identify and evaluate the impact of these savings on services and service users.

# Appendix 1

## Audit questions and criteria

### Exhibit 3: overall question: Does the Council have proper arrangements to support its financial sustainability?

Level 2 questions	Criteria
Does the Council have a clear strategy for its long-term financial sustainability?	<ul style="list-style-type: none"><li>• The Council has clearly set out its strategic approach to support its financial resilience over the short, medium, and long term.</li><li>• The Council has a medium-term financial plan.</li><li>• The Council's strategic approach is widely understood and supported by senior officers.</li><li>• The Council has considered a wide range of options to improve its long-term financial sustainability, including comparison with other bodies.</li><li>• The Council has identified all the savings it intends to make to meet its funding gap over the medium term, supported by well-evidenced plans based on reasonable assumptions.</li><li>• The Council's strategy includes the strategic use of reserves to manage its savings programme over the medium term.</li><li>• The Council has modelled the anticipated impact of its financial strategy over the medium term (eg potential service reductions and council tax levels on local communities).</li></ul>
Is the Council's financial strategy supported by a clear understanding of its financial position?	<ul style="list-style-type: none"><li>• The Council has calculated its funding gap over the short to medium term based on reasonable assumptions.</li><li>• The Council has benchmarked its assumptions with appropriate comparator bodies.</li><li>• The Council has a good understanding of its key budget pressures in the medium and long term.</li><li>• The Council has a track record of successfully addressing key budget pressures.</li><li>• The Council has identified the key risks to its financial sustainability and has put in place mitigations.</li></ul>

Level 2 questions	Criteria
<p>Do the Council's reporting arrangements support regular oversight of its financial sustainability?</p>	<ul style="list-style-type: none"> <li>• It is clear who is responsible for monitoring the Council's financial position, including its sustainability over the medium to long term.</li> <li>• The Council regularly reports its financial position to members to enable oversight and scrutiny.</li> <li>• The Council has arrangements to transparently report the impact/anticipated impact of its financial strategy on the achievement of its corporate objectives and on local communities to members and other stakeholders.</li> <li>• The Council's savings plan includes what has been agreed, how much progress has been made in implementation, and links to both its budget and medium-term financial plan.</li> <li>• The Council regularly reports progress in delivering planned savings to members to enable oversight and scrutiny.</li> </ul>



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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# Management response form



**Report title:** Financial Sustainability

**Completion date:** [date]

**Document reference:** [insert reference here]

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officers (title)
Page 209 R1	<p>There are weaknesses in how the Council identifies savings. To change this, the Council should:</p> <p>1.1 work with officers and Members to develop arrangements for identifying savings of a scale that can impact on its identified budget gap from a range of sources; and</p> <p>1.2 develop and implement arrangements to identify and evaluate the impact of these savings on services and service users.</p>	<p>Agreed</p> <p>As set out in the MTFS update report the Council acknowledges that it has a serious and major budget challenge due to significantly reduced national funding and the scale of historic cost reductions already taken over the last decade.</p> <p>A Transformation Programme is being developed with governance and resourcing arrangements now agreed. The programme will be prioritised and the early emphasis will be on maximising cost reduction opportunities in areas such as digital, use of assets and service</p>	<p>Phased programme of activity within the Transformation Programme in conjunction with budget setting for 2025/26 and beyond.</p> <p>Delivery of a legal and balanced budget by March 2025</p>	<p>Neal Cockerton (Chief Executive)</p> <p>Gary Ferguson (Corporate Finance Manager)</p>

Ref	Recommendation	<b>Management response</b> Please set out here relevant commentary on the planned actions in response to the recommendations	<b>Completion date</b> Please set out by when the planned actions will be complete	<b>Responsible officers (title)</b>
		<p>transformation. The Programme will be undertaken and developed through engagement with both officers and members.</p> <p>The impacts and consequences of cost reduction proposals will be subject to formal impact assessments and appropriate consultation with service users</p>		



## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Treasury Management Mid-Year Review 2024/25 & Quarter 2 update
<b>Report Author</b>	Corporate Finance Manager

### EXECUTIVE SUMMARY

This report presents the draft Treasury Management Mid-Year Report 2024/25 for review and comment, the Committee are also asked to identify any matters that need to be brought to the attention of Cabinet at its meeting in December.

The report also provides an update on matters relating to the Council's treasury management activity during the period 1<sup>st</sup> June to 30<sup>th</sup> September 2024.

### RECOMMENDATIONS

1	Members of the Governance and Audit Committee review the draft Treasury Management Mid-Year Report 2024/25 and identify any matters to be drawn to the attention of Cabinet at its meeting in December.
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### REPORT DETAILS

<b>1.0</b>	<b>EXPLAINING THE MID YEAR REVIEW</b>
1.01	The Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies. The Governance and Audit Committee has previously agreed to include treasury management as a standing item on each quarterly agenda to receive an update.

1.02	On 20 <sup>th</sup> February 2024, the Council approved the Treasury Management Strategy 2024/25, following the recommendation of the Cabinet and consideration by the Governance and Audit Committee.
	<b><u>Treasury Management Mid-Year Report 2024/25</u></b>
1.03	The draft Treasury Management Mid-Year Report for 2024/25 is attached as Appendix 1 for review. As required by the Council's Financial Procedure Rules, this review will also be reported to the Cabinet prior to formal approval by County Council.
	<b><u>Summary of Key Points</u></b>
1.04	<p>UK headline consumer price inflation remained around the Bank of England (BoE) target in quarter 2, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to June, to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August.</p> <p>The UK economy continued to expand between April and October 2024, albeit slowing from the 0.7% gain in the last quarter of the 2023/24 financial year to 0.5% (downwardly revised from 0.6%) in the first quarter of 2024/25.</p> <p>Arlingclose, the Council's treasury adviser, maintained its central view that Bank Rates would steadily fall from the 5.25% peak, with the first cut in August being followed by a series of further cuts, with November 2024 the most likely next cut, taking the Bank Rate down to around 3% by the end of 2025.</p>
1.05	<p>A total of £15.861m PWLB loans were taken out during the period. Of these, £0.861m have been on-lent to NEW Homes, the Council's wholly owned subsidiary, to fund the building of affordable homes in Flintshire.</p> <p>The Council continues to regularly review the position on its long-term borrowing requirement in conjunction with advice from Arlingclose.</p> <p>The borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.</p> <p>Section 4 provides more information on borrowing and debt management during the period.</p>
1.06	The average investment balance for the period was £41.9m and the average rate of return was 5.15%, generating investment income of £1.09m. Section 5 of the report provides more information on the Council's investments.
1.07	The treasury function has operated fully within the limits detailed in the Treasury Management Strategy 2024/25.
	<b>Treasury Management 2024/25 – Quarter 2 update</b>
	<b><u>Investments Update</u></b>
1.08	A statement setting out the Council's investments as at 30 <sup>th</sup> September 2024 is attached at Appendix 2. The investment balance at this time was £24.9m,



	spread across 7 counterparties. The average interest rate for the period was 5.03%.
1.09	<p><u>Borrowing Update</u></p> <p>Appendix 3 shows the Council's long-term borrowing as at 30<sup>th</sup> September 2024. The total amount of loans outstanding was £315.6m with an average interest rate payable of 4.49%. During the quarter, the Council has taken two new long-term loans from the Public Works Loans Board (PWLB) to support its strategy of fixing a portion of its long-term borrowing requirement. One loan was an 11-year, Equal Instalments of Principal loan for £5m, with an interest rate of 4.15%. The other loan was a 10-year Equal Instalments of Principal loan for £10m, with an interest rate of 4.32%.</p> <p>In May 2018 the Cabinet approved loans to NEW Homes to build or purchase affordable housing for rent. During Quarter 2, one loan of £0.743m was taken out with the PWLB to fund the purchase costs relating to properties at Maes Gwern, Mold.</p>
1.10	Appendix 4 shows the Council's short-term borrowing as of 30 <sup>th</sup> September 2024. The total amount of loans outstanding was £10m with an average interest rate payable of 5.63%. £5m of short-term borrowing was arranged during the quarter.
1.11	The Council's capital expenditure plans will continue to be monitored throughout 2024/25 to inform and assess the Council's long-term borrowing need. This is to ensure that the Council does not commit to long-term borrowing too early and refinance unnecessarily which will be costly and have significant revenue implications. The continued use of short-term borrowing will assist.
1.12	The Monetary Policy Committee (MPC) held the Bank Rate at 5.00% in September. It will continue to cut rates to stimulate the UK economy but will initially be cautious given lingering domestic inflationary pressure. Arlingclose see another rate cut in 2024 (Q4), but more significant monetary easing in 2025, with Bank Rates falling to a low of around 3%.
1.13	<p><u>Member Training – Treasury Management</u></p> <p>A treasury management Member training workshop has been arranged for 5<sup>th</sup> December 2024, 10am – 12pm to be presented by Arlingclose Ltd. The session will be hosted by the Governance and Audit Committee but will be open to all Members, via online video conferencing.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Financial implications are addressed in the report, no other resource implications directly as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Arlingclose Ltd, being the Council's treasury management advisors.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Risk Management directly addressed within the report and appendices including identification of risks and measures to mitigate likelihood and impact of risks identified.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<ol style="list-style-type: none"> <li>1. Draft Treasury Management Mid-Year Report 2024/25</li> <li>2. Investment Portfolio as at 30<sup>th</sup> September 2024</li> <li>3. Long-term borrowing as at 30<sup>th</sup> September 2024</li> <li>4. Short-term borrowing as at 30<sup>th</sup> September 2024</li> </ol>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Chris Taylor - Strategic Finance Manager  <b>Telephone:</b> 01352 703309  <b>E-mail:</b> <a href="mailto:Christopher.taylor@flintshire.gov.uk">Christopher.taylor@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Authorised Limit:</b> A statutory limit that sets the maximum level of external debt for the Council.</p> <p><b>Balances and Reserves:</b> Accumulated sums that are held, either for specific future costs or commitments (known as earmarked) or generally held to meet unforeseen or emergency expenditure.</p> <p><b>Bank Rate:</b> The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate".</p> <p><b>Basis Point:</b> A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in interest rates and bond yields. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points.</p> <p><b>Bond:</b> A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.</p>

**Capital Expenditure:** Expenditure on the acquisition, creation or enhancement of capital assets.

**Capital Financing Requirement (CFR):** The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.

**Certificates of Deposits (CD's):** A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks. The term of a CD generally ranges from one month to five years.

**Consumer Price Index (CPI):** The UK's main measure of inflation (along with Retail Price Index or 'RPI') The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try and keep CPI at or close to the target set by the Government. The calculation of CPI includes many items of normal household expenditure but excludes some items such as mortgage interest payments and Council Tax.

**Corporate Bonds:** Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

**Cost of Carry:** The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

**Counterparty List:** List of approved financial institutions with which the Council can place investments.

**Credit Rating:** Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

**Debt Management Office (DMO):** The DMO is an Executive Agency of His Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the Debt Management Account Deposit Facility (DMADF). All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign credit rating.

**Federal Reserve:** The US central bank, the equivalent of the Bank of England. (Often referred to as "the Fed").

**Financial Instruments:** Financial instruments are tradable assets of any kind. They can be cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument

**Gilts:** Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged'. They are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

**IFRS:** International Financial Reporting Standards.

**LIBID:** The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks).

**LIBOR:** The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers' Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

**LOBO:** Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.

**Low Volatility Net Asset Value Money Market Funds (LVNAV MMFs):** refers to highly liquid money market funds which aim to maintain the level of their worth by investing in very secure instruments.

**Maturity:** The date when an investment or borrowing is repaid.

**Maturity Structure / Profile:** A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.

**Minimum Revenue Provision (MRP):** An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

**Monetary Policy Committee (MPC):** Government Body that sets the Bank Rate. Its primary target is to keep inflation within 1% of a central target of 2%. Its secondary target is to support the Government in maintaining high and stable levels of growth and employment.

**Money Market Funds (MMF):** Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

**Non Specified Investment:** Investments which fall outside the WG Guidance for Specified investments (below).

**Operational Boundary:** This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

**Premiums and Discounts:** In the context of local authority borrowing,

- (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
- (b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

**Prudential Code:** Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

**Prudential Indicators:** Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

**Public Works Loans Board (PWLB):** The PWLB is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

**Quantitative Easing (QE):** In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller's bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy.

**Retail Price Index (RPI):** A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent.

**Revenue Expenditure:** Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

**Specified Investments:** Term used in the Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

**Supported Borrowing:** Borrowing for which the costs are supported by the government or third party.

**Supranational Bonds:** Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are the European Investment Bank, the International Bank for Reconstruction and Development.

**Temporary Borrowing:** Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

**Term Deposits:** Deposits of cash with terms attached relating to maturity and rate of return (Interest).

**Treasury Bills (T-Bills):** Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. They are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have an AAA-rating.

**Treasury Management Code:** CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

**Treasury Management Practices (TMP):** Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.

**Unsupported Borrowing:** Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

**Yield:** The measure of the return on an investment instrument.



# **FLINTSHIRE COUNTY COUNCIL**

## **DRAFT TREASURY MANAGEMENT**

### **MID YEAR REPORT 2024/25**

## **1.00 PURPOSE OF REPORT**

- 1.01 To provide Members with a mid-year update on matters relating to the Council's Treasury Management function.

## **2.00 BACKGROUND**

- 2.01 Treasury management comprises the management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2.02 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 2.03 The Council's policy is to appoint external consultants to provide advice on its treasury management function. In September 2021 Arlingclose Ltd were reappointed as the Council's advisors for a period of 3 years, following a competitive tendering exercise. This period has been extended a further 2 years as per the contract terms to September 2026.
- 2.04 The Council has adopted the 2021 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.

This report includes the new requirement in the 2021 Code, mandatory from 1st April 2023, of quarterly reporting of the treasury management prudential indicators and non-treasury prudential indicators.

- 2.05 In addition, the Welsh Government (WG) issues guidance on local authority investments that requires the Council to approve an investment strategy before the start of each financial year.
- 2.06 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 2.07 The Council approved the 2024/25 Treasury Management Strategy at its meeting on 20<sup>th</sup> February 2024.



### **3.00 ECONOMIC & INTEREST RATE REVIEW APRIL – OCTOBER 2024.**

*Provided by Arlingclose Ltd, the Council's treasury management advisors.*

**Economic background:** UK headline consumer price inflation remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to June to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August.

The UK economy continued to expand over the period, albeit slowing from the 0.7% gain in the first calendar quarter to 0.5% (downwardly revised from 0.6%) in the second. Of the monthly figures, the economy was estimated to have registered no growth in July.

Labour market data was slightly better from a policymaker perspective, showing an easing in the tightness of the job market, with inactivity rates and vacancies declining. However, a degree of uncertainty remains given ongoing issues around the data collected for the labour force survey by the Office for National Statistics. Figures for the three months to July showed the unemployment rate fell to 4.1% (3mth/year) from 4.4% in the previous three-month period while the employment rate rose to 74.8% from 74.3%.

Over the same period average regular earnings (excluding bonuses) was 5.1%, down from 5.4% in the earlier period, and total earnings (including bonuses) was 4.0% (this figure was impacted by one-off payments made to NHS staff and civil servants in June and July 2023). Adjusting for inflation, real regular pay rose by 2.2% in May to July and total pay by 1.1%.

With headline inflation lower, the BoE cut Bank Rate from 5.25% to 5.00% at the August Monetary Policy Committee (MPC) meeting. The decision was finely balanced, voted by a 5-4 majority with four members preferring to hold at 5.25%. At the September MPC meeting, committee members voted 8-1 for no change at 5.00%, with the lone dissenter preferring Bank Rate to be cut again to 4.75%. The meeting minutes and vote suggested a reasonably hawkish tilt to rates, with sticky inflation remaining a concern among policymakers.

The latest BoE Monetary Policy Report, published in August, showed policymakers expected GDP growth to continue expanding during 2024 before falling back and moderating from 2025 to 2027. Unemployment was forecast to stay around 4.5% while inflation was shown picking up in the latter part of 2024 as the previous years' energy price declines fell out of the figures before slipping below the 2% target in 2025 and remaining there until early 2027.

Arlingclose, the Council's treasury adviser, maintained its central view that Bank Rate would steadily fall from the 5.25% peak, with the first cut in August being followed by a series of further cuts, with November 2024 the likely next one, taking Bank Rate down to around 3% by the end of 2025.

The US Federal Reserve (the Fed) also cut interest rates during the period, reducing the Federal Funds Rate by 0.50% to a range of 4.75%-5.00% at its policy meeting in September. The forecasts released at the same time by the central bank suggested a further 1.00% of easing is expected by the end of the calendar year, followed by the same amount in 2025 and then a final 0.50% of cuts during 2026.

Having first reduced interest rates in June, the European Central Bank (ECB) held steady in July before cutting again in September, reducing its main refinancing rate to 3.65% and its deposit rate to 3.50%. Unlike the Fed, the ECB has not outlined a likely future path of rates, but inflation projections remain in line with the central bank's previous forecasts where it will remain above its 2% target until 2026 on an annual basis.

**Financial markets:** Sentiment in financial markets continued to mostly improve over the period, but the ongoing trend of bond yield volatility remained. The general upward trend in yields in the early part of the period was reversed in the later part, and yields ended the half-year not too far from where they started. However, the volatility in response to economic, financial and geopolitical issues meant it was a bumpy ride for bond investors during that time.

Over the period, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.00% but hit a high of 4.41% in May and a low of 3.76% in mid-September. While the 20-year gilt started at 4.40% and ended at 4.51% but hit a high of 4.82% in May and a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.12% over the period to 30th September.

**Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.

Having had its outlook increased by Fitch and ratings by S&P earlier in the period, Moody's upgraded Transport for London's rating to A2 from A3 in July.

Moody's also placed National Bank of Canada on Rating Watch for a possible upgrade, revising the outlook on Standard Chartered to Positive, the outlook to Negative on Toronto Dominion Bank, and downgrading the rating on Close Brothers to A1 from Aa3.

S&P upgraded the rating on National Bank of Canada to A+ from A, and together with Fitch, the two rating agencies assigned Lancashire County Council with a rating of AA- and A+ respectively.

Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period was also generally more muted compared to previous periods.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Council’s counterparty list recommended by Arlingclose remain under constant review.

### **Outlook for the remainder of 2024/25**

The MPC held Bank Rate at 5.00% in September. It will continue to cut rates to stimulate the UK economy but will initially be cautious given lingering domestic inflationary pressure. Arlingclose see another rate cut in 2024 (Q4), but more significant monetary easing in 2025, with Bank Rate falling to a low of around 3%.

The upside risks to inflation remain, which could limit the extent of monetary easing.

Long term gilt yields have fallen alongside US monetary policy expectations. Arlingclose’s central case id for yields to be volatile around a relatively narrow range, reflecting the likelihood for monetary policy loosening in the Eurozone, UK and US.

	Current	Dec 24	Mar 25	Jun 25	Sept 25	Dec 25	Mar 26	Jun 26	Sept 26	Dec 26	Mar 27	Jun 27	Sept 27
Upside Risk (%)	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Interest Rate (%)	5.00	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Downside Risk (%)	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

## **4.00 BORROWING**

4.01 CIPFA’s 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily

related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in future.

## **BORROWING STRATEGY & ACTIVITY**

### 4.02 Borrowing Strategy

As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. At the present time, short term interest rates are higher than long-term.

After substantial rises in interest rates since 2021 many central banks have now begun to reduce rates, albeit slowly. Gilt yields were volatile over the 6-month period and have reduced slightly between April and September 2024. Much of the downward pressure from lower inflation figures was counteracted by upward pressure from positive economic data. Data from the US continues to impact global bond markets including UK gilt yields.

The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the half year and 4.79% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.18%. Rates for 20-year maturity loans ranged from 5.01% to 5.57% during the half year, and 50-year maturity loans from 4.88% to 5.40%.

Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during the month, as expected shorter-term rates reverted to a more normal range and were generally around 5.00% - 5.25%.

The PWLB HRA rate which is 0.4% below the certainty rate is available up to June 2025. This discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing. The Council borrowed £5m using this lower rate in August 2024.

The Council submitted its application for access to PWLB lending 2024/25

(including access to HRA and certainty rates) in April 2024.

During the period April – September 2024, the following loans were taken out –

Start Date	Maturity Date	Amount	Rate	Loan Type
20 June 2024	20 June 2064	£0.118m	5.42%	Annuity
05 Aug 2024	05 Aug 2064	£0.743m	5.63%	Annuity
14 Aug 2024	14 Aug 2035	£5m	4.15%	EIP
23 Sept 2024	23 Sept 2034	£10m	4.32%	EIP

The annuity loans have been lent on to New Homes, the Council's wholly-owned subsidiary, to fund the building of affordable homes in Flintshire.

Existing loans of £0.696m were allowed to mature without replacement. This strategy enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

4.03 The long-term borrowing outstanding at 30<sup>th</sup> September 2024 totalled £315.63m.

4.04 Loans with the Public Works Loans Board are in the form of fixed rate (£292.58m). £18.95m is variable in the form of LOBOs (Lender's Option, Borrower's Option) and £4.1m are interest free loans from government. The Council's average long-term borrowing rate is currently 4.49%.

	Balance 01/04/2024 £m	Debt Maturing £m	New Debt £m	Balance 30/09/2024 £m
Long Term Borrowing	297.97	(2.30)	15.86	311.53
Government Loans	4.34	(0.24)	0.00	4.10
<b>TOTAL BORROWING</b>	<b>302.31</b>	<b>(2.54)</b>	<b>15.86</b>	<b>315.63</b>
Other Long Term Liabilities *	2.43	0.00	0.00	2.4313
<b>TOTAL EXTERNAL DEBT</b>	<b>304.74</b>	<b>(2.54)</b>	<b>15.86</b>	<b>318.067</b>
Increase/ (Decrease) in Borrowing £m				13.32

\* relates to finance leases in respect of Deeside Leisure Centre and Jade Jones Pavilion

4.05 Short-term borrowing was undertaken as necessary. The total short-term borrowing as at 30<sup>th</sup> September 2024 was £10m, with an average rate of 4.63%

4.06 On 1st April 2024 the Council held £18.95m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate and terms or to repay the loan at no additional cost.

As market interest rates rose, it increased the probability of call options on the LOBOs being exercised by lenders. All of LOBO loans had semi-annual call option dates during the six-month period to September 2024, no LOBO loans were called.

The LOBO loans have call dates within the next 12 months. The Council has liaised with treasury management advisors Arlingclose over the likelihood of the options being exercised. If the option is exercised and an increased rate proposed, the Council plans to repay the loan at no additional cost as accepting the revised terms would mean the Council would still have refinancing risk in later years. If required, the Council will repay the LOBO loans with available cash or by borrowing from other local authorities or the PWLB.

#### 4.07 Debt Rescheduling

The continuing rise in gilt yields since early 2022 resulted in some of the Council's PWLB loans being in or close to a discount position if repaid early. However, as the prepaid loans would need to be replaced by new loans at higher interest rates, this was not a cost-effective option for the Council.

The Corporate Finance Manager, in conjunction with the Council's treasury advisors, will continue to review any potential opportunities for restructuring the Council's debt in order to take advantage of potential savings as interest rates change and to enhance the balance of the long-term portfolio (amend the maturity profile and/or the balance of volatility).

## **5.0 INTERIM INVESTMENT AND PERFORMANCE REPORT**

5.01 The definition of investments in the Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

Non-treasury investments, including loans to subsidiaries and purchases of investment property, are not normally considered to be treasury investments, and these are therefore covered separately in Appendix A.

5.02 The maximum investments the Council had on deposit at any one time totalled £66.7m. The average investment balance for the period was £41.9m and the

average rate of return was 5.15%, generating investment income of £1.09m.

- 5.03 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

As demonstrated by the liability benchmark in this report (paragraph 6.01), the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

- 5.04 Up to 30<sup>th</sup> September, investments were made in the Debt Management Office Deposit Account, banks, other local authorities and money market funds.
- 5.05 The average of long-term borrowing was £302.92m generating interest payable of £6.784m, in line with budget forecasts to date.

	Investments		Long Term Borrowing		Short Term Borrowing	
	Interest received £k	Interest rate %	Interest paid £k	Interest rate %	Interest paid £k	Interest rate %
2024/25 Apr - Sept	1,089	5.15	6,784	4.49	580	4.63
2023/24 Apr - Sept	1,112	4.58	6,659	4.51	0	n/a
Difference	(23)		125		580	

Year-end projections are as follows:

	Investments		Long Term Borrowing		Short Term Borrowing	
	Interest received £k	Interest rate %	Interest paid £k	Interest rate %	Interest paid £k	Interest rate %
2024/25 est.	1,890	4.80	13,773	4.49	1,245	4.75
2023/24 act	2,180	4.87	13,461	4.49	425	5.46
Difference	(290)		312		820	

- 5.06 Credit Risk (security)

Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating for institutions defined as having "high credit quality" is A- across rating agencies Fitch, S&P and Moody's);

credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

#### 5.07 Liquidity

In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of money market funds.

#### 5.08 Yield

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Council's investment yield is outlined in paragraph 5.0.2.

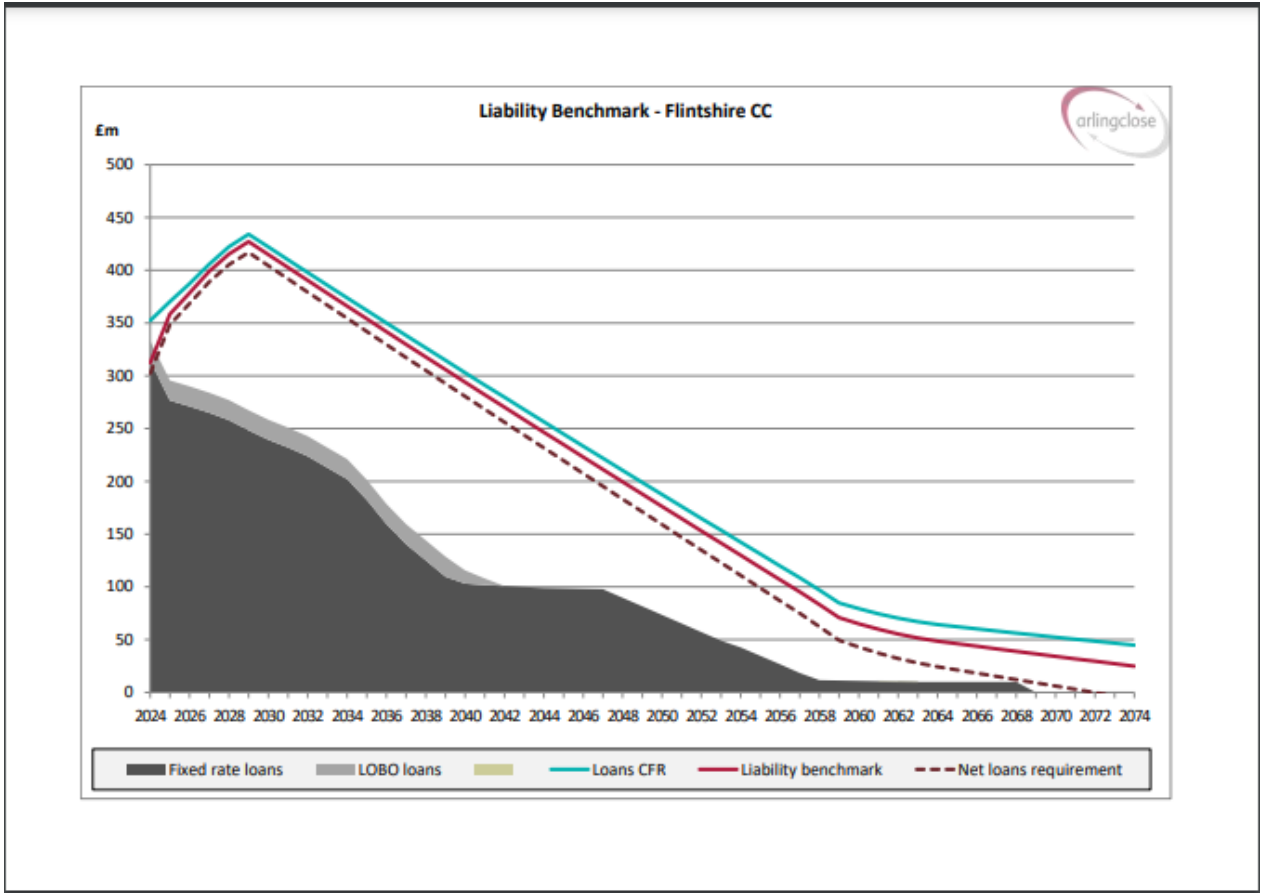
### **6.00 TREASURY MANAGEMENT PRUDENTIAL INDICATORS**

As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

#### 6.01 Liability Benchmark

This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.





6.02 Interest rate exposures

This indicator is set to control the Council’s exposure to interest rate risk.

<b>Interest rate risk indicator</b>	<b>30.06.24 £'000</b>	<b>30.09.24 £'000</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	(48)	(60.0)
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	177	206.0

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

6.03 Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Lower	Upper	Actual as at 30.09.24
Under 12 months	0%	20%	2.76%
12 months and within 24 months	0%	20%	3.39%
24 months and within five years	0%	30%	7.99%
Five years and within 10 years	0%	50%	17.76%
10 years and above	0%	100%	68.10%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.04 Long-term treasury management investments:

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25 Limit	30.09.24 Actual
Limit on total principal invested beyond year end	£5m	£0m

Any long-term investments carried forward from previous years will be included in each year's limit.

6.05 Borrowing Limits

These limits are reported as part of the quarterly monitoring of the capital programme, however, they are repeated here for completeness.

	2024/25 Limit	30.09.24 Actual
Operational Boundary	£485m	£397m
Authorised Limit	£520m	£397m

## **7.00 OTHER ITEMS**

7.01 Other treasury management related activities that took place during April – September 2024 included:

- Statutory override: In April 2023 the Ministry for Housing, Communities and Local Government published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for 2 years until 31st March 2025 but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary to the consultation outcome suggests not.
- The Treasury Management Annual Report 2023/24 was reported to Governance and Audit Committee on 24<sup>th</sup> July 2024, Cabinet on 25<sup>th</sup> September 2024 and will be reported to Council on 21<sup>st</sup> November 2024.
- The Quarter 1 Treasury Management update was reported to the Governance and Audit Committee.

## **8.00 COMPLIANCE**

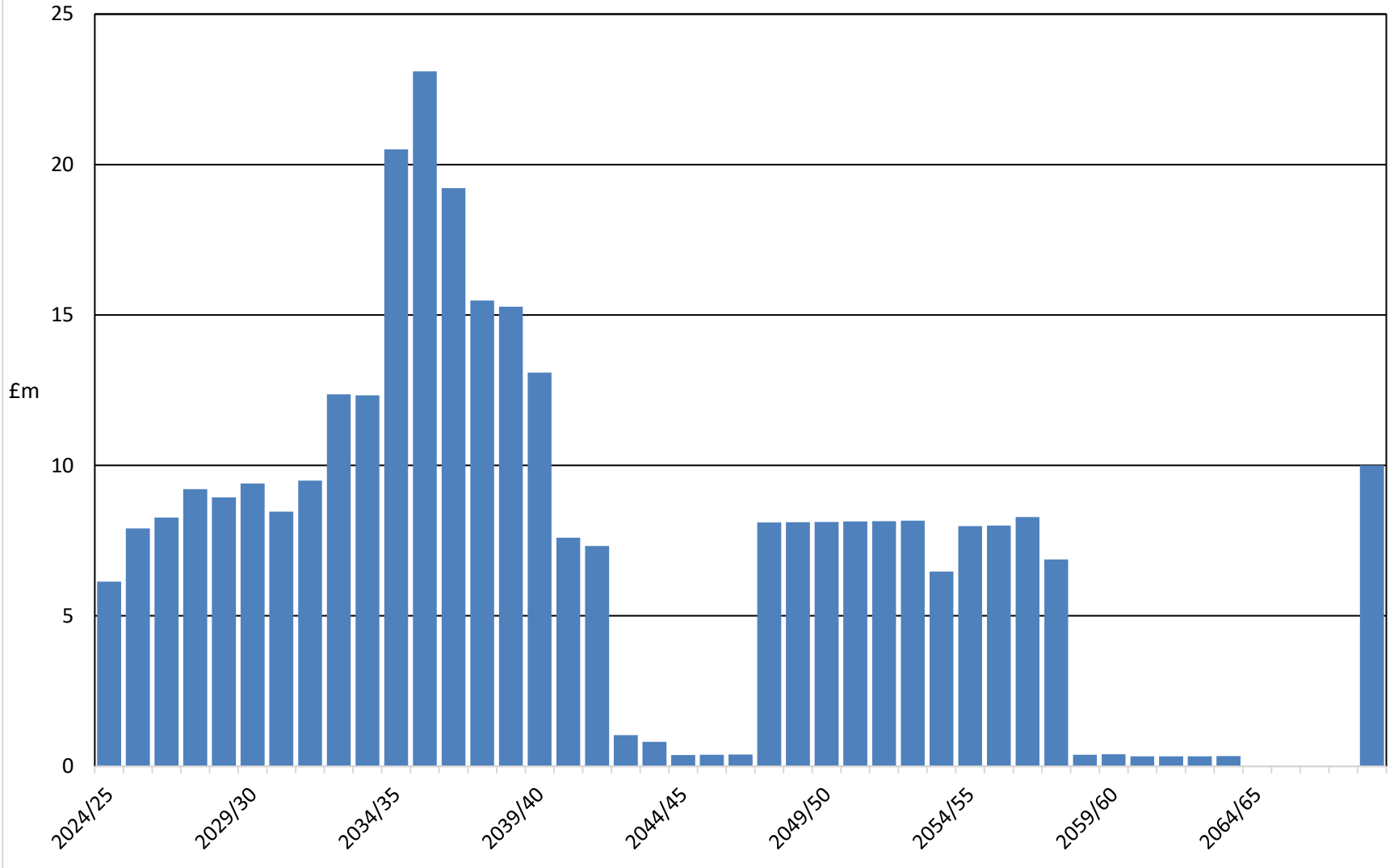
8.01 The Corporate Finance Manager reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in Section 6.00.

## **8.00 CONCLUSION**

8.01 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during the first half of 2024/25.

8.02 As indicated in this report none of the prudential indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

### Debt Maturity Profile - September 2024



## APPENDIX A NON-TREASURY INVESTMENTS

- 1.01 The definition of investments in the Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

The Council has given loans to wholly owned companies for service purposes and has historical non-financial investments in property defined as Investment Properties within the Council's Statement of Accounts. The Council considers both to be non-treasury investments.

### 1.02 Wholly Owned Companies

The Council's investments in the form of loans to wholly owned companies contribute to its service delivery objectives and/or to promote wellbeing as follows:

- The Council has embarked on an ambitious house building programme as part of its Strategic Housing and Regeneration Programme (SHARP). Over a 5-year period 500 new homes will be built at a range of sites across the county, a mixture of new council houses and affordable homes, alongside commissioning a range of linked regeneration initiatives and community benefits.
- Affordable homes are being developed through the Council's wholly owned subsidiary North East Wales Homes Limited (NEW Homes) in partnership with the Council. Affordable homes for rent are built or purchased by NEW Homes funded by loans from the Council. New affordable homes for rent have been built in Flint, Penyffordd (Holywell), Dobshell, Bryn-y-Baal, Northop and Saltney.

The Council considers that its financial exposure to loans to wholly owned companies is proportionate and has set the limits in the table below. The Council's loan book is currently within these self-assessed limits.

<b>Borrower</b>	<b>Cash Limit</b>
Wholly owned companies	£40m
Treasury management investments meeting the definition of a loan	Unlimited

#### Yield (net profit)

The loans generate a small income for the Council as there is a margin of approx. 0.25% charged to NEW Homes on the Council's borrowing rate from the PWLB. The income makes a very small contribution to achieving a balanced revenue budget.

### 1.03 Investment Properties

The Welsh Government guidance includes an investment category covering non-financial assets held primarily or partially to generate a profit, primarily investment property. Proper accounting practice defines an investment property as those that are held solely to earn rent and / or for capital appreciation.

The Council has a portfolio of investment properties, in the form of agricultural property and industrial units. Although these are classified as investment properties, they are legacy assets, and the Council is managing down its agricultural portfolio and is reviewing its position regarding industrial units.

#### **Fair Value of Investment Properties**

	31.03.2024 £m	31.03.2023 £m	31.3.2022 £m	31.3.2021 £m	31.3.2020 £m
Fair Value Inv. Properties	29.3	29.1	27.6	25.2	25.0

#### Yield (net profit)

The profit generated by investment activity makes a small contribution to achieving a balanced revenue budget. The table below details the extent to which funding expenditure to meet the service delivery objectives and or promote wellbeing in the Council is dependent on achieving the expected yield over the life cycle of the Medium-Term Financial Plan.

### Proportionality of Investment Properties

	2023/24 Actual £m	2024/25 Budget £m	2025/26 Budget £m
Net Revenue Budget	352.121	368.106	368.106
Net Investment income	1.71	1.67	1.67
Proportion	0.49%	0.45%	0.45%

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**FLINTSHIRE COUNTY COUNCIL - INVESTMENT PORTFOLIO**

**At 30th September 2024**

**APPENDIX 2**

Counterparty Name	Amount Invested £m	Start Date	Maturity Date	Interest Rate	Investment Interest £	Type of Investment	Period to Maturity
DEBT MANAGEMENT OFFICE	5.0	06/06/24	06/12/24	5.15%	129,103	UK GVT	1 - 3 months
<b>DEBT MANAGEMENT OFFICE</b>	<b>5.0</b>						
AVIVA INVESTORS	4.0	01/04/24	31/10/24	5.01%	116,946	MMF	1 month or less
<b>AVIVA INVESTORS</b>	<b>4.0</b>						
FEDERATED INVESTORS	4.0	01/04/24	31/10/24	5.02%	117,179	MMF	1 month or less
<b>FEDERATED INVESTORS</b>	<b>4.0</b>						
HSBC STERLING ESG FUND	4.0	01/04/24	31/10/24	4.89%	114,145	MMF	1 month or less
<b>HSBC STERLING ESG FUND</b>	<b>4.0</b>						
INSIGHT LIQUIDITY FUNDS	4.0	01/04/24	31/10/24	4.99%	116,479	MMF	1 month or less
<b>INSIGHT LIQUIDITY FUNDS</b>	<b>4.0</b>						
INVESCO AIM STIC	0.9	01/04/24	31/10/24	5.01%	26,313	MMF	1 month or less
<b>INVESCO AIM STIC</b>	<b>0.9</b>						
LLOYDS BANK	3.0	01/04/24	31/10/24	5.14%	89,985	UK BANK	1 month or less
<b>LLOYDS BANK</b>	<b>3.0</b>						
<b>TOTALS</b>	<b>24.9</b>			<b>5.03%</b>	<b>710,149</b>		

<b>PREVIOUS REPORT TOTALS (28th June 2024)</b>	<b>22.0</b>			<b>5.20%</b>	<b>436,595</b>		
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<b>PREVIOUS YEARS REPORT TOTALS (30th September 2023)</b>	<b>33.0</b>			<b>5.08%</b>	<b>959,065</b>		
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**FLINTSHIRE COUNTY COUNCIL - INVESTMENTS SUMMARISED BY TYPE & MATURITY**

**At 30th September 2024**

**APPENDIX 2**

Type of Investment	Total Amount Invested £m	% of Total Portfolio	Period to Investment Maturity			
			1 month or less £m	1 - 3 months £m	3 months + £m	12 months + £m
Debt Management Office (DMO)	5.0	20%		5.0		
UK Bank	3.0	12%	3.0			
UK Building Society (UK BS)	0.0	0%				
Overseas	0.0	0%				
Local Authorities	0.0	0%				
CD's	0.0	0%				
T-Bills	0.0	0%				
Money Market Funds (MMF)	16.9	68%	16.9			
<b>Total (£)</b>	<b>24.9</b>		<b>19.9</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total (%)</b>		<b>100%</b>	<b>80%</b>	<b>20%</b>	<b>0%</b>	<b>0%</b>

**FLINTSHIRE COUNTY COUNCIL - LONG TERM BORROWING ANALYSIS**

**30th SEPTEMBER 2024**

**APPENDIX 3**

<b>Loan Start Date</b>	<b>Principal Loan Outstanding £</b>	<b>Interest Rate %</b>	<b>Annual Interest £</b>	<b>Loan Maturity Date</b>
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<b>PWLB Fixed Rate Maturity Loans</b>				
20/03/86	2,436,316	9.50	231,450	30/11/25
24/03/88	696,090	9.13	63,518	30/11/27
25/08/88	696,090	9.50	66,129	31/03/28
26/05/89	1,044,135	9.50	99,193	31/03/25
26/05/89	1,044,135	9.50	99,193	31/03/29
28/09/95	561,642	8.25	46,335	30/09/32
28/09/95	181,120	8.63	15,622	30/09/32
28/09/95	348,045	8.25	28,714	30/09/27
28/09/95	696,090	8.25	57,427	30/09/28
28/09/95	1,740,226	8.25	143,569	30/09/29
28/09/95	1,740,226	8.25	143,569	30/09/30
28/09/95	1,740,226	8.25	143,569	30/09/31
28/09/95	1,740,226	8.25	143,569	30/09/26
18/04/97	2,000,000	7.75	155,000	18/10/27
18/04/97	2,000,000	7.75	155,000	18/10/28
18/04/97	2,000,000	7.75	155,000	18/10/29
18/04/97	2,000,000	7.75	155,000	18/10/30
17/07/97	4,000,000	7.13	285,000	31/03/55
17/07/97	4,000,000	7.13	285,000	31/03/56
17/07/97	4,492,873	7.13	320,117	31/03/57
17/07/97	3,500,000	7.00	245,000	31/03/55
17/07/97	3,500,000	7.00	245,000	31/03/56
17/07/97	3,278,252	7.00	229,478	31/03/57
20/05/98	1,333,332	5.75	76,667	18/04/31
20/05/98	1,050,000	6.00	63,000	18/04/26
09/06/98	2,000,000	5.75	115,000	30/09/32
09/06/98	3,000,000	5.75	172,500	30/09/33
09/06/98	4,000,000	5.75	230,000	30/09/34
17/09/98	3,850,000	5.25	202,125	31/03/58
08/12/98	1,200,000	4.75	57,000	31/03/54
08/12/98	2,500,000	4.75	118,750	31/03/58
08/12/98	4,800,000	4.50	216,000	31/03/54
01/04/99	6,000,000	4.63	277,500	31/03/53
22/04/99	4,000,000	4.50	180,000	31/03/52
10/08/99	1,700,000	4.50	76,500	31/03/53
10/08/99	3,700,000	4.50	166,500	31/03/52
10/08/99	7,700,000	4.50	346,500	31/03/51
10/08/99	7,700,000	4.50	346,500	31/03/50
10/08/99	7,700,000	4.50	346,500	31/03/49

10/08/99	7,700,000	4.50	346,500	31/03/48
05/04/01	2,500,000	4.75	118,750	31/03/25
02/08/05	1,700,000	4.45	75,650	18/04/31
02/08/05	4,900,000	4.45	218,050	18/04/32
02/08/05	4,600,000	4.45	204,700	18/04/33
02/08/05	1,800,000	4.45	80,100	18/04/34
02/08/05	2,244,611	4.45	99,885	18/04/35
02/04/15	10,800,000	4.11	443,880	02/10/34
02/04/15	9,000,000	4.13	371,700	02/04/35
02/04/15	9,000,000	4.14	372,600	02/10/35
02/04/15	9,000,000	4.16	374,400	02/04/36
02/04/15	8,000,000	4.17	333,600	02/10/36
02/04/15	7,000,000	4.18	292,600	02/04/37
02/04/15	7,000,000	4.19	293,300	02/10/37
02/04/15	7,000,000	4.20	294,000	02/04/38
02/04/15	7,000,000	4.21	294,700	02/10/38
02/04/15	5,448,094	4.22	229,910	02/04/39
06/12/18	10,000,000	2.64	264,000	06/12/68
<b>Total</b>	<b>222,361,729</b>	<b>5.04</b>	<b>11,210,816</b>	

<b>PWLB Fixed Rate Annuity Loans</b>				
06/12/18	7,030,038	2.79	196,138	06/01/63
07/01/20	547,937	3.06	16,767	07/01/60
30/03/20	274,564	2.65	7,276	30/03/60
30/03/20	998,610	2.65	26,463	30/03/60
02/11/20	1,322,118	2.53	33,450	02/11/57
09/02/21	2,376,566	1.79	42,541	09/02/58
30/04/21	553,666	2.15	11,904	30/04/61
20/06/24	118,028	5.42	6,397	20/06/64
05/08/24	743,427	5.63	41,855	05/08/64
	<b>13,964,954</b>	<b>2.74</b>	<b>382,790</b>	

<b>PWLB Fixed Rate Equal Instalment of Principal Loans</b>				
16/12/20	4,204,545	1.16	48,773	16/12/42
01/04/19	6,666,667	1.65	110,000	01/04/34
13/08/19	5,416,667	1.28	69,333	13/08/37
28/01/22	8,863,636	2.07	183,477	28/01/44
10/02/23	4,583,333	3.91	179,208	10/02/41
12/12/23	4,791,667	4.41	211,313	12/12/35
28/12/23	6,730,769	3.98	267,885	28/12/36
14/08/24	5,000,000	4.15	207,500	14/08/35
23/09/24	10,000,000	4.32	432,000	23/09/34
	<b>56,257,284</b>	<b>3.04</b>	<b>1,709,489</b>	

<b>Market Fixed Rate Loans (LOBOS)</b>				
24/07/07	6,350,000	4.48	284,480	24/01/40
24/07/07	6,300,000	4.53	285,075	24/01/41
24/07/07	6,300,000	4.58	288,540	24/01/42
<b>Total</b>	<b>18,950,000</b>	<b>4.53</b>	<b>858,095</b>	

<b>Other Government Loans</b>				
23/03/18	1,408,108	0.00	0.00	01/10/28
27/03/19	739,483	0.00	0.00	01/04/29
18/01/22	22,808	0.00	0.00	01/10/25
04/04/22	43,000	0.00	0.00	01/04/28
12/07/22	27,400	0.00	0.00	01/04/29
29/03/23	18,356	0.00	0.00	01/03/27
29/01/24	110,084	0.00	0.00	01/04/31
21/10/15	460,000	0.00	0.00	31/03/30
20/10/16	400,000	0.00	0.00	31/03/31
05/05/20	461,500	0.00	0.00	31/03/26
09/07/21	103,000	0.00	0.00	31/03/29
29/12/22	300,000	0.00	0.00	31/03/29
	<b>4,093,739</b>	<b>0</b>	<b>0</b>	

<b>Totals</b>			
<b>Fixed Rate</b>	<b>292,583,968</b>		<b>13,303,095</b>
<b>LOBOs</b>	<b>18,950,000</b>		<b>858,095</b>
<b>Other</b>	<b>4,093,739</b>		<b>0</b>
<b>Grand Total</b>	<b>315,627,707</b>	<b>4.49</b>	<b>14,161,190</b>

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**FLINTSHIRE COUNTY COUNCIL - SHORT TERM BORROWING**

**At 30th September 2024**

**APPENDIX 4**

<b>Counterparty Name</b>	<b>Amount Borrowed £m</b>	<b>Start Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Interest due £</b>	<b>Brokerage due £</b>	<b>Period to Maturity</b>
NORWICH CITY COUNCIL	5.0	18/03/24	18/10/24	6.25%	183,219	2,932	1 month or less
<b>NORWICH CITY COUNCIL</b>	<b>5.0</b>						
MIDDLESBROUGH COUNCIL	5.0	25/09/24	03/01/25	5.00%	68,493	1,370	3 months +
<b>MIDDLESBROUGH COUNCIL</b>	<b>5.0</b>						
<b>TOTAL</b>	<b>10.0</b>			<b>5.63%</b>	<b>251,712</b>	<b>4,301</b>	
<b>PREVIOUS REPORT TOTALS (28th June 2024)</b>	<b>20.0</b>			<b>6.17%</b>	<b>617,134</b>	<b>10,014</b>	
<b>PREVIOUS YEARS REPORTS TOTALS (30th September 2023)</b>	<b>0.0</b>			<b>0.00%</b>	<b>0</b>	<b>0</b>	

**SHORT TERM BORROWING SUMMARISED BY TYPE & MATURITY**

**At 30th September 2024**

**APPENDIX 4**

SHORT TERM BORROWING TYPE	Total Amount Borrowed £m	% of Total Portfolio	Period to Maturity			
			1 month or less £m	1 - 3 months £m	3 months + £m	12 months + £m
UK Bank	0.0	0%				
UK Building Society (UK BS)	0.0	0%				
Local Authorities	10.0	100%	5.0		5.0	
<b>Total (£)</b>	<b>10.0</b>		<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	<b>0.0</b>
<b>Total (%)</b>		<b>100%</b>	<b>50%</b>	<b>0%</b>	<b>50%</b>	<b>0%</b>





## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday 25th November 2024
<b>Report Subject</b>	Response to the Audit Wales Review “ <i>Urgent and Emergency Care: Flow out of Hospital – North Wales Region</i> ”
<b>Report Author</b>	Chief Officer – Social Services
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The Auditor General has undertaken work to examine whole system issues affecting urgent and emergency care services across Wales and the associated demand management. This work included the discharge of patients from hospital, and examined whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital.

The Auditor General has produced a review report on findings for North Wales. The report concludes that, whilst partners demonstrated an understanding and commitment to improving patient flow out of hospital, performance remains extremely challenging with adverse effects for patient experience. Specifically, the overall finding is that “Partners must continue to work individually and collaboratively to set and implement clear guidance, mitigate the challenges posed by reduced capacity and increased complexity of care, and ensure the impact of activities is continually monitored, challenged, and maximised.”

The review considered the period April 2023 to February 2024, concluding with a set of 16 recommendations for action. Audit Wales will present their report and findings to Governance and Audit Committee on 25 November 2024.

### RECOMMENDATIONS

1	To consider the Wales Audit report and the measures being taken regionally and locally to implement the recommendations made.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE RESPONSE TO THE AUDIT WALES REVIEW “URGENT AND EMERGENCY CARE: FLOW OUT OF HOSPITAL – NORTH WALES REGION”</b>
1.01	The report found that the extent of hospital discharge delays in North Wales has grown significantly in recent years and between April 2023 and February 2024. Each month there were on average 334 medically fit patients across the region whose discharge was delayed, with completion of assessments the main cause for delay.
1.02	For the year to date, up to and including February 2024, the total number of bed days that had been lost to delayed discharges across North Wales was 71,871 with a full-year cost equivalent of £39.202 million. Difficulties with discharge are also impacting on the ability of partner organisations to meet some patients’ needs effectively, especially in the West of the region where a significant proportion of patients are placed in temporary accommodation post hospital discharge.
1.03	Several factors are contributing to delayed discharges. Many patients, especially elderly people with mental health problems, have complex needs that are not easily met by the services that are available. There are also workforce challenges within the social care sector, particularly in the areas of Conwy, Denbighshire, and Gwynedd.
1.04	Work is also needed to address an absence of jointly agreed training and guidance on discharge planning for health and social care staff, and to overcome difficulties in communicating and sharing information across organisational boundaries.
1.05	Improving patient flow is a key feature of plans across the partners which align to the Welsh Government’s six goals for urgent and emergency care. Partners are working together, both strategically and operationally, to improve patient flow, however, pressures on the system are creating an unhelpful blame culture. Financial resources are being applied to improve discharge planning, although financial constraints in partner bodies is leading to the continual roll forward of schemes and ultimately leaves little space for new ideas.
1.06	Partners also need to maximise the use of the Regional Integration Fund (RIF), improve oversight and impact of the initiatives that are being undertaken to support timely and effective discharge, and ensure learning from events is embedded into routine practice.
1.07	Taken together, the above demonstrates that despite hard work and good intentions on the part of organisations within the region, there is still much to do to improve discharge planning and processes. Continued action is needed across a range of areas to secure the improvements which are necessary for patients, their families, and the wider urgent and emergency care system.
1.08	The report identifies gaps and areas for improvement in supporting patient flow but acknowledges the financial constraints in which social care and health agencies are working.

1.09	Sixteen recommendations are made to improve joint working, setting out better ways of working with an expectation that these recommendations are addressed. Recommendations set out expectations for BCUHB and North Wales local authorities, with particular reference to the role of the Regional Partnership Board.
1.10	A key recommendation is that guidance should be agreed between the Health Board and local authorities in North Wales, providing clarity on how discharge planning should work across the region. In response, a guidance summary is being prepared regionally to provide support and guidance to help health and social care colleagues work together better. Within Flintshire Social Services, the document will be shared with all staff involved in supporting discharge planning across Flintshire and will be embedded in training and supervision.
1.11	The report recommends that social care and staff should have consistent access to up to date information about community services. In Flintshire, our Single Point of Access for adult services includes a number of FLVC third sector advisers who have access to a wide range of community resources, and there is also access to the national DEWIS database of community services.
1.12	The report recommends that BCUHB and local authorities should develop information sharing, including wider access to organisational systems. Flintshire Social Services has for some time provided access to our electronic information system to discharge leads within the Home First Bureau to enable access to key information to support discharge planning. Daily meetings are held in each of the hospitals which service Flintshire, where health and social services colleagues share information and make plans for safe discharges.
1.13	The Regional Partnership Board has prepared an action plan to address all the Audit Wales recommendations in a timely way. The report will influence and inform policy and procedure to improve hospital discharges over the coming months.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p><b>Revenue:</b> there are no implications for the approved revenue budget for this service for either the current financial year or for future financial years. The recommendations made can be addressed by working more effectively within existing resources and structures.</p> <p><b>Capital:</b> there are no implications for the approved capital programme for either the current financial year or for future financial years.</p> <p><b>Human Resources:</b> there are no implications for additional capacity or for any change to current workforce structures or roles.</p>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	An impact assessment is not required as this is a report on progress and provides an overview of the requirements and recommendations set out in the Audit Wales report.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None required in this case.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Audit Wales – Urgent and Emergency Care: Flow out of Hospital – North Wales Region Report.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	Contact Officer: Christopher Phillips, Service Manager, Older People Telephone: 01352 702540 E-mail: <a href="mailto:Christopher.phillips@flintshire.gov.uk">Christopher.phillips@flintshire.gov.uk</a>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
	<p><b>Wales Audit Office:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Regional Integration Fund (RIF):</b> A five-year Welsh Government programme from April 2022 to 2027 to help integrate health and care services.</p> <p><b>North Wales Regional Partnership Board:</b> Regional Partnership Boards manage and develop services to secure strategic planning and partnership working between local authorities and Local Health Boards and to ensure effective services, care and support are in place to best meet the needs of their respective populations.</p> <p><b>FLVC:</b> Flintshire Local Voluntary Council supports, promotes and develops the voluntary and community sector in Flintshire.</p>

	<p><b>Home First Bureau:</b> A BCUHB team covering Wrexham and Flintshire to support discharge planning and co-ordinate discharge activity.</p>
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## Urgent and Emergency Care: Flow out of Hospital – North Wales Region

Date issued: February 2024

Document reference: 4081A2024

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting to the Senedd on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.



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# Summary report

## About this report

- 1 Once a patient is considered medically or clinically well enough to leave hospital (also referred to as medically fit or clinically optimised) the timely discharge of that patient to the right setting for their ongoing needs is vital. Timely, effective, and efficient moving of patients out of an acute hospital setting holds important benefits for patient care and experience as well as for the use of NHS resources.
- 2 When the discharge process takes longer than it should there can be significant implications for the patient in terms of their recovery, rehabilitation, and independence. Delayed discharges will also have implications for other patients coming into the urgent and emergency care system<sup>1</sup> who need a hospital bed. Poor patient “flow” creates bottlenecks in the system that contribute to well documented problems such as over-crowded emergency departments and an inability to secure timely handover of patients from ambulance crews.
- 3 The Auditor General had originally included work in his 2021 local audit plans to examine whole system issues affecting urgent and emergency care services, including the discharge of patients from hospital. The COVID-19 pandemic resulted in this work being postponed and brought back on stream in 2023. Our work has sought to examine whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital. The approach we adopted to deliver our work is set out in **Appendix 1**.
- 4 This work is part of a broader programme of work the Auditor General is currently undertaking in respect of urgent and emergency care services in Wales. We are also examining the arrangements in place to help manage urgent and emergency care demand, and to direct patients to the care setting that is most appropriate to their needs. The findings from that work will be reported separately in 2024.
- 5 The Auditor General’s work on urgent and emergency care is designed to help discharge his statutory duties. Specifically, this work is designed to satisfy the Auditor General that NHS bodies and local authorities have proper arrangements in place to secure the efficient, effective, and economical use of resources, as required by sections 17 and 61 of the Public Audit Wales Act 2004.
- 6 This report sets out the findings from the Auditor General’s review of the arrangements to support effective flow out of hospital in the North Wales region (the region). The region encompasses:
  - Betsi Cadwaladr University Health Board (the Health Board);
  - Conwy County Borough Council;

<sup>1</sup> Urgent and emergency care describes any unplanned, urgent, and emergency care provided by health and social care services. The unscheduled care system is complex with numerous organisations involved in providing services and it deals with acutely unwell, vulnerable, and distressed people in need of urgent assistance.

- Denbighshire County Council;
  - Flintshire County Council;
  - Cyngor Gwynedd;
  - Isle of Anglesey Council; and
  - Wrexham County Borough Council.
- 7 In undertaking this work, we have also considered progress made by the Health Board against previous recommendations made in our [2017 report on discharge planning](#). Our findings from this work are set out in a separate report to the Health Board.

## Key messages

- 8 Overall, we found that **while partners understand and show a commitment to improving patient flow out of hospital, performance remains extremely challenging with adverse effects for patient experience and care. Partners must continue to work individually and collaboratively to set and implement clear guidance, mitigate the challenges posed by reduced capacity and increased complexity of care, and ensure the impact of activities is continually monitored, challenged, and maximised.**
- 9 The extent of discharge delays in North Wales has grown significantly in recent years and between April 2023 and February 2024, each month there were on average 334 medically fit patients whose discharge was delayed, with completion of assessments the main cause for delay. For the year to date, up to and including February 2024, the total number of bed days that had been lost to delayed discharges was 71,871 with a full-year cost equivalent of £39.202 million. The consequent impact on patient flow within hospitals and the urgent and emergency care system is significant, with waiting times in emergency departments and ambulance handovers falling well short of national targets. In February 2024, there were over 8,000 lost ambulance hours because of handover delays, and the average wait within the Health Board's emergency departments was around 8.5 hours. Difficulties with discharge are also impacting on the ability of partner organisations to meet some patients needs effectively, especially in the west of the region where a significant proportion of patients are placed in temporary accommodation post hospital discharge.
- 10 Several factors are contributing to delayed discharges. Many patients, especially elderly people with mental health problems, have complex needs that are not easily met by the services that are available. There are also workforce challenges within the social care sector, particularly in the areas of Conwy, Denbighshire, and Gwynedd. Our work identified numerous weaknesses in the practice and documentation of discharge planning and a need to implement the Discharge to Recover and Assess (D2RA) model as intended. Work is also needed to address an absence of jointly agreed training and guidance on discharge planning for

health and social care staff, and to overcome difficulties in communicating and sharing information across organisational boundaries.

- 11 Improving patient flow is a key feature of plans across the partners which align to the Welsh Government's six goals for urgent and emergency care<sup>2</sup>. Partners are working together, both strategically and operationally, to improve patient flow, however, pressures on the system are creating an unhelpful blame culture. Financial resources are being applied to improve discharge planning, although financial constraints in partner bodies is leading to the continual roll forward of schemes and ultimately leaves little space for new ideas. Whilst there is regular monitoring of the position within individual organisations, partners lack arrangements to oversee patient flow across the whole health and care system. This limits opportunities to examine whole system solutions, embed learning and to focus on the impact of activity within performance and progress reports.
- 12 Partners also need to maximise the use of the Regional Integration Fund (RIF), improve oversight and impact of the initiatives that are being undertaken to support timely and effective discharge, and ensure learning from events is embedded into routine practice.
- 13 Taken together, the above demonstrates that despite hard work and good intentions on the part of organisations within the region, there is still much to do to improve discharge planning and processes. Continued action is needed across a range of areas to secure the improvements which are necessary for patients, their families, and the wider urgent and emergency care system.

## Recommendations

- 14 Recommendations arising from this audit are detailed in **Exhibit 1**. The combined organisational response by the statutory bodies included in this review to these recommendations will be summarised in **Appendix 4** once considered by the relevant committees.

### Exhibit 1: recommendations

Recommendations	
<b>Improving training and guidance</b>	
R1	The Health Board, working with local authorities, should develop jointly agreed guidance to provide clarity to all staff on how the discharge planning

<sup>2</sup> Further information on the Welsh Government six goals for urgent and emergency care can be found via <https://www.gov.wales/written-statement-six-goals-urgent-and-emergency-care-programme-update>

## Recommendations

process should work across the region. This should be based on the national guidance issued in December 2023 and should set out clearly defined roles and responsibilities, and expectations, including when referrals for ongoing care should be made.

- R2 The Health Board and local authorities should ensure processes are in place to communicate discharge planning guidance to all relevant health and social services staff, including those working on a temporary basis, supported by an ongoing programme of refresher training and induction training for new staff.

### Improving compliance with policies and guidance

- R3 The Health Board should embed a regular cycle of audit to assess the effectiveness and consistency of the application of discharge policies and guidance, including the application of D2RA.
- R4 The Health Board should establish controls to prevent staff adding patients to multiple waiting lists, such as for reablement, home care packages and residential care to facilitate a speedy discharge, regardless of need. This will ensure that only those who need the services are on the relevant waiting lists.

### Ensuring patient safety while awaiting care packages

- R5 The Health Board should ensure processes are in place to notify social services before patients are discharged home, where those patients require ongoing support in their own home, and where such support is not in place at the time of discharge.
- R6 The Health Board and local authorities should ensure mechanisms are in place to regularly monitor patients who are discharged home without arranged ongoing social care and to escalate issues to the appropriate service where necessary.

### Improving the quality and sharing of information

- R7 The Health Board and local authorities should ensure that all relevant staff across each organisation has consistent access to up-to-date information on services available in the community that support hospital discharge. This will ensure that opportunities to discharge earlier with support from services beyond social care are not missed.
- R8 The Health Board should improve record keeping by:
- 8.1. ensuring all staff involved in discharge planning fully understand the importance of documenting comprehensive information in patient case-notes to support effective discharge planning.

## Recommendations

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8.2. establishing a programme of case-note audits focused on the quality of record keeping.

- R9 The Health Board and local authorities should implement ways in which information can be shared more effectively, including opportunities to provide wider access to organisational systems and ultimately joint IT solutions.
- 

### Addressing key gaps in capacity

- R10 The Health Board and local authorities need to work together to develop joint solutions to address key gaps in service capacity, in particular, domiciliary care and reablement services which would enable timelier discharge of patients to their own home.
- 

### Maximising the use of the Regional Integration Fund

- R11 The Health Board and local authorities, through the Regional Partnership Board (RPB), should demonstrate how it is working to increasingly mainstream long-standing schemes funded through RIF which are considered core services.
- R12 The Health Board and local authorities, through the Regional Partnership Board, should agree a process for utilising any future RIF slippage monies, ensuring that appropriate value and benefit is obtained from such spending.
- R13 To help inform decision-making and discussions, the Health Board and local authorities should:
- 13.1. ensure that the Regional Partnership Board has routine access to key performance indicators relevant to effective and timely flow out of hospital, including urgent and emergency care performance within the Health Board and waiting lists for social services and care packages; and
  - 13.2. use the Regional Partnership Board working arrangement to develop a regional risk register which pulls together the risks associated with delayed discharges.
- 

### Improving oversight and impact

- R14 The Health Board and local authorities should ensure that information setting out progress with significant activities and initiatives being undertaken to support effective and timely discharge is routinely available at a corporate and partnership level. This should include activities and initiatives undertaken individually and jointly, both within and outside of the RPB structure, their

## Recommendations

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impact and how they collectively contribute to addressing the challenges. This will help to provide assurance that resources are being invested to best effect.

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### **Embedding learning from actions taken to address delayed discharges**

- R15 The Health Board and local authorities should ensure that mechanisms are in place to implement learning from actions taken to address delayed discharges, such as the Multi Agency Discharge Events (MADE), and to maintain regular oversight to ensure the learning is being implemented.
- R16 The Health Board should strengthen escalation arrangements for reporting adverse incidents or concerns relating to discharge by:
- 16.1. addressing any outstanding adverse incidents or concerns, communicating clearly with the relevant local authority; and
  - 16.2. ensuring a consistent approach to reporting adverse incidents and concerns relating to discharge is in place across the Health Board.

Exhibit source: Audit Wales

# Detailed report

## What is the scale of the challenge?

- 15 This section sets out the scale of the challenge that the region is facing in respect of delayed discharges and the subsequent impact on patient flow and the patient experience.
- 16 We found that **there are significant numbers of delayed discharges across the region which are reducing patient flow through the hospitals with consequential impact on urgent and emergency care services and the ability to meet patients' needs.**

### Delayed discharges

- 17 We found that **significant numbers of patients are not leaving hospital in a timely way once they are considered medically well enough to do so, with completion of assessments, social care worker allocations and waits for home care packages the main causes for delay.**
- 18 Delays discharging patients from hospital has been a longstanding issue for bodies in Wales and other parts of the UK. The available data shows that this issue has become significantly worse in recent years.
- 19 **Exhibit 2** sets out the number of delayed discharges experienced by the Health Board between April 2023 and February 2024, compared with other Health Boards across Wales. These relate to patients who are considered medically fit but remain in a hospital bed 48 hours after the decision was made that they were well enough to leave hospital. The rate of delayed discharges across the region is broadly in line with the average for Wales.



**Exhibit 2: number of delayed discharges per 100,000 head of population (April 2023 – February 2024)**

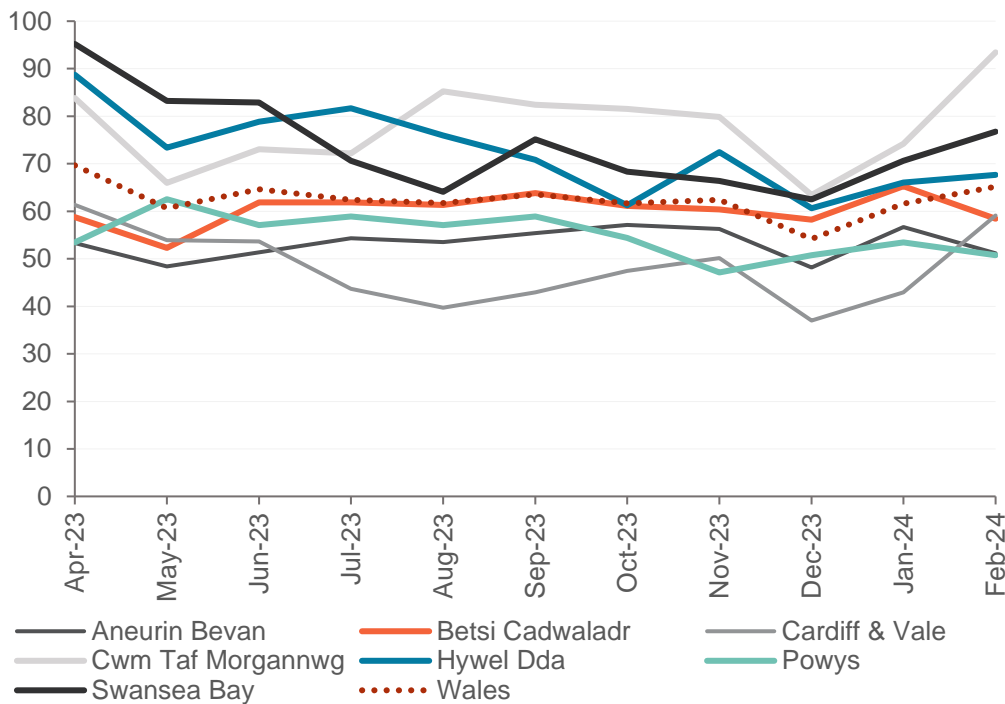


Exhibit source: Welsh Government

- 20 Since the pandemic, the way in which delayed discharges are measured has changed. No data on delayed discharges was formally reported between the period March 2020 and March 2023. Prior to the pandemic, delayed discharges were reported as 'delayed transfers of care' which were defined as those who continue to occupy a bed after the date in which the patient is declared to be ready to move on to the next stage of their care. This compares with the current method for counting delays which focuses on those who remain in a hospital bed 48 hours after being identified as 'medically fit'.
- 21 Although not a direct comparison, in February 2020 the Health Board reported 81 delayed transfers of care. The position at the end of February 2024 of 324 delayed discharges equates to 16.1% of the Health Board's total bed capacity<sup>3</sup>. However, this is below the all-Wales average of 17.9% (ranging between 13.7% and 31.3%) and the second lowest in Wales.

<sup>3</sup> Based on general and acute bed availability data in July 2023, StatsWales website (<https://statswales.gov.wales/Catalogue/Health-and-Social-Care/NHS-Hospital-Activity/NHS-Beds/nhsbeds-by-organisation-site>)

- 22 The top five reasons for delays at the Health Board compared to the all-Wales position is set out in **Exhibit 3**, with the most common reasons being awaiting a joint assessment (between health and social care) and awaiting a social worker allocation. A full list of reasons for delay in the Health Board are set out in **Appendix 2**, and by local authority.

**Exhibit 3: top five reasons for delayed discharge (February 2024)**

Reason for delay	Percentage delayed	All-Wales average
Awaiting joint assessment	15.7	9.0
Awaiting social worker allocation	15.1	8.5
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	13.3	10.3
Awaiting start of new home care package	10.5	8.0
Awaiting completion of assessment by social care	5.6	15.7

Exhibit source: Welsh Government

- 23 When broken down by local authority, the rate of delayed discharges per 100,000 head of population is generally higher than the all-Wales position except for Flintshire. Awaiting joint assessment is the highest cause of delay in the west of the region, and in Denbighshire. Awaiting social worker allocation is the highest cause of delay in the east of the region. Awaiting clinical assessments is the highest cause of delay in Conwy, accounting for a quarter of all delays.
- 24 Based on data reported in February 2024, the total number of patients accounted for 6,524 bed days. Based on a typical cost per bed day<sup>4</sup>, this equates to costs in the region of £3.262 million, and a full year effect of £39.202 million.
- 25 Our hospital patient case note review relating to a sample of medical emergency patients identified that the length of time patients remained in a hospital bed after 48 hours of being declared medically fit varied across the Health Board’s main hospital sites, with the average number of days patients remained in a hospital bed the longest at Ysbyty Maelor (**Exhibit 4**).

<sup>4</sup> Based on £500 per bed-day as set out in the NHS Confederation [briefing for the statement by the Minister for Finance and Local Government on the 2023-24 financial position](#)

**Exhibit 4: average length of time after 48 hours of being declared medically fit  
(based on a sample of patients with a length of stay greater than 21 days)**

Hospital site	Average number of days
Ysbyty Glan Clwyd	16
Ysbyty Gwynedd	20
Ysbyty Maelor	43

Source: Audit Wales

### Impact on patient flow

- 26 We found that **delayed discharges are having a significant impact on patient flow with worrying knock-on effects elsewhere in the urgent and emergency care system.**
- 27 Delays in discharging patients from hospital have consequences for patient flow and in particular, the ability of patients to access services when they need them. Beds being used by patients who no longer need them means that they are not available for those who do, resulting, for example, in longer waits in emergency departments. This in turn impacts on the ability for ambulance crews to handover patients and respond to 999 calls in the community.
- 28 **Appendix 3** sets out the region's performance across a range of urgent and emergency care performance indicators in comparison to the position across Wales since April 2022. In summary:
- the percentage of ambulance red calls responded within 8 minutes has broadly been in line with the all-Wales position at around 50%, but below the national target of 65% (**Exhibit 20**);
  - the median amber response time has been significantly above the target of 20 minutes at around 3.5 hours, falling to around an hour over the summer of 2023, but rising again in recent months (**Exhibit 21**);
  - the percentage of ambulance handovers within 15 minutes at the Health Board's major emergency departments is generally below the all-Wales average and some of the lowest in Wales, particularly at Ysbyty Glan Clwyd and Ysbyty Maelor, and significantly below the national target (**Exhibit 22**);
  - the percentage of ambulance handovers taking over one hour has broadly been above the all-Wales average fluctuating between 38.5% and 55%, compared to a national target of zero (**Exhibit 23**);
  - the total number of hours lost following notification to handover over 15 minutes is well above the all-Wales average, fluctuating between 6,000 and 10,000 hours per month over recent months (**Exhibit 24**);

- once the patient is in the emergency department, the median time from arrival to triage has reduced and is now just below the all-Wales position at 21 minutes (**Exhibit 25**);
- the median time from arrival to being assessed by a senior clinical decision maker has been significantly higher than all other health boards, at around five and a half hours, but since March 2023 has reduced to around two hours which remains above the all-Wales average (**Exhibit 26**);
- the percentage of patients seen within 4 hours in a major emergency department is some of the lowest in Wales. Performance varies across the three hospital sites, with performance better in Ysbyty Maelor (**Exhibit 27**);
- the percentage of patients spending less than 12 hours in an emergency department is also some of the lowest in Wales, with performance worse at Ysbyty Glan Clwyd and Ysbyty Gwynedd (**Exhibit 28**); and
- the proportion of bed days accrued by patients with a length of stay over 21 days has been better than the all-Wales average (**Exhibit 29**).

- 29 Based on our analysis of Health Board data relating to all emergency medicine patients discharged in October 2022, we found the average total length of stay for patients staying over 21 days in the acute sites was 51 days (compared to 56 days across Wales). This varied across the three acute sites, with the average total length of stay increasing to 64 days at Ysbyty Maelor. The average total length of stay at Ysbyty Glan Clwyd and Ysbyty Gwynedd was 39 and 50 days, respectively.
- 30 The Health Board's total bed capacity has fluctuated over recent years, with 2,123 total beds available in 2022-23, with just under half allocated to acute medicine (975). Bed occupancy in the acute medicine beds has been at 88.3%, compared with an optimal level of 85%. The Health Board is one of four health boards to have community hospital beds managed by GPs. These beds provide step-down facilities for patients who no longer need acute care. However, the number of these beds available in the Health Board has reduced from 109 in 2019-20 to 88 in 2022-23, and occupancy levels have been running high at 97.2%. Most of these beds are in Denbighshire and Gwynedd.
- 31 Pressure on available beds because of delayed discharges means that health boards are not always able to ensure that patients are placed on the best wards for their clinical needs. For example, health boards will usually hold vacant beds on stroke units to ensure that stroke patients have fast and direct access, enabling them to access stroke specialists and equipment.
- 32 Health boards have increasingly experienced difficulties in admitting stroke patients to a stroke ward as problems with patient flow and bed availability mean that these beds have been needed for non-stroke patients. Over the last 12 months, only a quarter of stroke patients admitted to the Health Board have had direct admission to a stroke unit within four hours. Performance, however, is marginally better than the all-Wales position.

33 The impact of poor patient flow is also often felt within scheduled (or planned) care, as patients with their booked procedures are increasingly having their treatments cancelled due to the lack of available beds. During 2022-23, 641 planned care admissions were cancelled due to the lack of an available ward bed in the Health Board, with over half of those during December 2022 and January 2023. For the period, 2023-24 up to and including February 2024, 1,036 planned care admissions were cancelled. This level of cancellation represents poor patient experience and risks the conditions of planned care patients further deteriorating while they wait for their treatment to be rescheduled.

### Meeting patients' needs

- 34 We found that **delayed discharges are impacting on the ability of organisations to meet some patients needs effectively with a significant proportion of patients in the west of the region being discharged into temporary accommodation.**
- 35 The pressure to discharge patients and the lack of available care options can lead to patients being discharged to settings that are not always the most appropriate ones for their needs including:
- being discharged home before a proper care package is in place;
  - being discharged to a residential care home when they could have gone home with a support package;
  - being discharged to a temporary residential care home to await availability of longer-term placement;
  - being discharged to a community hospital bed to await availability of a package of care; and
  - being discharged to a setting which is far away from family and friends.
- 36 Patients who are delayed within hospital can become deconditioned, are at higher risk of experiencing an injury from a fall or contracting a hospital acquired infection which can exacerbate their care needs, lengthening their hospital stay and making them more vulnerable to re-admission after they have been discharged.
- 37 Within the region, the impact of delays on patient experience and outcomes is something we found that both health and social care staff are very aware of and working hard to avoid. However, patient choice and experience are increasingly being compromised to secure a timelier patient discharge, and staff we spoke to often cited the increased need to manage patient and family expectations. With limited options for ongoing care, we found that staff are often left looking at alternative options to enable patients to be discharged. We heard examples of staff adding patients to multiple waiting lists, such as for reablement<sup>5</sup>, home care

<sup>5</sup> Reablement describes services for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living.

packages and residential care, to facilitate a timelier discharge regardless of patients' specific needs.

38 We also heard of examples where patients were discharged home without support to await a package of care to become available. Partners work to minimise such cases as much as possible, adopting a risk-based approach and exploring various options to bridge gaps in the provision of formal support such as by requesting the patients' families or friends provide short-term support. While some councils, including Conwy, Gwynedd, and Wrexham, have arrangements in place to monitor the wellbeing of patients awaiting a package of care, some do not. We also heard of rare but concerning situations where patients are discharged home to await a package of care without social service teams being notified.

39 **Exhibit 5** sets out the extent to which unplanned short-term care home accommodation is used across the region. Since July 2023, the region has had some of the highest number of adults per 100,000 population placed in unplanned short term care home accommodation. This is particularly the case in the west of the region. The proportion of adults in unplanned placements longer than 6 months in Gwynedd is the highest in Wales, with the proportion of adults staying in temporary placements between 3 and 6 months on the Isle of Anglesey the second highest in Wales.

**Exhibit 5: number of adults per 100,000 head of population waiting in a care home with no planned end date, regardless of the reason they are waiting (+3 months) July 2023 – February 2024**

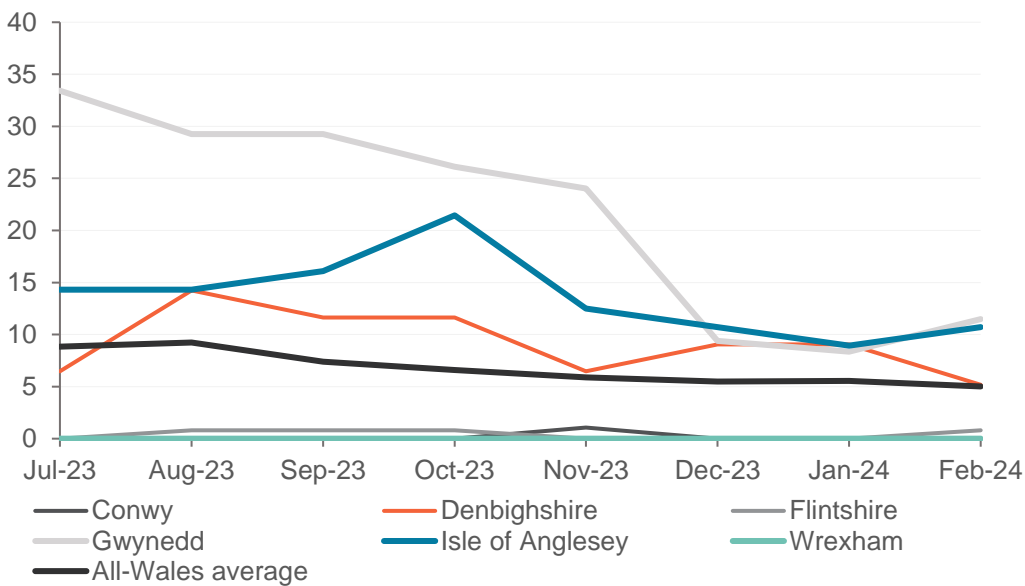


Exhibit source: Welsh Government

\* Note – no data submitted for Wrexham for the period.

## What is impacting effective and timely flow of patients out of hospital?

- 40 This section sets out the issues impacting on effective discharge planning and the timely flow of patients out of hospital across the region.
- 41 We found that **while complexity of demand is increasing, health and social care capacity has reduced leaving limited options for ongoing care and these challenges are exacerbated by a lack of information sharing and beginning discharge planning too late in a patient's journey.**

### Volume and complexity of demand

- 42 We found that **there have been increases in the complexity of demand and the number of elderly patients with mental health problems.**
- 43 In North Wales people over the age of 65 accounted for 20% of the population in 2020, but that figure is expected to increase to 29% by 2040<sup>6</sup>. As people live for longer, there is a correlating increase in the numbers of people who live with multiple long-term conditions and complex health needs and who will therefore need to rely on health and care services for support.
- 44 Those we spoke to during this review spoke of significant increases they see in demand, particularly in terms of more complex, higher acuity demand. We were often told that patients come in with one problem, but routine tests can quickly uncover several other conditions that need to be treated and managed, which will typically require more complex discharge planning.
- 45 COVID-19 exacerbated this increase in complex demand. During the pandemic, demand for emergency departments declined rapidly as people followed national advice to protect core frontline services. In addition, families provided additional care and support to avoid their loved ones being admitted to hospital or long-term care out of fear of contracting COVID-19. We were told that as the pandemic eased, demand began presenting through the emergency departments which was much more complex than before as people's conditions had deteriorated at home.
- 46 Care homes have also seen increasing complexity amongst their patients. Elderly mental health was often raised as a significant pressure, with greater numbers of elderly patients presenting at hospital with mental health conditions which care homes find increasingly difficult or impossible to accommodate post discharge.

<sup>6</sup> Population projection data sourced from the Older People's Commissioner for Wales <https://olderpeople.wales/wp-content/uploads/2023/01/221222-Understanding-Wales-ageing-population-24-November.pdf>

## Workforce capacity

- 47 We found that **there are workforce capacity challenges, particularly within the Health Board and in Gwynedd and Wrexham adult social services, with waits for social care assessments in some councils amongst the highest in Wales.**
- 48 Increasingly staff involved in discharge planning are finding their capacity stretched due to factors such as high vacancy rates and unplanned absence rates. Reduced numbers of staff leads either to a reliance on agency staff or to fewer permanent staff attempting to manage increasingly complex patients and organise the ongoing care they need for discharge. High usage of agency staff has inevitable impacts on continuity within the workforce.
- 49 As of January 2024, the Health Board was reporting 9.0% vacancies as a percentage of its total establishment, with nursing and midwifery vacancies at 11.7%, and medical vacancies at 6.2%. Vacancy rates were highest in the centre of the region. The unplanned absence rate was at 6.7% for nursing and midwifery staff, but much lower at 2.2% for medical staff. Bank and agency use accounted for 8.9% of nursing and midwifery posts, with the greatest use of bank and agency also in the centre of the region.
- 50 In June 2023, the North Wales councils were reporting between 0%-45% vacancies in adult social services, with the highest rate of vacancies in Wrexham and the lowest in Flintshire<sup>7</sup>. In February 2024, the unplanned absence rate in adult social services ranged between 6%-10%, as shown in **Exhibit 6**.

### Exhibit 6: percentage of unplanned absence in adult social services (February 2024)

Local authority	Unplanned absence
Conwy	7
Denbighshire	10
Flintshire	6
Gwynedd	10
Isle of Anglesey	8
Wrexham	8
<b>All-Wales average</b>	<b>7.9</b>

Exhibit source: Welsh Government

<sup>7</sup> Flintshire 0%, Isle of Anglesey 5%, Conwy 6%, Denbighshire 6%, Gwynedd 9%, and Wrexham 45%. No data has been made available since June 2023.



- 51 Both Gwynedd and Wrexham have experienced higher rates of unplanned absence and vacancies compared with the all-Wales position, with Wrexham council carrying a significant level of vacancies for several months. The use of agency staff across the six authorities is generally low (ranging between 1%-3%), compared with the all-Wales position of 2%. The highest rate was reported in Conwy at 3%. For the previous six months, the agency rate in Gwynedd had been significantly higher, ranging between 11%-21% per month, reflecting the vacancy and unplanned absence rates that the council has been experiencing.
- 52 Workforce capacity constraints can adversely affect the discharge planning process. For example, pressure on ward nursing numbers means that time for proper discharge planning is constrained which may be exacerbated using agency staff who are less familiar with discharge processes, or social workers may not be able to complete assessments for a patient in a timely way. As highlighted in **Exhibit 3**, delays in joint assessments between health and social care staff and clinical assessments by hospital staff are some of the main reasons for delayed discharges across the region, accounting for 28% of all delays. Delays awaiting social care worker allocation and social care assessments account for a further 20.7% of all delays as of February 2024. **Exhibit 7** sets out the extent to which adult social services across the six local authorities can meet demand for assessment. The number of patients waiting for a social care assessment in hospital account for a small proportion of the total number of people waiting for assessment.

**Exhibit 7: number of social care assessments completed and awaiting to be completed per 100,000 head of population per month (February 2024)**

Local authority	Social care assessments completed	Adults waiting for a social care assessment	% of those waiting for a social care assessment that are in hospital
Conwy	252	48	4.3%
Denbighshire	263	178	0.7%
Flintshire	195	136	1.8%
Gwynedd	148	153	1.3%
Isle of Anglesey	298	226	3.1%
Wrexham	152	-	-
<b>All-Wales average</b>	<b>250</b>	<b>125</b>	<b>8.7%</b>

Exhibit source: Welsh Government

\* Note - no data submitted by Wrexham for adults waiting.

- 53 Waiting lists for social care assessments are higher than the all-Wales average in Denbighshire, Flintshire, Gwynedd, and Isle of Anglesey, and some of the highest in Wales. The waiting list in Gwynedd is similar or higher than the number of assessments completed suggesting that it is struggling to keep on top of demand for social care assessments.
- 54 Conversely, although Wrexham has experienced a significant number of vacancies, the number of social care assessments completed during the summer of 2023 were some of the highest in Wales (at around 470 per month), dropping below the all-Wales average to be between 100 and 150 each month. To address staff shortfalls, Wrexham council has made use of micro enterprises to support its provision of social services, and complete social care assessments.

### Care sector capacity

- 55 We found that **there is stretched capacity across the social care sector, particularly with respect to domiciliary care provision.**
- 56 Availability of home (domiciliary) care packages and long-term residential care home accommodation can be key causes of discharge delay across Wales. Within the region, during our interviews we repeatedly heard about the impact of shortages of domiciliary care staff across North Wales with delays starting new home care packages accounting for 10.5% of all delays in February 2024. Awaiting residential home availability accounted for a further 8.6% of all delays. **Exhibit 8** sets out the number of adults receiving care sector support and the extent to which there are waits for provision. **Appendix 4** sets out waiting list performance for social care assessments and care packages since November 2022.

#### Exhibit 8: number of adults receiving (and waiting for) care packages and placements per 100,000 head of population per month (February 2024)

Local authority	Domiciliary care <sup>8</sup> in receipt (waits)	Reablement <sup>9</sup> in receipt (waits)	Long-term care home accommodation <sup>10</sup> in receipt (waits)
Conwy	896 (39)	56 (4)	677 (5)
Denbighshire	534 (66)	17 (0)	625 (9)
Flintshire	615 (42)	34 (18)	494 (-)
Gwynedd	796 (123)	73 (-)	752 (27)
Isle of Anglesey	585 (42)	18 (7)	536 (19)

<sup>8</sup> Includes domiciliary care both provided and commissioned by local authorities.

<sup>9</sup> Includes reablement provided by local authorities.

<sup>10</sup> Includes long-term care home accommodation commissioned by local authorities.

Local authority	Domiciliary care <sup>8</sup> in receipt (waits)	Reablement <sup>9</sup> in receipt (waits)	Long-term care home accommodation <sup>10</sup> in receipt (waits)
Wrexham	388 (21)	28 (21)	497 (-)
<b>All-Wales average</b>	<b>665 (34)</b>	<b>46 (9)</b>	<b>536 (11)</b>

Exhibit source: Welsh Government

- 57 The exhibit shows difficulties matching demand and capacity for domiciliary care and/or reablement services across most local authorities in North Wales, with the number of people waiting for care above the all-Wales position for some of these services. Conversely, the number of adults in receipt of domiciliary services in the Conwy and Denbighshire council and Cyngor Gwynedd areas, and reablement services in Conwy is higher than the all-Wales average, suggesting the availability of domiciliary care and reablement is greater in these areas than in other parts of Wales. The provision of long-term care home is also greater in the Conwy, Denbighshire, Gwynedd, and Isle of Anglesey council areas.
- 58 **Exhibit 9** indicates the extent to which there are domiciliary care hours unfilled, and the average number of hours provided per adult.

**Exhibit 9: unfilled domiciliary hours and average hours of domiciliary care provided per adult, per 100,000 head of population (February 2024)**

Local authority	Domiciliary care hours waiting to be filled	Average hours per adult in receipt of domiciliary care
Conwy	525	11.2
Denbighshire	875	9.5
Flintshire	481	12.7
Gwynedd	1001	10.9
Isle of Anglesey	356	12.7
Wrexham	165	15.3
<b>All-Wales average</b>	<b>353</b>	<b>13.2</b>

Exhibit source: Welsh Government

- 59 The data suggests a very mixed picture across the region with Wrexham reporting a low level of domiciliary care hours waiting to be filled, whilst the number of unfilled domiciliary care hours in Conwy, Denbighshire, Gwynedd, and Isle of Anglesey are amongst the highest in Wales. Interestingly the average number of domiciliary care hours provided per adult in some council areas is less than the all-

Wales average. Whilst this may reflect the care that people need, it could also be indicative of problems with the supply of domiciliary care with councils potentially trying to spread a limited resource thinly to ensure that as many people are being supported with domiciliary care but not necessarily at the level that they need.

## Discharge process

- 60 We found that **there are weaknesses in the practice and documentation of discharge planning which are exacerbated by an overcautious approach and an absence of jointly agreed training and guidance.**
- 61 Good discharge planning is reliant on good communication and co-ordination across different professional groups, with consideration of discharge as soon as a patient is presented to services. Good discharge planning is also facilitated by having clearly documented processes which are shared with all staff involved to promote understanding and awareness of the different roles in the discharge process.
- 62 Our hospital patient case note review suggested that discharge planning is not considered early enough in the patient journey and is not well-documented. We found variable quality and completeness of discharge documentation between clinicians, wards, and sites. Referral information between specialties, as well as 'What Matters to Me'<sup>11</sup> forms were largely incomplete or absent in the notes we reviewed. Physiotherapy and occupational therapy notes were generally comprehensive and thorough, and we saw some notes had been completed by social workers.
- 63 However, further documentation that we expected to see, for example, Single Point of Access referrals or nursing assessments, were rare. None of the case notes we reviewed had a completed section within the Emergency Department form which gave an indication of a predicted date of discharge. Though we recognise it may not always be possible to provide this indication at such an early stage, it is good practice for discharge to be considered as soon as a patient encounters hospital services, and particularly at the point in which admission is deemed appropriate.
- 64 Largely, references to discharge planning within case notes occurred only once the patient was deemed medically fit for discharge, and often they simply referred to 'discharge planning' with lack of detail of what was required for ongoing care (if any) or what the patients and their families wishes were. While case notes showed some limited evidence of discussion with patients and families, insufficient use of 'What Matters to Me' conversations are hindering discharge planning as decisions for ongoing care are made without direct knowledge from the patient or their family of their capabilities, limitations, and usual home environment. Fewer than half the

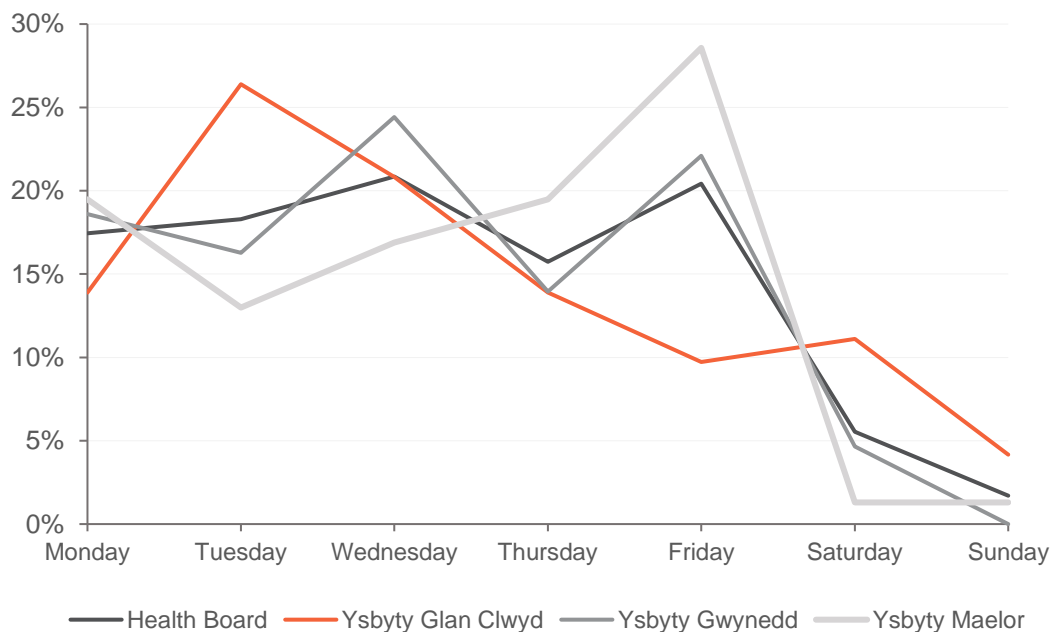
<sup>11</sup> What Matters to me refers to conversations' hospital staff are expected to undertake with patients. The conversations are structured around what the patient can do for themselves and what they will require ongoing support with.

case notes reviewed showed the family was kept informed of the patient's care plan.

- 65 Delays to discharges were not well described within case notes, often limited to references to 'awaiting packages of care' or 'awaiting best interest meetings'<sup>12</sup> without describing what was causing the delay and when next steps were anticipated to take place. The results of best interest meetings were not formally recorded in the case notes we reviewed. Once discharges were progressing, logistical arrangements were rarely described i.e., whether the patient required transport or whether their medications had been prepared. In some cases, it was unclear where the patient had been discharged to (i.e., lack of care transfer form or notes on form).
- 66 We also noted that discharging patients from hospital remains an activity which largely takes place on weekdays, with very few (and mostly simple) discharges occurring on weekends due to staff working patterns in both health and social care. A review of data relating to all patients discharged from the Health Board's acute sites in October 2022, indicated that only 7.2% of patients were discharged at the weekend (**Exhibit 10**). This is due to working patterns of staff within social services and within hospital settings, as well as the fact that most providers will not accept admissions over the weekend. During the week, discharges peak on a Friday across all the acute sites, with the greatest proportion of Friday discharges taking place at Ysbyty Maelor. Discharging on a Friday poses risks that necessary support services at home may not available over the weekend period.

<sup>12</sup> A Best Interest Meeting is a multidisciplinary meeting that is arranged for a specific decision around a patient's care / treatment, when a person is deemed to lack the mental capacity to make that decision for themselves.

**Exhibit 10: day of discharge of all patients discharged from acute hospital sites in October 2022, as a percentage of total discharges<sup>13</sup>**



Source: Audit Wales

- 67 When we spoke to those involved in the discharge process from both a health and social care perspective, we found differences in perception about how the discharge process should work. Of primary concern were differences in opinion on when referrals should occur as part of discharge planning with concerns from social workers that they were either notified too early or too late to facilitate effective and timely flow out of hospital. These different perspectives are causing further delays in patient discharges as well as some tensions in the working relationships between health and social care workers.
- 68 Ward staff also spoke of a culture of risk aversion, whereby staff, particularly junior doctors, are reluctant to declare a patient medically fit and discharge them because they fear the patient may not cope as well at home. Whilst staff may be acting out of kindness, they may not be acting in a patient’s best interest. Keeping patients in hospital for longer than they medically need has a negative impact on patient experience and outcome as well as broader patient flow within the hospital. While many we spoke to recognise the negative impact that delayed discharging has on the independence and wellbeing of patients, there is a continued reluctance to take

<sup>13</sup> Excludes patients who died.

measured risks and to recognise the significant knock-on impact delayed discharges have on patient flow and the wider system.

- 69 Across North Wales, we found differences in arrangements between hospital sites and between local authorities in relation to discharging patients, including how referrals are made and to whom. High agency and bank staff usage in the Health Board adds to the challenge of maintaining a consistent and clear approach. Although training and guidance could address inconsistencies, during our fieldwork staff reported that they had not received discharge planning training. The Health Board recently introduced Criteria Led Discharge training, but awareness and completion rates vary across sites. A draft discharge standard operating procedure exists, specifying responsibilities and standards, but it appears unfinished, and many Health Board staff were unaware of its existence.
- 70 In 2018, the Welsh Government introduced the Discharge to Recover then Assess (D2RA) model, which is designed to support people to recover at home before being assessed for any ongoing need, thereby reducing length of stay in hospital. Implementation of the model was accelerated during the pandemic, and the Welsh Government has subsequently supported regions with additional monies to embed D2RA further.
- 71 National data submitted to Welsh Government in early 2023 indicates the Health Board has difficulty in discharging patients to an appropriate setting for their assessment, as is advocated by D2RA. Data for the Health Board showed it had high proportions of patients waiting to transfer to D2RA pathways. Many of these patients were waiting to be discharged to their own homes, which indicates delays due to factors such as awaiting social care assessments, packages of care or housing adaptations. Other patients are waiting to be discharged to step-down beds but are unable to leave hospital due to the lack of availability of such beds in the community.
- 72 The Health Board has been awaiting updated national guidance on D2RA before developing its own guidance which should support it to further embed the policy. However, given some of the disparities in understanding between health and social care about how the discharge process should work, jointly agreed guidance and training would help establish and clarify shared expectations to be used in practice by all staff involved in the discharge planning process. The national guidance was issued in December 2023.

## Information sharing

- 73 We found that **difficulties in communicating and sharing information across organisational boundaries is adding to delays.**
- 74 Professionals within and across organisations will typically be required to share information about the patient to facilitate appropriate discharge arrangements and ongoing care, especially where the patient has more complex needs. During our fieldwork, we found that while arrangements for sharing information between staff

within hospitals are improving, sharing of information between organisations appears to be a significant barrier.

- 75 For patients who are likely to require ongoing social care support, the sharing of information from the hospitals to social services is not starting early enough following admission. In most cases, social workers will not become aware of a patient until the point the patient is considered medically well enough to leave hospital. Given the social care capacity constraints described in **Exhibit 6**, and the delays in social care assessments (**Exhibit 7**), it is important that referrals are made as early as possible in the patients' admission to enable effective planning and assessment. Once a referral has been made, ward and social services staff reported difficulty in contacting one another to discuss the patient's case, which can also cause delays. The Health Board has implemented a Home First Hub to help co-ordinate referrals, but this is not yet fully embedded and consistently used.
- 76 Systems holding patient information have not been connected or viewable to all staff involved in the care of individual patients as various IT systems have not been accessible across organisations. While four of the local authorities have implemented the Welsh Community Care Information System<sup>14</sup>, Denbighshire and Flintshire council have not and although the Health Board has committed to using the system and undertaken a small pilot in the community nursing and therapy teams, it has not yet implemented the system across the Health Board. While we saw the positive impact of the STREAM<sup>15</sup> system in place within some hospital wards, this useful patient information was not able to be shared more broadly across the organisation or with key partners, such as social services. Since the time of our review, we have heard that the Home First teams have begun to have direct access to local authority client systems to enable better information sharing.
- 77 Services run by the voluntary sector along with community-based services are fundamental to supporting discharge for many patients. It is therefore best practice to involve these services in the discharge planning process. Understanding of the landscape of services outside of hospital however was patchy, meaning opportunities to discharge earlier with support from services beyond social care were missed. We found that access to information on community and voluntary services was often variable and there was an absence of training to provide information to relevant staff.

## What action is being taken?

<sup>14</sup> The Welsh Community Care Information System (WCCIS) is a single system and a shared electronic record for use across a wide range of adult and children's services. The idea being that all 22 local authorities and seven health boards should implement it, with the initial intended implementation date of the end of 2018.

<sup>15</sup> STREAM is a clinical discharge planning tool that supports patient flow in an acute setting.



78 This section considers the actions being taken by the statutory organisations, including through the RPB to improve the flow of patients out of hospital.

## Strategic and operational plans

79 We found that **improving patient flow is a key feature of plans across the partners which align to the Welsh Government's six goals for urgent and emergency care.**

80 We reviewed relevant health board and local authority plans in relation to discharge planning and unscheduled and social care more generally. We found that plans in the region reflect a good understanding of the challenges affecting the flow of patients out of hospital. Plans also reflect the commitment of partners to resolve some of the key challenges related to flow such as workforce gaps and limited care home availability. Plans are informed by data and demand projections, particularly from the North Wales Population Needs Assessment, developed by the RPB. Importantly, plans reflect key Welsh Government planning requirements, such as the six goals for urgent and emergency care, as well as the Welsh Government 1,000 bed challenge<sup>16</sup>.

81 Introduced in 2021, the six goals for urgent and emergency care programme contains two goals that are linked to improving discharge: 'goal five - optimal hospital care and discharge practice from the point of admission', and 'goal six: home first approach and reduce risk of readmission'. The Health Board's existing urgent and emergency care programme was reframed in 2022 to align to the six goals programme. The Health Board's plan contains a variety of schemes aligned to the six goals. For example, a commitment to maximising use of the discharge lounge, including developing a seven-day discharge lounge. The Health Board is also prioritising implementation of the STREAM system across each ward to consistently capture actions in patient care to facilitate discharge, as well as implementing the Optimal Flow Framework, including embedding SAFER<sup>17</sup> patient flow principles across the Health Board.

82 The North Wales regional plan 2023-28 sets out high level principles, outcomes, and priorities for regional working across health and social care in North Wales, based on the Population Needs Assessment. While the plan does not discuss issues in relation to flow out of hospital directly, among its key priorities are working together to support people at home, as well as addressing the impact of wider social care workforce recruitment and retention on unpaid carers. It identifies that partners are committed to address these challenges through the RPB structure.

<sup>16</sup> In July 2022 the Health and Social Care Minister set a challenge for Health Boards and Local Authorities to establish an additional 1,000 bed spaces or their equivalents to support timely discharge <https://www.gov.wales/written-statement-six-goals-urgent-and-emergency-care-programme-update>

<sup>17</sup> Further information on the SAFER model can be found via <https://www.adss.cymru/en/blog/view/patient-flow/fileAttachment>

- 83 In our fieldwork, we examined the Health Board's winter plan for 2022-23, aligning with its urgent and emergency care and urgent and emergency care programme. However, some plan components aimed at enhancing routine practices rather than addressing surge demand. Examples include internal professional standards and a standard operating procedure for medically fit patients. The plan was approved by partners through the RPB in December 2022, potentially limiting its impact on managing demand for the winter. Local authorities' winter plans mirrored the Health Board's activities, emphasising capacity increase and providing alternatives for patients ready to leave the hospital. All plans acknowledged the need to boost staff capacity to handle demand.
- 84 Challenges in terms of recruitment and retention were recognised by partners as having a direct impact on service provision, particularly in relation to availability of domiciliary care and care home placements. The North Wales Social Care and Community Health Workforce Strategy 2018-21 aimed to develop a joined-up approach to the workforce challenges and opportunities. At the time of our fieldwork, the RPB's Workforce Board was working to refresh the strategy. Workforce challenges were referenced in most plans, strategies and reports we reviewed and was the focus of much activity including projects funded by the Regional Integration Fund (RIF) (such as Step into Work<sup>18</sup>) and activity commissioned by several groups and boards across the region.

## Partnership working

- 85 We found that **partners are working together, both strategically and operationally, to improve patient flow, however pressures on the system create an unhelpful blame culture between the different parties involved in discharge planning.**
- 86 The structure and governance of the North Wales RPB is complicated due to the high number of groups locally and sub-regionally. However, feedback from members suggests that it has been successful in facilitating joint working on specific workstreams and partnership working more generally. More recently changes to membership following turnover of senior leadership, particularly within the Health Board, has presented a challenge in clarifying accountabilities and building relationships.
- 87 Minutes from the RPB, and the Leadership Group which reports to the RPB, reflect regular discussions around urgent and emergency care pressures and discharge planning, including regular updates surrounding the 1,000-bed challenge during late 2022. The Welsh Government requirement was for North Wales to supply 243

<sup>18</sup> Step into Work is a collaborative project between Health and Social Care to provide training and placements for individuals that are interested in pursuing a career in care with the aim that they can secure employment and become part of the care workforce. <https://www.northwalescollaborative.wales/step-into-work/>

of the 1,000-beds by October 2022. In November 2022, the region reported that it had identified 203 beds. These beds remain in place for 2023-24.

- 88 We found evidence that partners are investing their time heavily in facilitating timely flow, particularly within hospitals. Our observations of the discharge process at the Health Board's acute hospitals showed significant attention and resource being deployed to manage flow across the site. We observed a multitude of operational meetings including site manager meetings and ward rounds which take place several times a day and include a wide range of professionals. There are also various meetings between the Health Board and local authorities either daily or several times a week to escalate and manage delayed discharges in each of the areas.
- 89 Operationally, relationships between health and social care staff appeared to vary. Due to the high volume of complex discharges which require input from various professionals, health and social care staff are in very regular contact, and many told us they had positive working relationships. However, it was clear from our fieldwork that as problems with discharge delays have become more acute, there is increased tension in working relationships. Staff spoke of the pressure they face to get patients out of hospital, and how that can lead to a blame culture between health and social care wherein another professional or their organisation is seen as the cause of the delay. This blame culture, in turn creates a defensiveness which can have a negative impact on how staff interact with each other during the discharge process.

## Use of funding

- 90 We found that **financial resources are being applied to improve discharge planning, however, there are some challenges with RIF funded schemes and an overall need to report more clearly on whether the funded initiatives have had the desired impact.**
- 91 The region makes use of the Health and Social Care Regional Integration Fund (RIF) to support schemes aimed to improve discharge planning. The RIF is a Welsh Government 5-year fund to deliver a programme of change from April 2022 to March 2027. The aim of the fund is to establish and mainstream at least six new national models of integrated care to provide a seamless and effective service for the people of Wales. Two contain a clear link to improving flow out of hospital for patients, namely: Home from Hospital Services; and Accommodation Based Solutions. There is a clear expectation within the RIF guidance that partners 'match fund' projects up to 50% by the end of year 5, with Welsh Government funding for each project tapering each year to allow for successful projects to become business as usual.
- 92 For 2022-23, the region received £32.5 million of RIF funding in total, some of which was ringfenced at a national level to support specific services including dementia. The RPB approved its regional 2022-23 RIF programme with allocations to each of the six models of care. The 2022-23 programme included 40 regional

schemes aligned to the six models of care. Five schemes related to Home from Hospital Services which received over £5.6 million in investment (including £261,650 match funded money) and four schemes related to Accommodation Based Solutions with over £1 million in investment (including £40,739 match-funded money). A small number of projects also continued previous Right-sizing Communities<sup>19</sup> work aimed at rebalancing care provision to meet demand. According to the RIF end of year report for 2022-23, partners contributed £13 million in total to schemes by way of match funding.

- 93 Although approved by the RPB, we found some limitations to the schemes that used RIF funding in 2022-23. For example, some schemes could be considered core services rather than new innovative projects, such as step-up beds, community resource teams and single point of access teams. We also found examples of schemes funded in 2022-23 which had previously been funded by the predecessor Integrated Care Fund in 2017-18. The continuous roll forward of schemes limits the potential to introduce new, innovative schemes to better manage demand. Those we spoke to explained that the requirement to match fund projects can create a reluctance to commit to new projects that will require match-funding in future years. In the context of the ongoing financial difficulties facing the partners in the region, they are finding it increasingly difficult to commit to future spending via new RIF projects.
- 94 The region submits financial information on how it is managing the RIF to Welsh Government each quarter and reports the latest position to its RPB meetings. At quarter three of 2022-23, the region was reporting slippage of £4.4 million. During our fieldwork we heard that it often takes longer to establish a project once it has been approved, including time to recruit, which can cause delays. We also heard that partners do not have an agreed process for utilising slippage, which is not covered by the national guidance. Some seek slippage to support community capacity in general, while others wish for slippage to be reallocated to existing successful projects for them to be expanded. Lack of an agreed process can be a cause of tension within the region and the risk that monies are not being used for their intended purposes.
- 95 The RIF Annual Report presents performance data for schemes, including the positive impact from two Home from Hospital schemes on 215 individuals<sup>20</sup>. Although the region has collected over 70 case studies highlighting the positive impact of funded schemes on individuals, these are not included in public reports submitted to the RPB or partner bodies. Incorporating these case studies would enhance transparency. Additionally, collaborative efforts between the Health Board

<sup>19</sup> Right-sizing communities refers to work to ensure that services are in line with true demand. It aims to ensure people are assessed in the most appropriate settings, that assessments are timely and are outcome focussed to maximise individual outcomes and patient flow.

<sup>20</sup> One scheme positively supported 146 individuals, and one scheme positively supported 69 individuals.

and local authorities outside the RPB structure focus on joint solutions for capacity, such as NHS-funded care homes and an integrated workforce. However, progress and impact of these initiatives are minimally reported within partner bodies.

## Scrutiny and assurance

- 96 We found that **while there is regular monitoring within individual organisations, partners lack arrangements to oversee patient flow across the whole health and care system, embed learning and papers lack focus on the impact of activity.**
- 97 We reviewed the level of information that partners' committees, Board and Cabinet receive in relation to flow out of hospital and found a mixed picture. The Health Board monitors several indicators relating to urgent and emergency care and patient flow via the Board and, more specifically, the Performance, Finance, and Information Governance Committee, including:
- % of emergency ambulance responses to calls categorised as 'red' arriving within (up to and including) eight minutes;
  - median time from a patient's arrival at an emergency department to triage by a clinician;
  - % of patients who spend less than four hours in emergency units from arrival until admission, transfer, or discharge;
  - number of patients who spent 12 hours or more in emergency units from arrival to admission, transfer, or discharge; and
  - number of ambulance handovers over one hour.
- 98 Commentary within performance reports to the Committee provides additional information, such as numbers of medically fit patients remaining in a hospital bed. However, reports rarely discuss the differences between hospital sites. Reports do describe the actions that are in place across pathways to try and improve patient flow. The Committee also receives updates on Urgent and Emergency Care which include actions under the six goals programme. The Health Board's Partnerships, People and Population Health Committee routinely received updates relating to the work of the Regional Partnership Board during 2022. However, following the resignation of all the Health Board's previous Independent Members in February 2023, the committee was suspended, meaning that regular reporting of RPB activities to the Health Board was not received from March 2023. A new Planning, Population Health and Partnerships Committee has since been established and met for the first time in January.
- 99 Papers received by committees and Cabinets within the six local authorities contain many references to challenges related to social care aspects of patient flow. Performance reports contain indicators including the numbers of adults either accessing services or waiting to access services. More generally, papers often reference challenges in relation to lack of domiciliary care and care home provision. We found some instances of discussion within local authority papers of

the broader impact that lack of provision within social care and care homes has on patient flow. For example, Wrexham County Council's July and September 2023 meetings included updates on the challenges faced by Ysbyty Maelor Emergency Department and the activity underway to mitigate those challenges, including joint work between the Council and the Health Board.

- 100 Generally, however, partners' focus is on metrics and activity within their remit, rather than on the broader whole system picture. In addition, while we found evidence within some local authorities that they operationally monitor expenditure in relation to the RIF, we found little evidence of reporting of RIF schemes and their impact within the Board, Cabinet or committees of local authorities or the Health Board.
- 101 The RPB receives regular updates on RIF progress and periodic papers on key priority areas but does not receive regular operational performance reports. Consideration of performance reports would be valuable in understanding the impact of RIF activities on addressing long-standing performance challenges.
- 102 While partners generally have mechanisms to record key risks relating to delayed discharges, these again were very separate. Risks in relation to poor patient flow are documented within the Health Board with four tier one risks noted on the Corporate Risk Register, which includes a risk relating to the fragility of the independent sector, where activity taken with partners through the RPB is listed. There are also two strategic risks on the Health Board's Board Assurance Framework relating to the impact of poor flow on quality of care, safety, and patient experience. Challenges relating to aspects such as the fragility of the care home market and difficulty recruiting domiciliary care are documented on most local authority corporate risk registers. There is currently no mechanism for partners to agree and monitor shared risks in relation to delayed discharges. This is a weakness as it drives partners to focus on mitigating their own risks without consideration of how mitigation could impact on partners.
- 103 In line with the six goals for urgent and emergency care programme, the Health Board has established the Urgent and Emergency Care Board, chaired by the Executive Director of Operations<sup>21</sup>. This Board oversees the planning and delivery of the six goals programme, aiming to ensure collaborative planning and ownership among system-wide stakeholders. It replaces the previous six goals programme group which was in place prior to our fieldwork. Despite several requests to the Health Board, we were unable to observe the Board nor receive any relating documentation and as such, we were not able to review its effectiveness.
- 104 Various mechanisms exist within and between partners for monitoring and escalating issues related to discharge planning, but their effectiveness varies. Social services, in particular, use 'Adverse Discharge' forms to highlight poorly managed discharges. However, at Ysbyty Glan Clwyd, there was a lack of response to these forms, raising concerns about the accountability for discharge

<sup>21</sup> Previously the Executive Director of Clinical Services



planning at a corporate level for this hospital. The Health Board did not respond to our requests to clarify the arrangements for processing these complaints or the accountability for discharge planning at a corporate level for this hospital.

105 The region took part in several Multi Agency Discharge Events (MADE) in 2022, which aimed to improve patient flow by providing protected time for partners to jointly recognise and agree to address challenges collaboratively. Those we spoke to as part of our fieldwork indicated that MADE discussions provide valuable opportunities for partners to work together and focus their resources on ensuring effective discharges take place. However, we found that areas for improvement that are identified through these events are not consistently actioned, with service pressures seemingly causing partners to continue with existing behaviours and practices. This was demonstrated through reports from the November 2022 MADE which reiterated several key issues that had been raised in September 2022 but not actioned, such as needing to use a multi-agency discharge approach and to continually monitor performance.

## What more can be done?

106 Whilst there is a clear recognition by regional partners of the problems associated with discharge, a desire to sort them out, the right focus within strategies and plans, and the use of funding targeted schemes, none of these have driven any significant or sustainable improvement in the overall position. Our work has found that there are several further actions that could be taken which would help improve timely and effective flow out of hospital across the region and reduce some of the challenges currently being experienced by the health and social care system. These actions are explored in the following exhibit and align with the recommendations that are set out earlier in the report.

### Exhibit 11: further actions for partners to help tackle the challenges for patient flow out of hospital

<p><b>Improving training and guidance</b></p>	<p>Having access to <b>jointly agreed guidance</b> which clearly sets out roles and responsibilities, and expectations around when and how staff should share information, including referrals, is vital to ensuring consistency between wards, hospitals, professions, and organisations.</p> <p>Offering a <b>comprehensive training programme</b> for everyone involved in patient flow, including bank and agency staff as well as new starters, also ensures guidance is embedded.</p>
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**Improving compliance with policies and guidance**

Having a **regular cycle of audit** to assess the effectiveness and consistency of the application of discharge policies and guidance, including the application of D2RA.

**Minimising multiple referrals** and ensuring only those people who need the service are on waiting lists for reablement, home care packages and residential care, minimises inefficiencies resulting from inappropriate referrals and provides better outcomes for patients.

**Ensuring patient safety while awaiting care packages**

Having **clear communication processes** in place to notify social services staff when patients are discharged to minimise the risks that patients are discharged without services in the community being notified.

Maintaining **regular communication with patients** awaiting packages of care once discharged home ensures that patients are safe whilst waiting and provides better outcomes.

**Improving the quality and sharing of information**

Having an improved **understanding of the range of community services** that could support effective and timely discharge and how these can be accessed, enables staff to make more informed decisions when planning for discharge.

Having **clear and comprehensive information** within patient case-notes which sets out the actions being taken to support discharge, enables a clearer understanding of what is happening with a patient and supports effective discharge planning by all professionals involved in the care of patients whilst in hospital.

Having **joined-up systems** that are accessible by all staff (regardless of organisation) involved in the care of individual patients enables effective and efficient methods of communication between organisations and supports effective flow out of hospital.

**Addressing key gaps in capacity**

Looking at joint solutions across sectors to **address key gaps** such as domiciliary care and reablement services would enable timelier discharge of patients' home.



**Maximising the use of the Regional Integration Fund**

The additional regional money provides opportunities to develop **innovative and transformational schemes** that can support effective and timely discharge. These opportunities are lost when the fund is used to support core services which should be mainstreamed.

Having clear processes in place to **manage slippage RIF money** enables streamlined decision-making which is supported by all partners.

Regularly considering **operational performance and capturing risks** at a regional level, enables more effective decision making across partners when considering how best to use the regional funding.

**Improving oversight and impact**

Ensuring that all initiatives being undertaken to support timely and effective flow out of hospital (both within and outside the Regional Partnership Board) and their associated impacts are **collated and reported openly**, minimises the risk of duplication and provides transparency.

**Embedding learning from actions taken to address delayed discharges**

**Building in time after learning events** such as the MADE to embed learning into day-to-day practice minimises the risk of repeatedly facing the same challenges and improves patient experience and outcomes.

**Adverse incidents or concerns** provide an opportunity to learn from when things go wrong with respect to discharge planning. Having clear processes to ensure consistent reporting of adverse incidents and concerns, along with timely responses enables lessons to be learnt.

# Appendix 1

## Audit methods

**Exhibit 12** sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from these methods.

### Exhibit 12: audit methods

Element of audit methods	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none"><li>• Board, Cabinet, and committee papers</li><li>• Updates on the six goals programme and urgent and emergency care to committees</li><li>• Operational and strategic plans relating to urgent and emergency care</li><li>• RPB papers, including case studies</li><li>• Standard Operating Procedure for discharge planning</li><li>• Corporate risk registers</li><li>• MADE reports</li></ul>
Interviews	<p>We interviewed the following:</p> <ul style="list-style-type: none"><li>• Hospital Directors, East and Central</li><li>• Interim Director of Regional Delivery</li><li>• Programme Director for Urgent and emergency care</li><li>• Clinical Lead for Urgent and emergency care</li><li>• Deputy Executive Medical Director</li><li>• Business Planning and Improvement Manager</li><li>• Health Board lead for Ysbyty Glan Clwyd improvement work.</li><li>• Health Board lead on care homes</li><li>• Operational Leads for Emergency Department, Ysbyty Gwynedd, Ysbyty Glan Clwyd and Ysbyty Maelor</li><li>• Directors of Social Services for Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, and Wrexham</li><li>• Heads of Social Services for Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, and Wrexham</li><li>• Lead for Regional Partnership Board</li><li>• Chief Officer North Wales Community Health Council</li></ul>

Element of audit methods	Description
Observations	<p>We observed the following meeting(s):</p> <ul style="list-style-type: none"> <li>• North Wales Regional Partnership Board</li> <li>• North Wales Leadership Group</li> <li>• Health Board Performance, Finance, and Information Governance Committee</li> </ul> <p>We also observed the following individual(s):</p> <ul style="list-style-type: none"> <li>• Head of Nursing and Site Manager, Ysbyty Gwynedd</li> <li>• Progress Chaser and Home Hub Officer, Ysbyty Maelor</li> <li>• Site Manager and Home First Officer, Ysbyty Glan Clwyd</li> </ul>
Data analysis	<p>We analysed the following national data:</p> <ul style="list-style-type: none"> <li>• Monthly social services dataset submitted to the Welsh Government</li> <li>• Monthly delayed discharges dataset submitted to the NHS Executive</li> <li>• StatsWales data</li> <li>• Ambulance service indicators</li> </ul> <p>We also analysed data provided by the Health Board relating to all emergency medicine patients discharged in October 2022 with a length of stay greater than 21 days (excluding those who died)</p>
Focus groups	<p>We undertook focus groups with social workers from each of the local authority areas, except for Isle of Anglesey.</p>
Case note review	<p>We reviewed a sample of 32 case notes relating to emergency medicine patients discharged in October 2022 with a length of stay greater than 21 days (excluding those who died).</p>

# Appendix 2

## Reasons for delayed discharges

The following exhibit sets out the reasons for delayed discharges in the Health Board compared to the all-Wales position.

### Exhibit 13: reasons for delayed discharges as a percentage of all delays (February 2024)

Reason for delay	Percentage delayed	All-Wales average
Awaiting joint assessment	15.7	9.0
Awaiting social worker allocation	15.1	8.5
Awaiting completion of clinical assessment (nursing /allied health professionals / medical / pharmacy)	13.3	10.3
Awaiting start of new home care package	10.5	8.0
Awaiting completion of assessment by social care	5.6	15.7
Awaiting nursing home availability	4.6	2.6
Awaiting residential care home manager to visit and assess (Standard 3 residential)	4.6	2.5
Awaiting Elderly Mental Illness (EMI) residential availability	4.3	2.3
Awaiting residential home availability	4.3	2.8
Awaiting reablement care package	3.1	3.0
Awaiting health completion of assessment/provision for equipment	2.8	1.4
Awaiting EMI nursing availability	1.9	2.0
Awaiting funding decision (funded nursing care (FNC) / continuing health care (CHC))	1.5	1.5
Awaiting completion of arrangements prior to placement	0.9	3.5
Awaiting funding decision	0.9	0.8
Awaiting nursing care home manager to visit and assess (Standard 3 residential)	0.9	2.1
Awaiting specialist bed availability	0.9	1.1
No suitable abode	0.9	2.3
Patient / family refusing to move to next stage of care/ discharge	0.9	1.6

Source: Welsh Government

Note: where the reasons for delay relate to two or less patients, these have been excluded to minimise any risk of identifying individual patients.

### Top five reasons for delayed discharges by local authority

The following exhibits set out the top five reasons for delayed discharges for each of the local authorities compared to the Health Board wide and all-Wales position.

#### Exhibit 14: top five reasons for delayed discharges as a percentage of all delays (February 2024) – Conwy

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	25.5	13.3	10.3
Awaiting health completion of assessment/ provision for equipment	12.8	2.8	1.4
Awaiting residential care home manager to visit and assess (Standard 3 residential)	12.8	4.6	2.5
Awaiting joint assessment	8.5	15.7	9.0
Awaiting start of a new home care package	6.4	10.5	8.0

Source: Welsh Government

#### Exhibit 15: top five<sup>22</sup> reasons for delayed discharges as a percentage of all delays (February 2024) – Denbighshire

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting joint assessment	18.8	15.7	9.0
Awaiting residential care home manager to visit and assess (Standard 3 residential)	15.6	4.6	2.5
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	12.5	13.3	10.3

Source: Welsh Government

<sup>22</sup> All other reasons related to two or less patients

**Exhibit 16: top five reasons for delayed discharges as a percentage of all delays  
(February 2024) – Flintshire**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting social worker allocation	20.4	15.1	8.5
Awaiting joint assessment	18.5	15.7	9.0
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	16.7	13.3	10.3
Awaiting start of new home care package	11.1	10.5	8.0
Awaiting completion of assessment by social care	5.5	5.6	15.7

Source: Welsh Government

**Exhibit 17: top five reasons for delayed discharges as a percentage of all delays  
(February 2024) – Gwynedd**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting joint assessment	15.7	15.7	9.0
Awaiting start of new home care package	15.7	10.5	8.0
Awaiting nursing home availability	13.7	4.6	2.6
Awaiting social worker allocation	9.8	15.1	8.5
Awaiting EMI residential availability	7.8	4.3	2.3

Source: Welsh Government

**Exhibit 18: top five reasons for delayed discharges as a percentage of all delays  
(February 2024) – Isle of Anglesey**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting joint assessment	22.7	15.7	9.0
Awaiting social worker allocation	18.2	15.1	8.5
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	11.4	13.3	10.3
Awaiting completion of assessment by social care	9.1	5.6	15.7
Awaiting start of new home care package	9.1	10.5	8.0

Source: Welsh Government

**Exhibit 19: top five reasons for delayed discharges as a percentage of all delays  
(February 2024) – Wrexham**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting social worker allocation	21.6	15.1	8.5
Awaiting joint assessment	13.4	15.7	9.0
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	11.3	13.3	10.3
Awaiting start of new home care package	11.3	10.5	8.0
Awaiting completion of assessment by social care	6.2	5.6	15.7

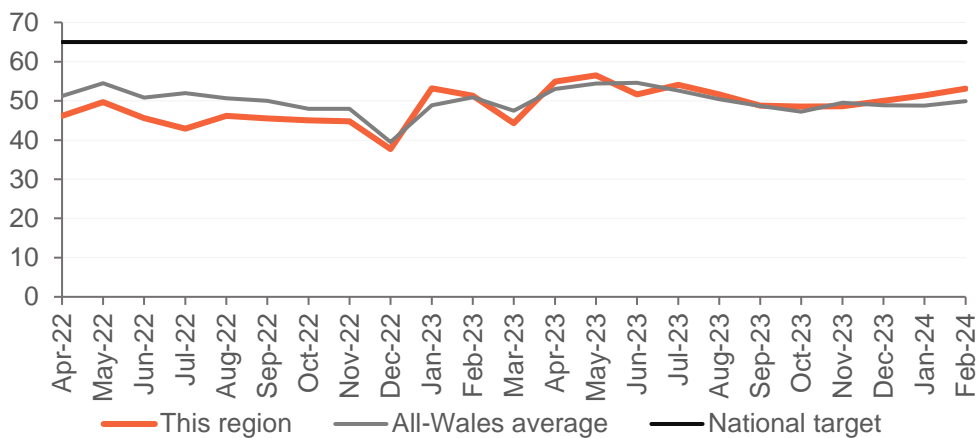
Source: Welsh Government

# Appendix 3

## Urgent and emergency care performance

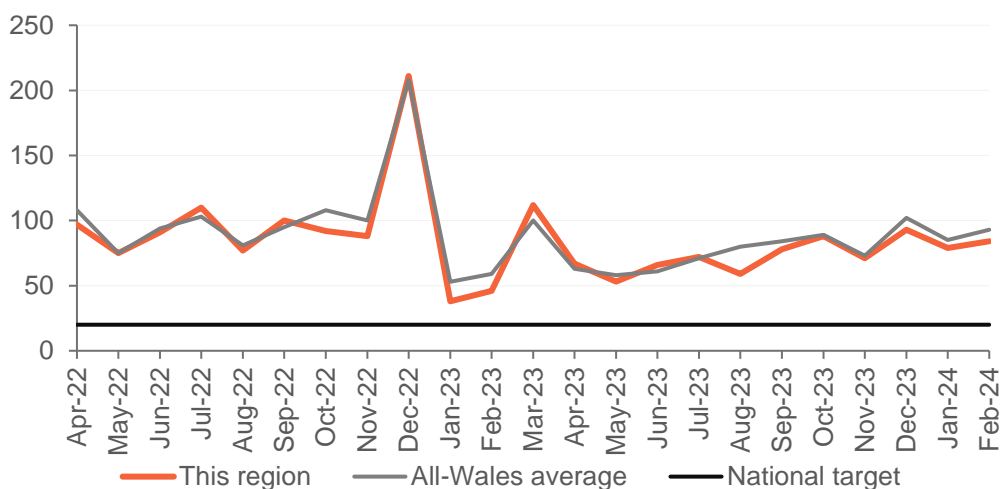
The following exhibits set out the region's performance across a range of urgent and emergency care performance indicators in comparison to the position across Wales since April 2022.

**Exhibit 20: percentage of emergency responses to red calls arriving within (up to and including) 8 minutes – national target of 65%**



Source: Ambulance Services Indicators

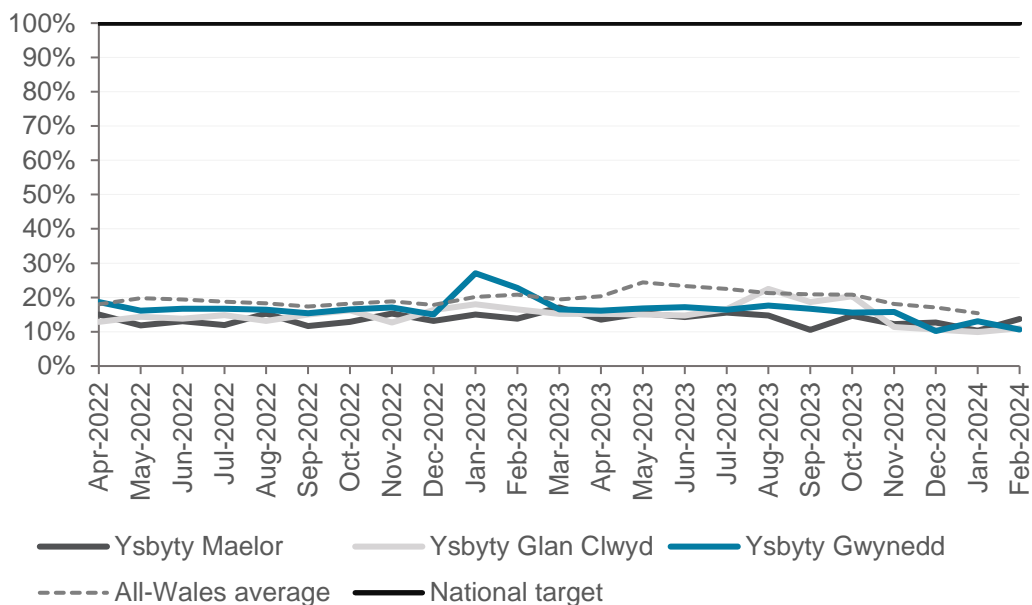
**Exhibit 21: median response time for amber calls (minutes) – 50<sup>th</sup> percentile – national target of 20 minutes**



Source: Ambulance Services Indicators

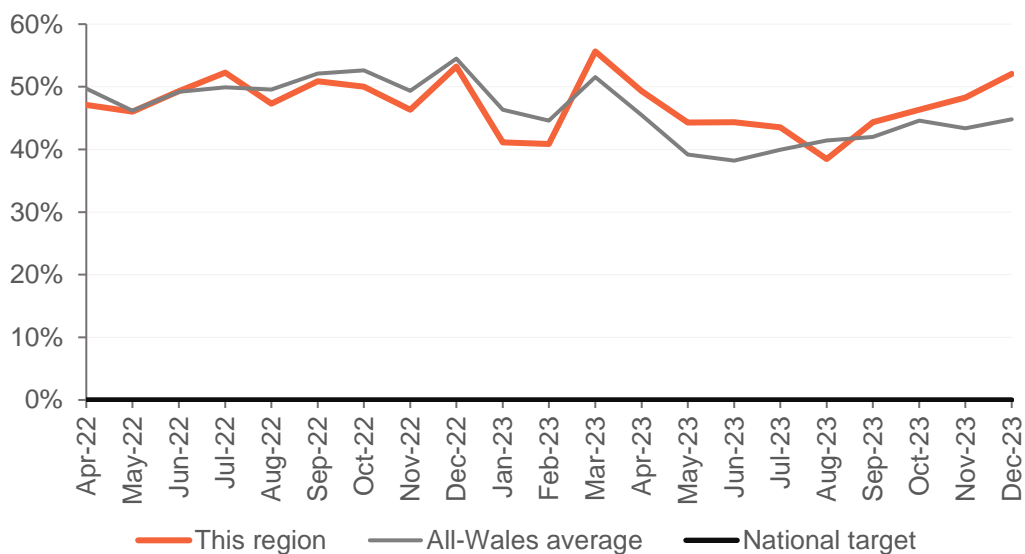


**Exhibit 22: percentage of ambulance handovers within 15 minutes at a major emergency department – national target of 100%**



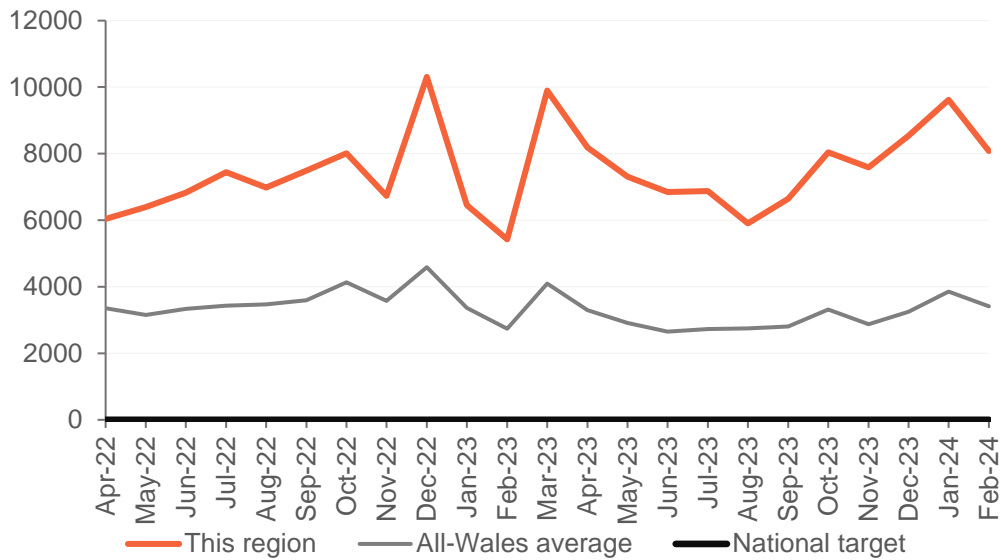
Source: Welsh Ambulance Services NHS Trust

**Exhibit 23: percentage of ambulance handovers over 1 hour – national target of zero**



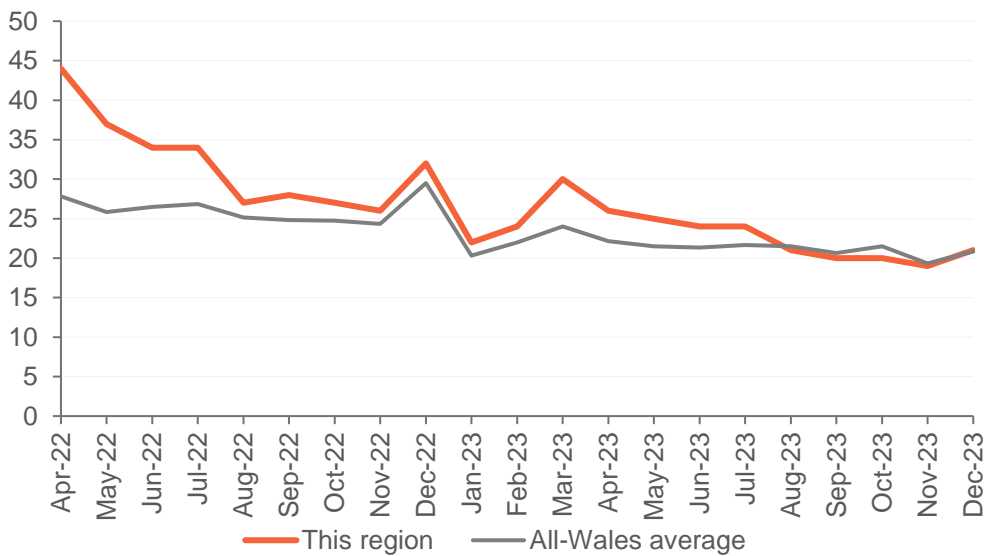
Source: Ambulance Services Indicators

**Exhibit 24: total number of hours lost following notification to handover over 15 minutes**



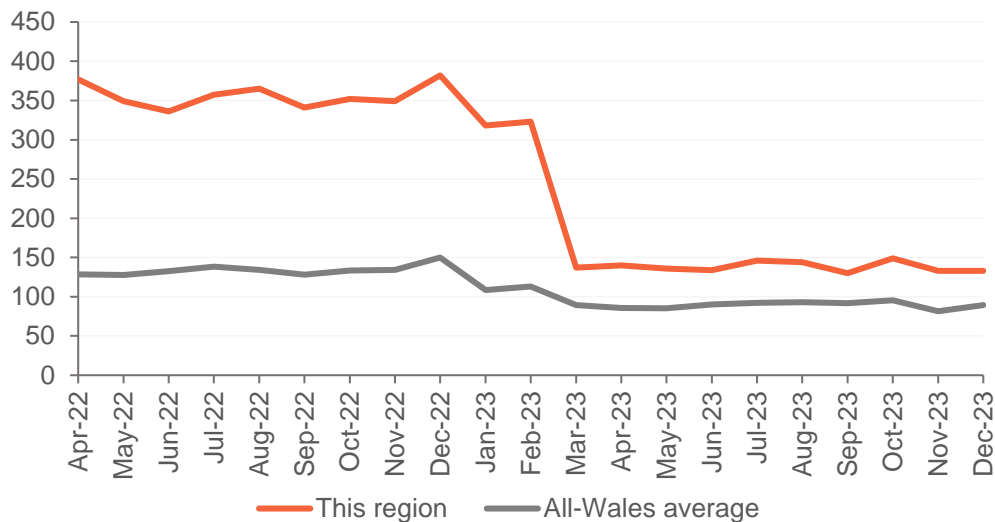
Source: Ambulance Services Indicators

**Exhibit 25: median time (minutes) from arrival at an emergency department to triage by a clinician) – national target of 12-month reduction**



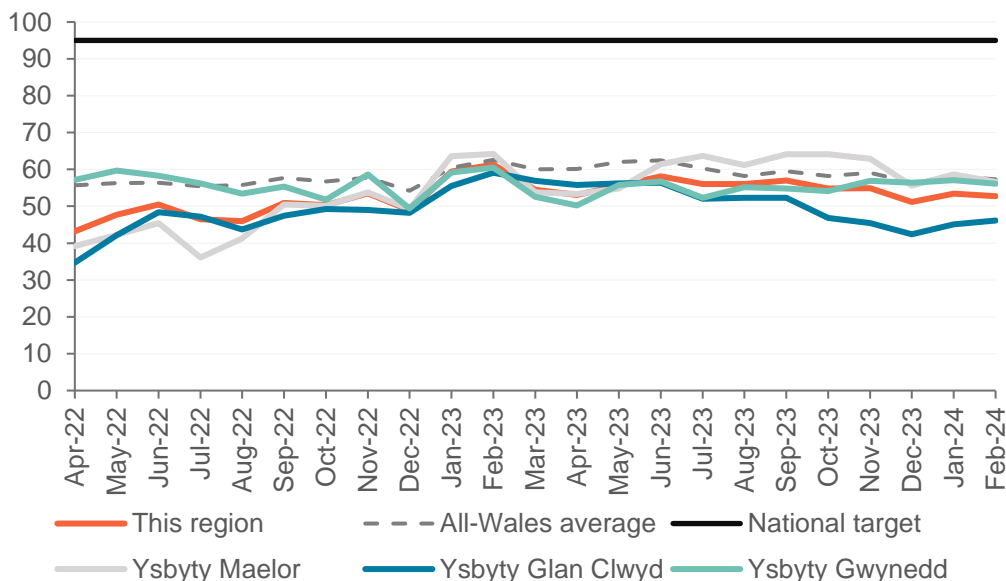
Source: StatsWales

**Exhibit 26: Median time (minutes) from arrival at an emergency department to assessment by senior clinical decision maker – national target of 12-month reduction**



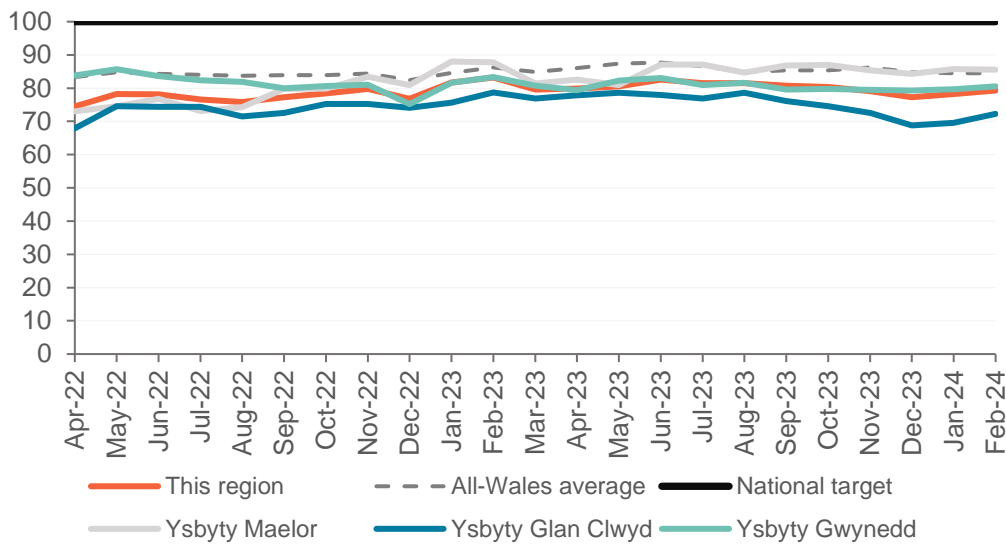
Source: StatsWales

**Exhibit 27: Percentage of patients spending less than four hours in a major emergency department – national target of 95%**



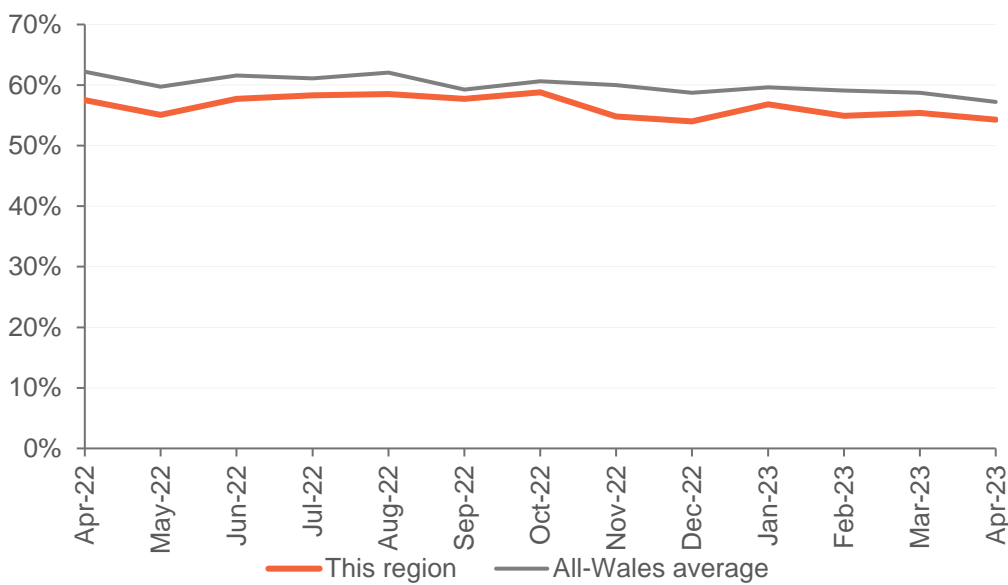
Source: StatsWales

**Exhibit 28: Percentage of patients spending less than 12 hours in a major emergency department – national target of 100%**



Source: StatsWales

**Exhibit 29: Percentage of total emergency bed days accrued by people with a length of stay over 21 days – national target of 12-month reduction**



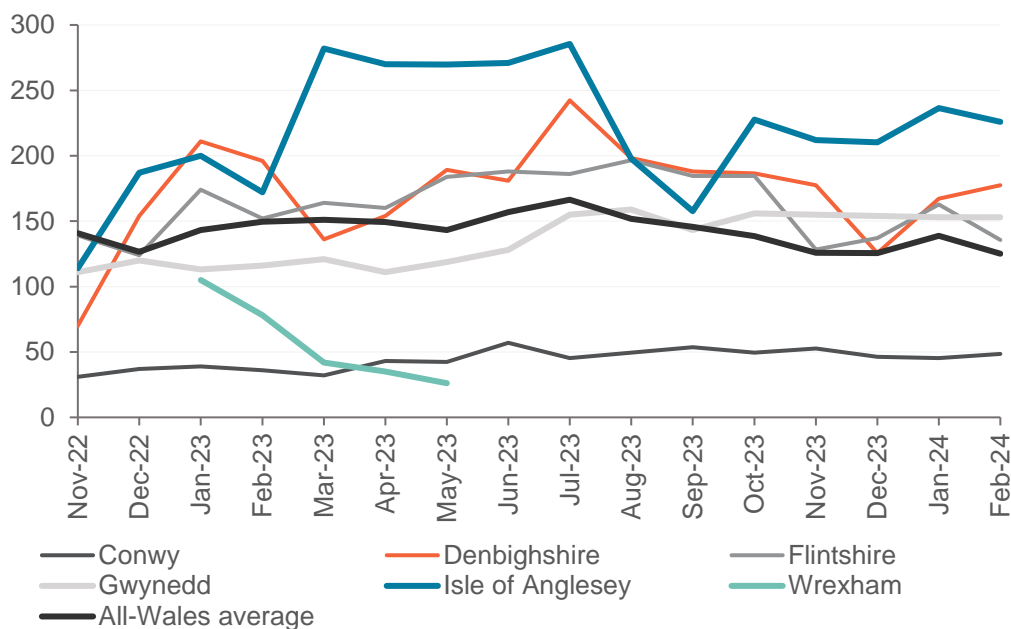
Source: StatsWales

# Appendix 5

## Waits for social care assessments and care packages

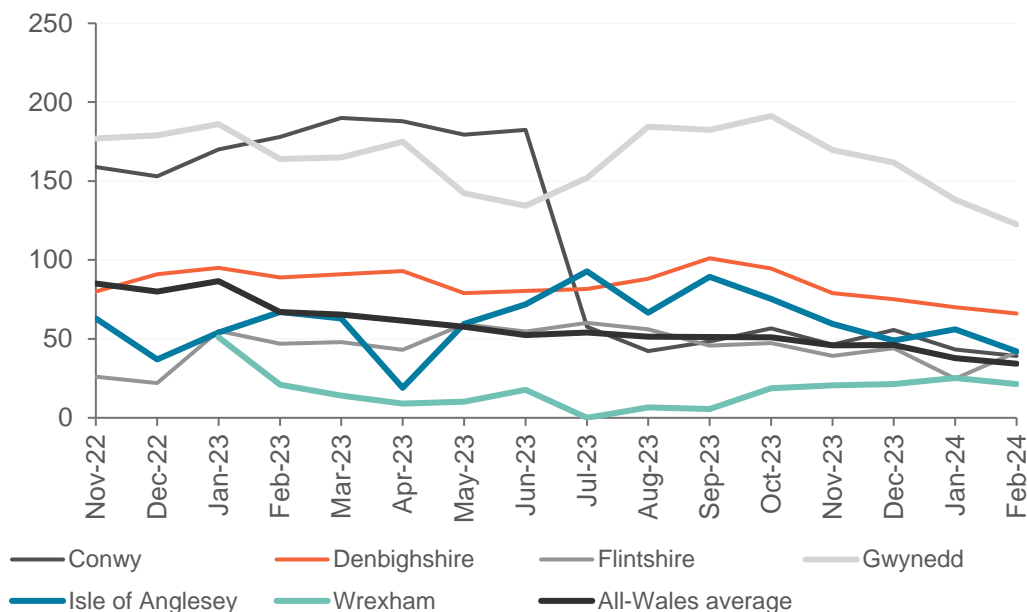
The following exhibits set out the region's waits performance for social care assessment and receipt of a range of care packages in comparison to the position across Wales since November 2022.

**Exhibit 30: number of adults waiting for a social care assessment (per 100,000 head of population)**



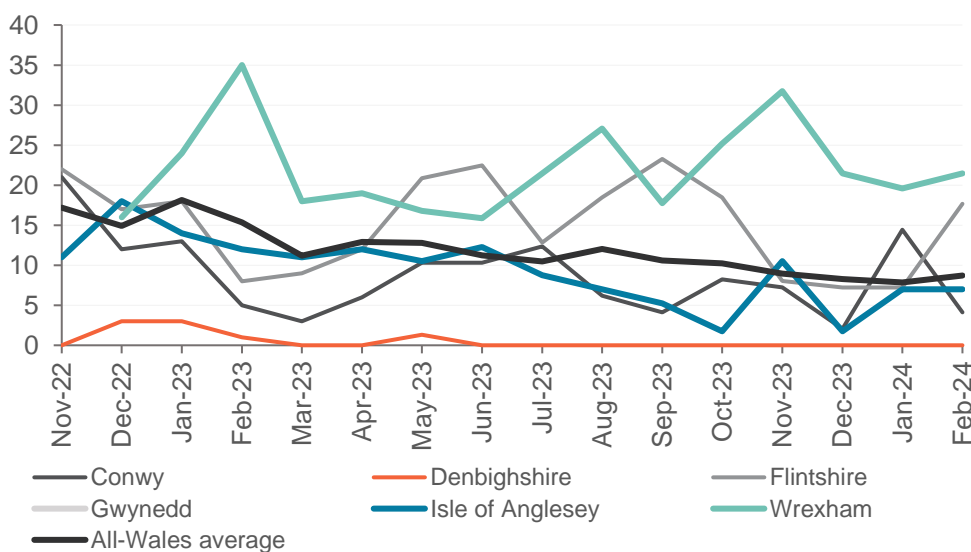
Source: Welsh Government

**Exhibit 31: number of adults waiting for domiciliary care (per 100,000 head of population)**



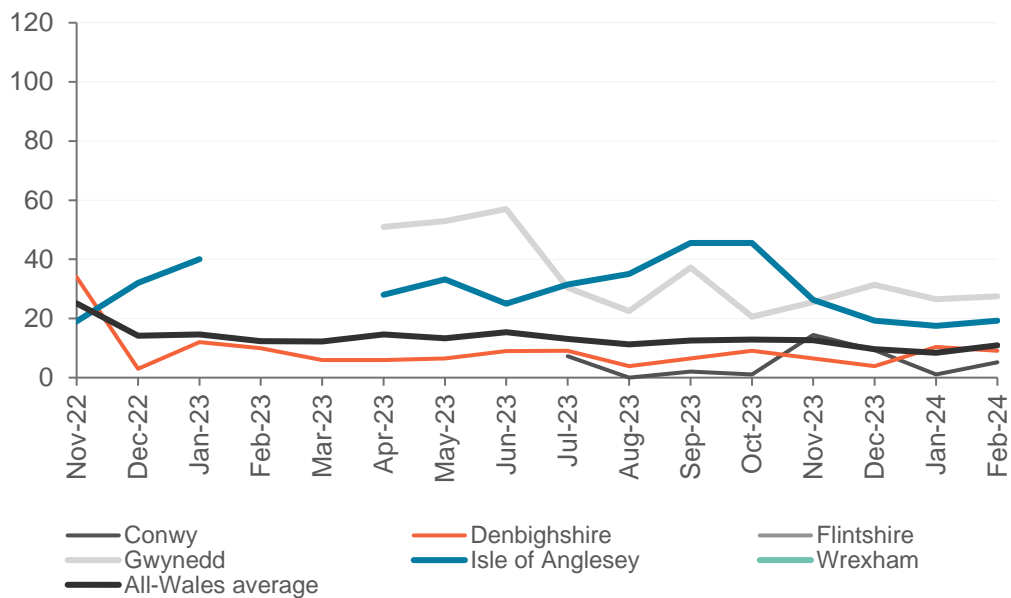
Source: Welsh Government

**Exhibit 32: number of adults waiting for reablement (per 100,000 head of population)**



Source: Welsh Government

**Exhibit 33: number of adults waiting for long-term care home accommodation (per 100,000 head of population)**



Source: Welsh Government



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We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.





## GOVERNANCE & AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday, 25 November 2024
<b>Report Subject</b>	Public Services Ombudsman for Wales Annual Letter 2023-24 and half-year complaints performance 2024-25
<b>Report Author</b>	Chief Officer (Governance)

### EXECUTIVE SUMMARY

The purpose of this report is to share the Public Services Ombudsman for Wales Annual Letter 2023-24 for Flintshire County Council. The Annual Letter provides an overview of the performance of the Council in relation to complaints of maladministration received between 1 April 2023 – 31 March 2024.

This report also provides an overview of complaints received by each portfolio of Flintshire County Council in the first half 2024-25 (1 April 2024 – 30 September 2024).

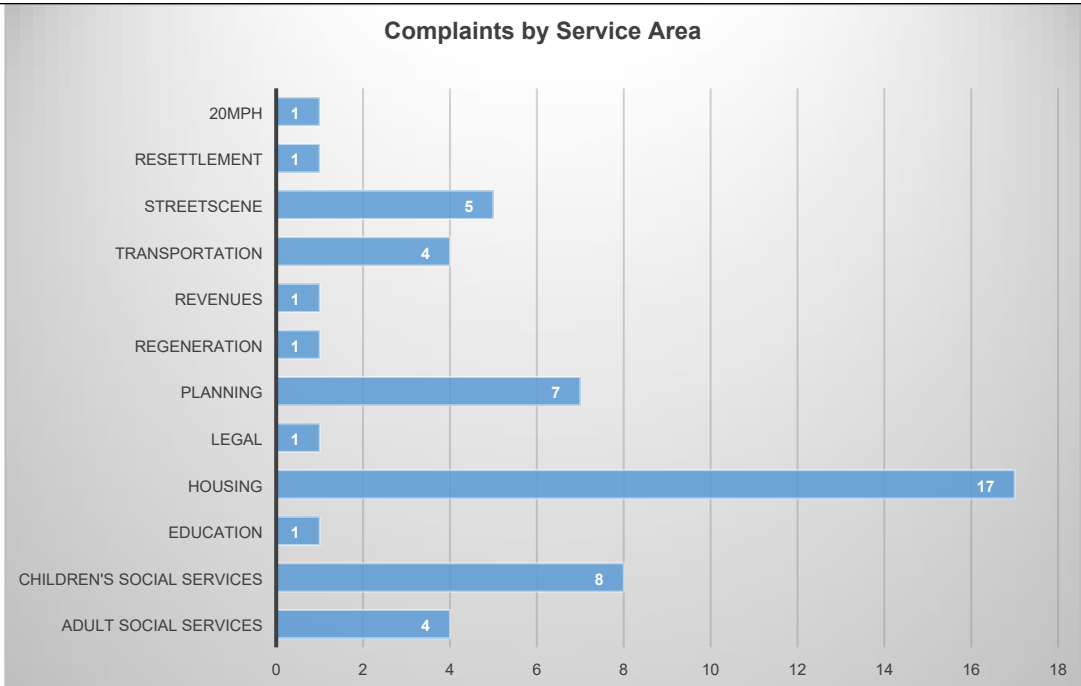
### RECOMMENDATIONS

1	That committee notes the positive annual performance of the Council in respect of complaints made to the Public Services Ombudsman for Wales during 2023-24.
2	That committee notes the half year performance of the Council (2024-25) in respect of complaints received in line with the Council's Concerns and Complaints policy.
3	That committee supports the priorities outlined in paragraph 1.25.

### REPORT DETAILS

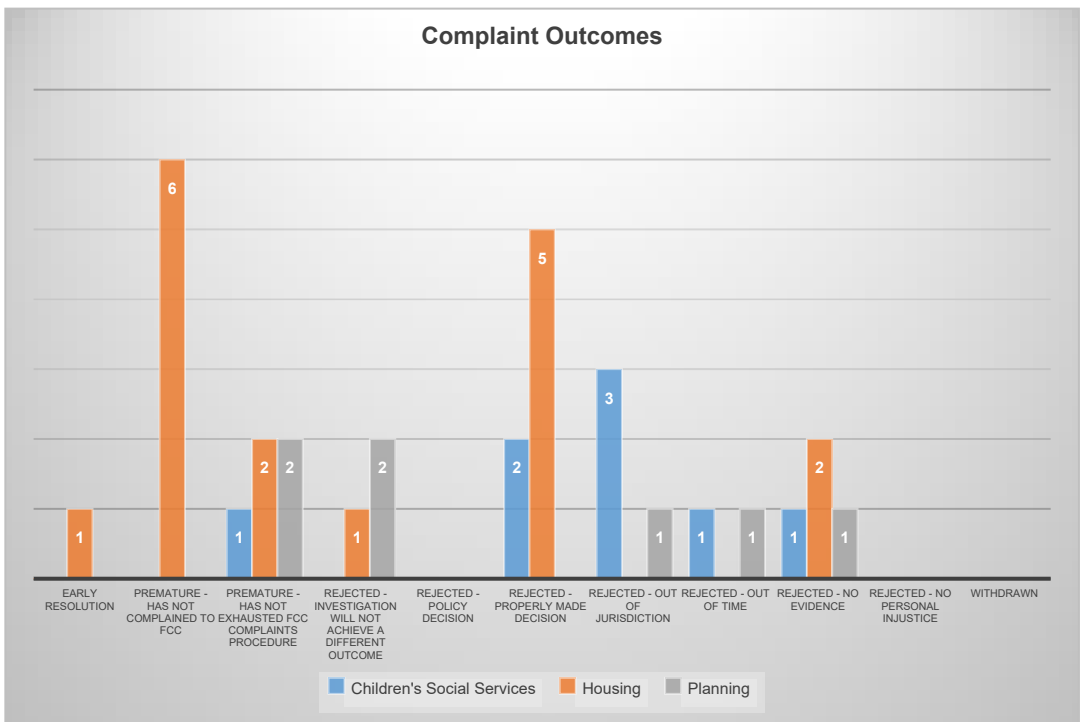
<b>1.00</b>	<b>EXPLAINING THE PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2023-24</b>
1.01	The Public Services Ombudsman for Wales ("Ombudsman"), Michelle Morris, published her Annual Letter 2023-24 in September 2024. The Annual Letter considers complaints about public services, complaints

	relating to alleged breaches of the Code of Conduct for Members and standards for complaints handling by public bodies in Wales.
1.02	The Annual Letter coincides with the Ombudsman’s Annual Report – “A New Chapter Unfolds” which highlights during 2023-24 the Ombudsman’s office considered and closed more enquiries and complaints than ever before. The number of people asking the Ombudsman’s office for help increased by 17% overall compared to 2022-23. The Ombudsman reports that her office has seen an increase in caseload of 37% since 2019 and acknowledges the considerable pressures on public services which have led to that rise.
1.03	The Ombudsman received broadly the same number of complaints about local authority services in 2023-24 (1,108 complaints) and the Ombudsman intervened (upheld, settled or resolved at an early stage) with a similar proportion of complaints 14% compared to 13% the previous year.
1.04	Appended to this report is a link to the Annual Letter detailing Flintshire’s performance and comparative data. The following paragraphs provide a summary of performance and additional context in response to the findings.
1.05	<p><b>Section A – Complaints Received</b></p> <p>Whilst the Ombudsman has reported broadly the same number of complaints about local authorities in 2023-24, Flintshire’s complaints reduced by 22% from 65 to 51. This is an indication that Flintshire’s commitment to delivering better outcomes for customers is coming to fruition. Interestingly, over the last three years complaints to the Ombudsman have reduced by 48% (99 in 2021-22 and 65 last year), bringing the number of complaints against Flintshire in line with the Welsh average (50), a positive step considering Flintshire has been higher than the Welsh average for the past few years.</p>
1.06	<p><b>Section B – Received by Subject</b></p> <p>The Ombudsman provides a breakdown of complaints by subject. However, these subjects are universal complaint categories for Councils across Wales and do not accurately reflect local records and organisational structures e.g. a complaint about school transport is categorised as “Education” by the Ombudsman but locally it is referred to “Transportation” who manage school transport.</p>
1.07	<p>An analysis of the Annual Letter against local data illustrates a more accurate record of complaints by subject:</p> <p><b>Chart 1</b></p>



1.08 The data in Chart 1 illustrates that Housing, Children's Services and Planning received the highest proportion of complaints; the outcome of these cases is illustrated in Chart 2 below:

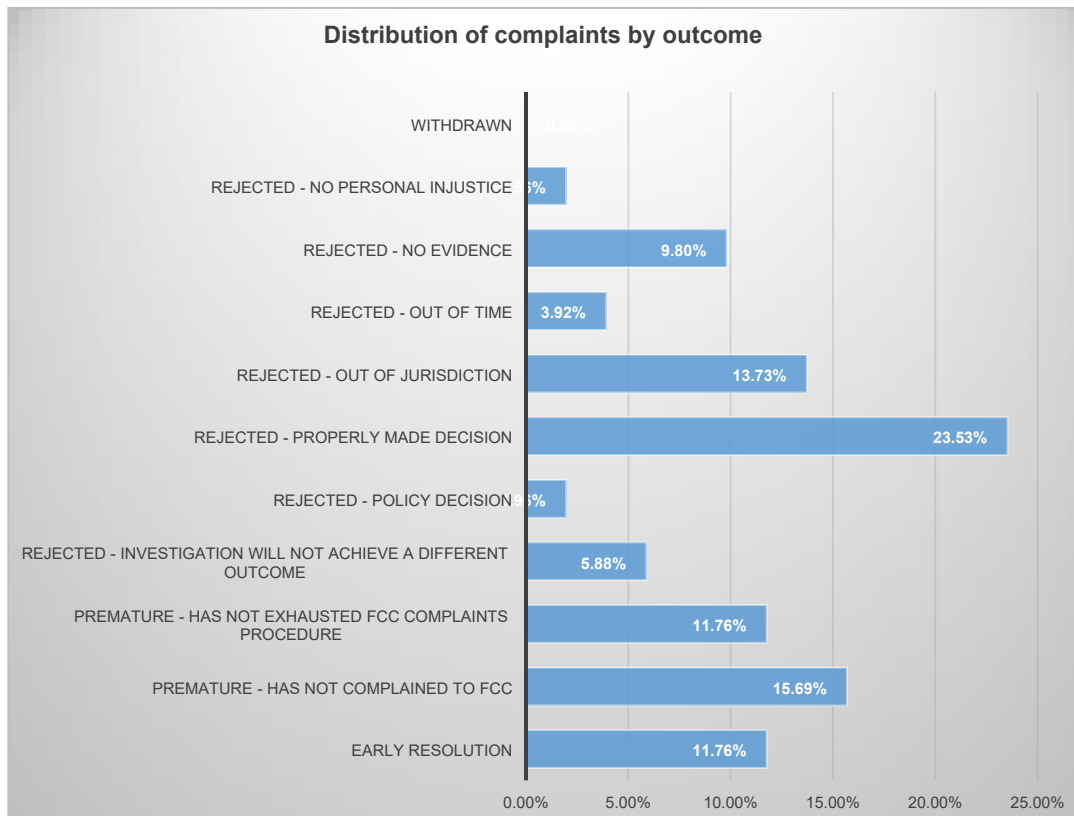
**Chart 2**



**1.09 Section C – Complaint Outcomes**

Flintshire has a higher-than-average number of complaints closed after initial consideration (45 or 10%) which is higher than last year and demonstrates an improvement in the quality of responses thus removing the need for the Ombudsman to intervene, and more cases closed without the action. Chart 3 below illustrates the distribution of complaints by outcome:

**Chart 3**



1.10 Chart 3 highlights the main reason for rejecting complaints is due to a properly made decision i.e. despite a complainant raising their dissatisfaction, the Council acted in accordance with policy in reaching a decision. The second reason is complaints being brought to the Ombudsman prematurely. In 2023-24 the number of premature complaints fell by 21% which is testament to work undertaken by Customer Service to promote information and improve advice to complainants, therefore reducing these premature cases.

**1.11 Section D – Cases with PSOW Intervention**

86% (49) of all complaints against Flintshire were rejected by the Ombudsman. Eight complaints required some action through “early resolution”, examples include:

- Failure to advise the complainant of their right to escalate to Step 2 – resolved to escalate to Step 2.
- Failure to provide information requested – resolved to apologise and provide the information.

The Ombudsman did not instigate any investigation in 2023-24 and therefore no reports were issued against the Council.

**1.12 Section E – Compliance Performance Comparison**

This section is new and is designed to ensure compliance with recommendations agreed by the Council. In 2023-24 a total of 17 recommendations were due, the importance of this criteria is that

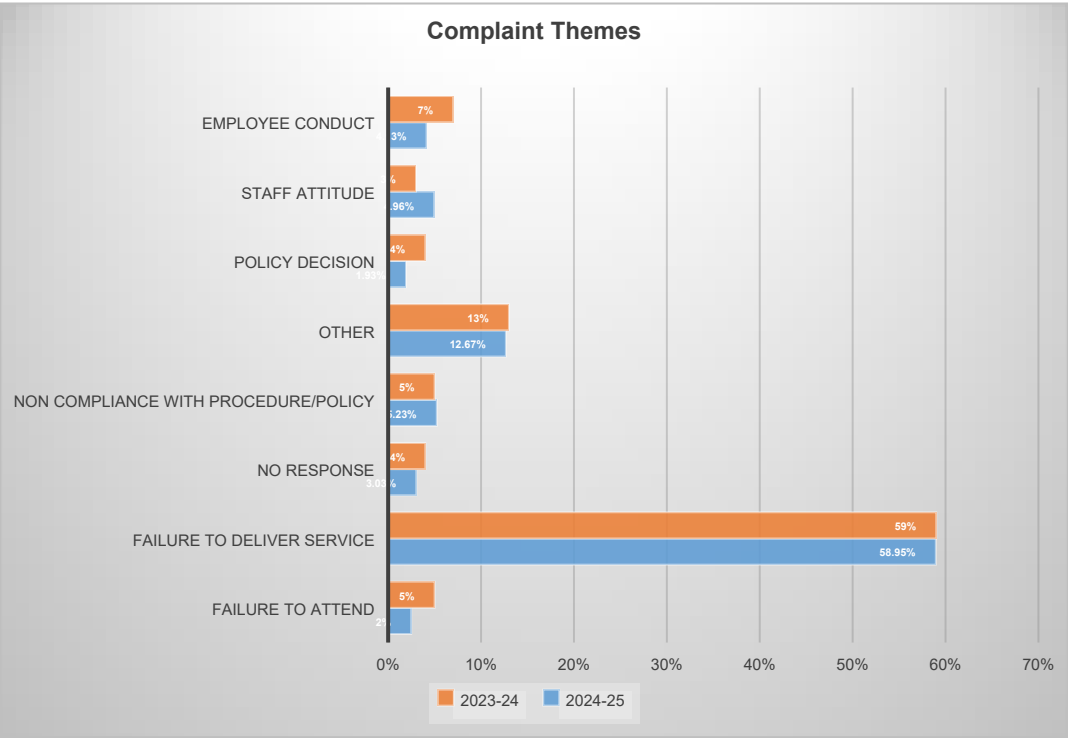
	recommendations have been implemented and the Ombudsman has been notified. The latter point can lead to the idea that recommendations have not been implemented. The Ombudsman prepared the data in early April 2024 and since publishing the Annual Letter, all recommendations are now closed.																																																																								
1.13	<b>Section F – Code of Conduct Complaints</b>  This section of the Annual Letter is the remit of the Standards Committee.																																																																								
1.14	<b>Section G – Town/Community Council Code of Conduct Complaints</b>  This section of the Annual Letter is the remit of the Standards Committee.																																																																								
1.15	Reflecting on the Annual Letter 2023-24, Flintshire’s achievements include: <ul style="list-style-type: none"> <li>• A reduction in the number complaints made to the Ombudsman – down from 65 to 51 (22%);</li> <li>• A reduction in complaints over the last three years – from 99 to 65 then to 51 (48%);</li> <li>• A reduction in the number of premature complaints to the Ombudsman – down from 36.92% to 15.69%;</li> <li>• An increase and higher-than-average number of complaints closed after initial consideration – 45 i.e. 10%;</li> <li>• No investigations for the second year in a run.</li> </ul>																																																																								
<b>1.16</b>	<b>Flintshire County Council Complaints 1 April – 30 September 2024</b>																																																																								
1.17	The Council received 363 complaints between 1 April – 30 September 2024 which is lower than the same time last year (448) and 74% were considered within target which is broadly the same as last year (76%). Encouragingly 92.28% of all complaints were considered within 20 working days which is a slight improvement on the previous year (91%).																																																																								
1.18	<b>Chart 4 – Summary of complaints performance</b>  <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #333; color: white;"> <th>1 April - 30 September 2024</th> <th>Overall</th> <th>CEO</th> <th>E&amp;Y</th> <th>Gov</th> <th>H&amp;C</th> <th>PE&amp;E</th> <th>SS</th> <th>S&amp;T</th> </tr> </thead> <tbody> <tr> <td>No. of complaints received</td> <td>363</td> <td>5</td> <td>9</td> <td>19</td> <td>90</td> <td>24</td> <td>18</td> <td>198</td> </tr> <tr style="background-color: #333; color: white;"> <td colspan="9">69</td> </tr> <tr> <td>Number of complaints open and overdue</td> <td>7 1.93%</td> <td>0 0.00%</td> <td>0 0.00%</td> <td>0 0.00%</td> <td>1 1.11%</td> <td>0 0.00%</td> <td>1 5.56%</td> <td>5 2.53%</td> </tr> <tr style="background-color: #333; color: white;"> <td colspan="9">0</td> </tr> <tr> <td>Number of complaints open and nearing target date</td> <td>7 1.93%</td> <td>1 0.00%</td> <td>0 0.00%</td> <td>0 0.00%</td> <td>2 2.22%</td> <td>1 4.17%</td> <td>0 0.00%</td> <td>3 1.52%</td> </tr> <tr style="background-color: #333; color: white;"> <td colspan="9">0</td> </tr> <tr> <td>Number of complaints closed late (over 10 working</td> <td>81</td> <td>1</td> <td>1</td> <td>0</td> <td>20</td> <td>10</td> <td>3</td> <td>46</td> </tr> </tbody> </table>	1 April - 30 September 2024	Overall	CEO	E&Y	Gov	H&C	PE&E	SS	S&T	No. of complaints received	363	5	9	19	90	24	18	198	69									Number of complaints open and overdue	7 1.93%	0 0.00%	0 0.00%	0 0.00%	1 1.11%	0 0.00%	1 5.56%	5 2.53%	0									Number of complaints open and nearing target date	7 1.93%	1 0.00%	0 0.00%	0 0.00%	2 2.22%	1 4.17%	0 0.00%	3 1.52%	0									Number of complaints closed late (over 10 working	81	1	1	0	20	10	3	46
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days)								
Number of complaints within target (10 working days)	268	3	8	19	67	13	14	144
	73.83%	60.00%	88.89%	100.00%	74.44%	54.17%	77.78%	72.73%

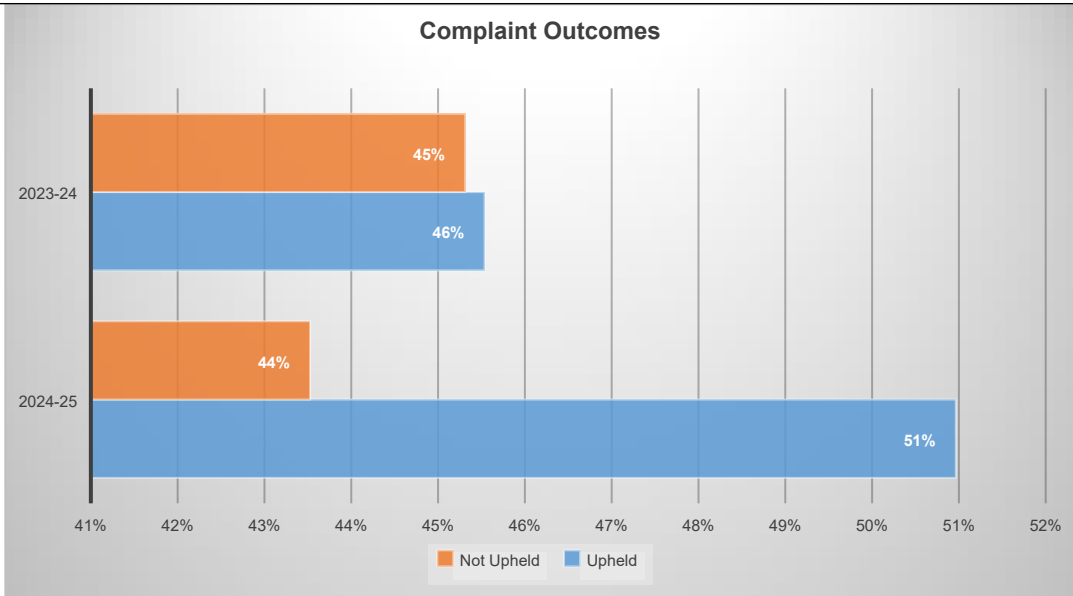
1.19 Frontline services in Streetscene & Transportation and Housing & Communities received the highest proportion of complaints in the first half of 2024-25 which is a normal trend. It should also be noted that the Social Services and Wellbeing Act (Wales) 2014 and Social Services Complaints Procedure Regulations 2014, requires Local Authorities to maintain a separate representations and complaints procedure for social services functions. Social Services' complaints are reported to the Social and Health Care Overview and Scrutiny Committee.

1.20 The following charts provide an overview of complaint themes and outcomes in 2024 compared to the previous year. A breakdown of complains data by portfolio is provided in Appendix 1.

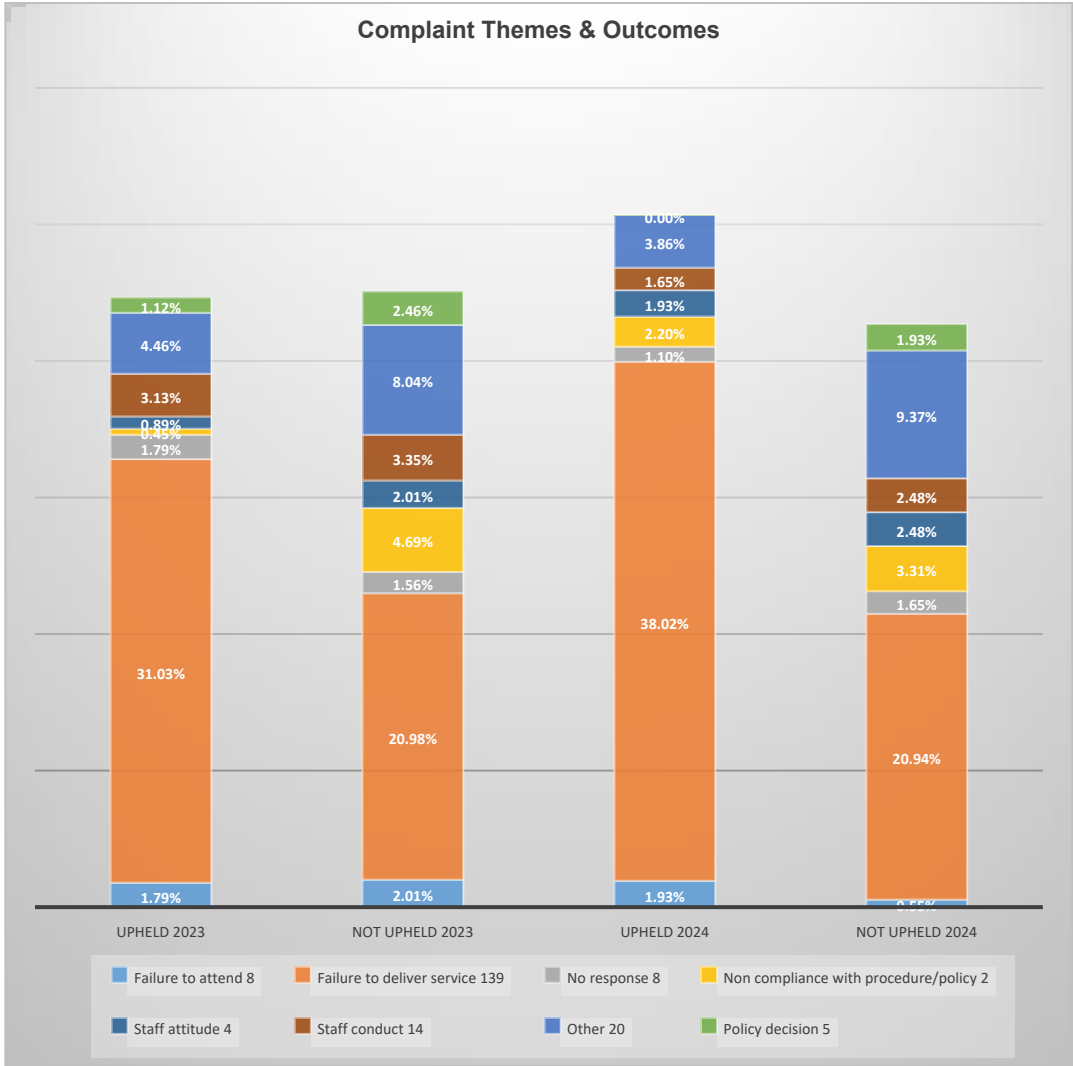
**Chart 5 – Complaint Themes**



**Chart 6 – Complaint Outcomes**



**Chart 7 – Complaints Themes & Outcomes**



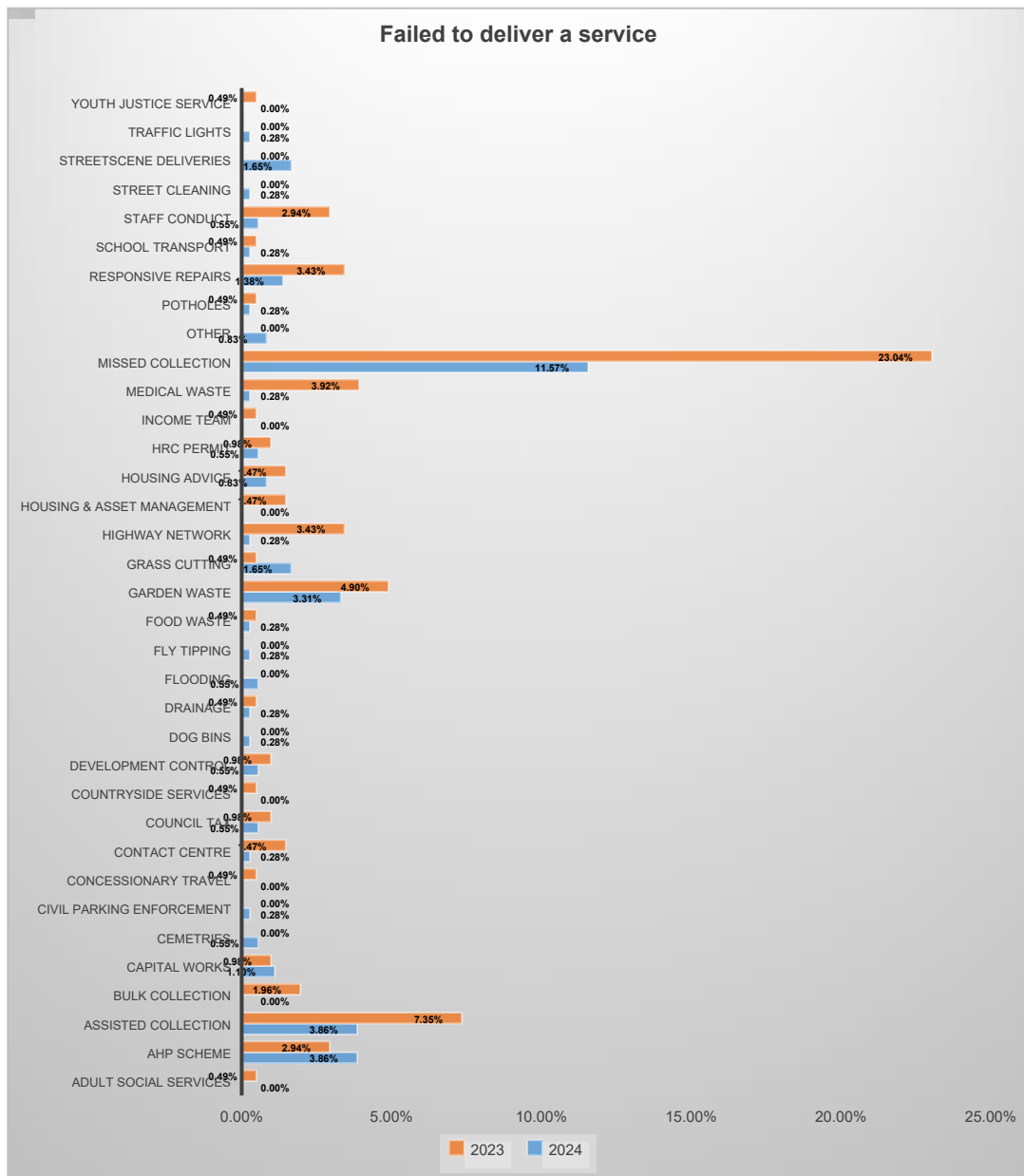
The data in the above chart illustrates that “failing to deliver a service” accounts for most upheld complaints against Council services.

1.21 Most upheld complaints about service failure relate to frontline services and Chart 8 provides an illustration of which services upheld complaints. There

are several examples where the number of upheld complaints about service failure have fallen this year:

- A reduction in upheld missed collection complaints – from 23.04% to 11.57%;
- A reduction in upheld garden waste collection complaints – from 4.90% to 3.31%;
- A reduction in assisted collection complaints – from 7.35% to 3.86%;
- A reduction in responsive repair complaints – from 3.43% to 1.38%;
- A reduction in employee conduct complaints – from 2.94% to 0.55%.

**Chart 8 – Failure to deliver a service**



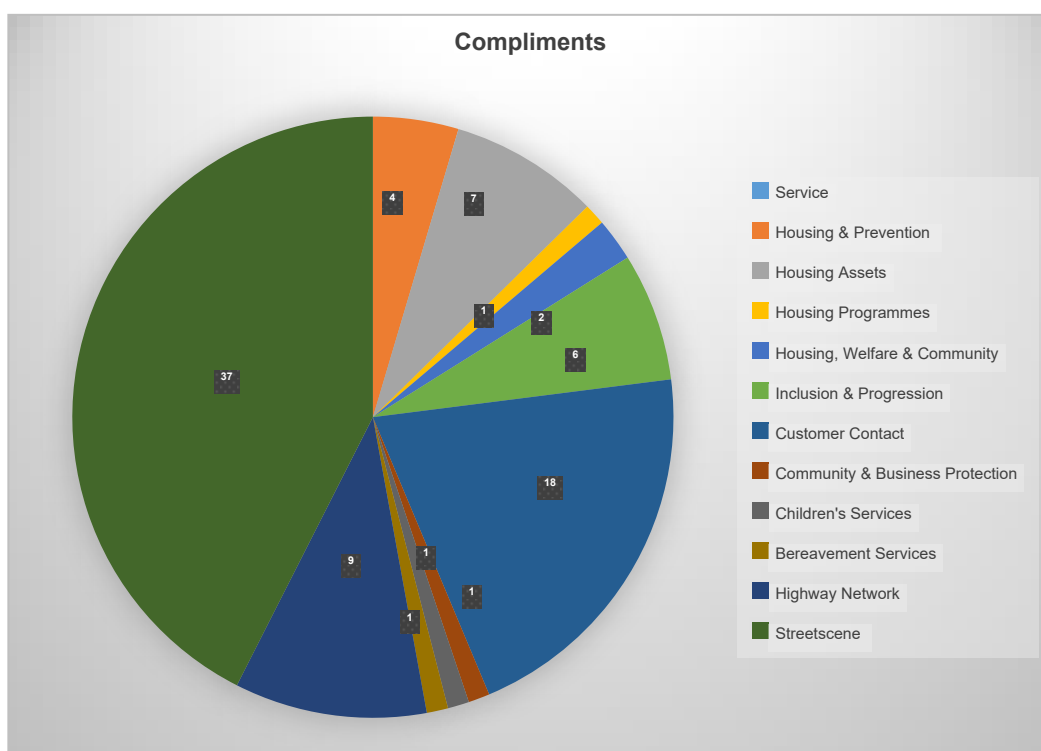
Conversely, there are examples where a higher number of complaints have been upheld e.g. Absorbent Hygiene Products (AHP) Scheme up from 2.94% to 3.86% and Streetscene are taking action to review their processes and procedures, and grass cutting has also risen from 0.49% to 1.65% because of reduced resources.



1.22 The Complaints Officer Group continue to meet regularly to review performance and share lessons learned from complaints. This group of officers, which represent each portfolio of the Council, have been the catalyst in driving improvements. This year the group has reflected on lessons learned from complaints and examples of how complaint data has been used to shape services is attached in Appendix 2.

1.23 The Council complies with an all-Wales model for complaint handling in public services and accurately records complaints. However, more work needs to be undertaken on capturing the good work that happens across the Council and capturing compliments. However, the data recorded so far this year illustrates:

**Chart 9 - Compliments**



**1.24 Conclusion and priorities**

Much of the positive achievements in the Ombudsman’s Annual Letter and the half year reporting on local complaints can be attributed to work over the last 12 months including:

- Continued positive and productive engagement with the Complaints Standards Authority;
- Continued collective work with Councils across Wales and the Ombudsman to record complaints performance data to help drive improvement in public services for citizens in Wales;
- Creation of the Complaints Officer Group to manage performance and drive improvements;
- Improved advice and guidance for complainants e.g. website and complaint responses;

	<ul style="list-style-type: none"> <li>Completed Internal Audit actions which identified opportunities to improve complaints handling.</li> </ul>
1.25	<p>Overall, portfolios are making good progress to improve complaints handling as greater awareness is promoted by the most senior officers of the Council.</p> <p>The following actions will be taken forward to further improve complaints handling across the organisation:</p> <ul style="list-style-type: none"> <li>Maintaining positive and productive engagement with the Complaints Standards Authority;</li> <li>Continuing work with Councils across Wales and the Ombudsman to record complaints performance data to help drive improvement in public services for citizens in Wales;</li> <li>Ensuring compliance with recommendations by the Ombudsman are communicated in a timely manner;</li> <li>Implement recommendations (as appropriate) following the publication of the Ombudsman's Own Initiative Investigation into Carer's Needs Assessment when the report is published in 2024;</li> <li>Promote the need to record compliments received by services across the Council;</li> <li>Review the programme of mandatory complaints training for Team Leader+ roles – 331 employees trained to date (over 70% of original target audience);</li> <li>Complete the redesign of the electronic system used to record complaints to ensure it is fit for purpose;</li> <li>Complete work relating to a toolkit for Schools and elected Members on how to manage unacceptable behaviour on social media;</li> <li>Support to all services through regular sharing of performance data to help manage casework and keep complainants informed where targets are not achievable.</li> </ul>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	This report provides details of the annual performance of the Council in relation to complaints. At this point there are no proposed change or actions and as such no impact or risks have been identified.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<b>Appendix 1</b> Flintshire County Council complaint data 1 April 2024 – 30 September 2024.
5.02	<b>Appendix 2</b> Learning from complaints 2023-24.

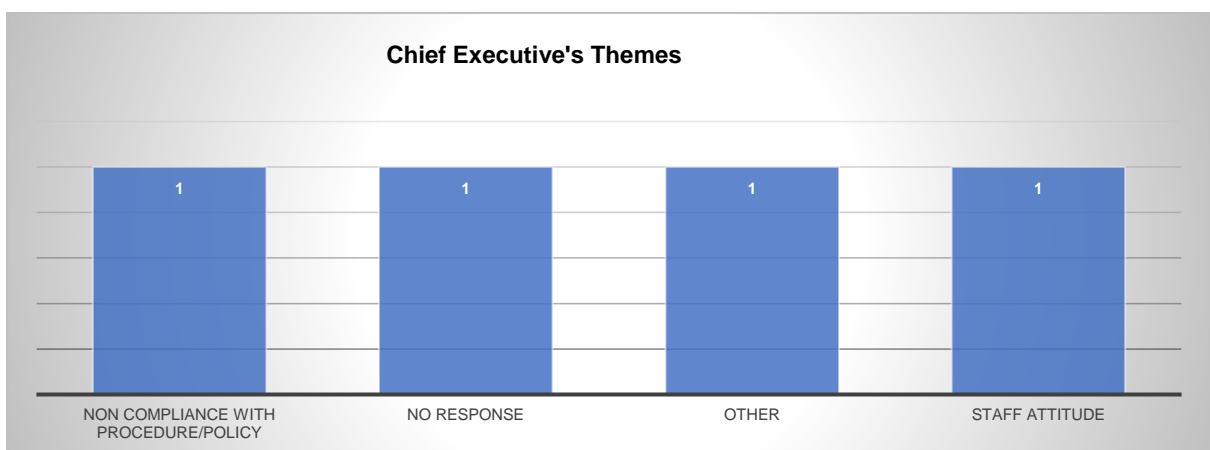
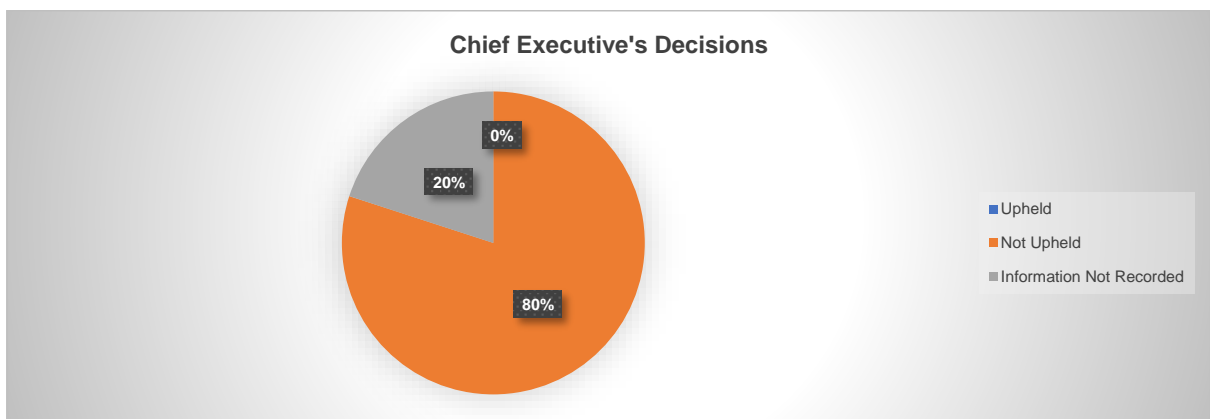
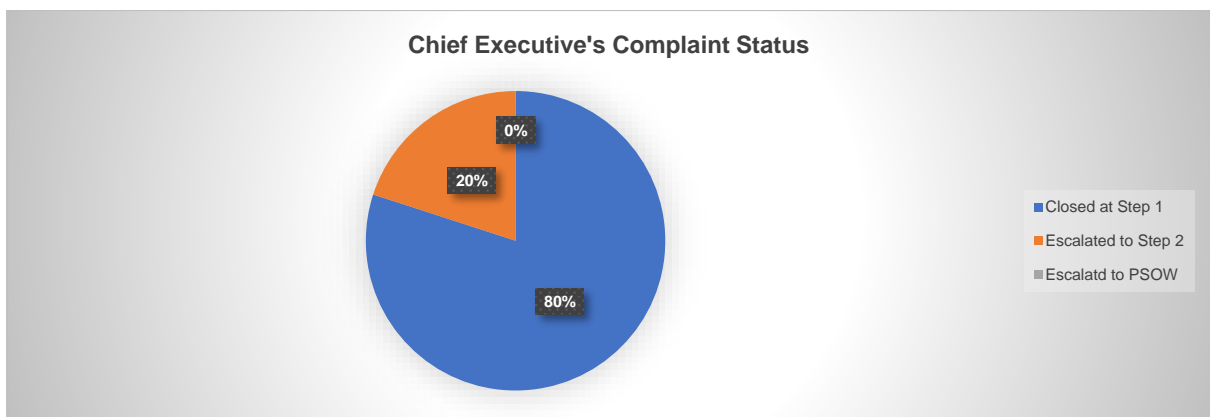
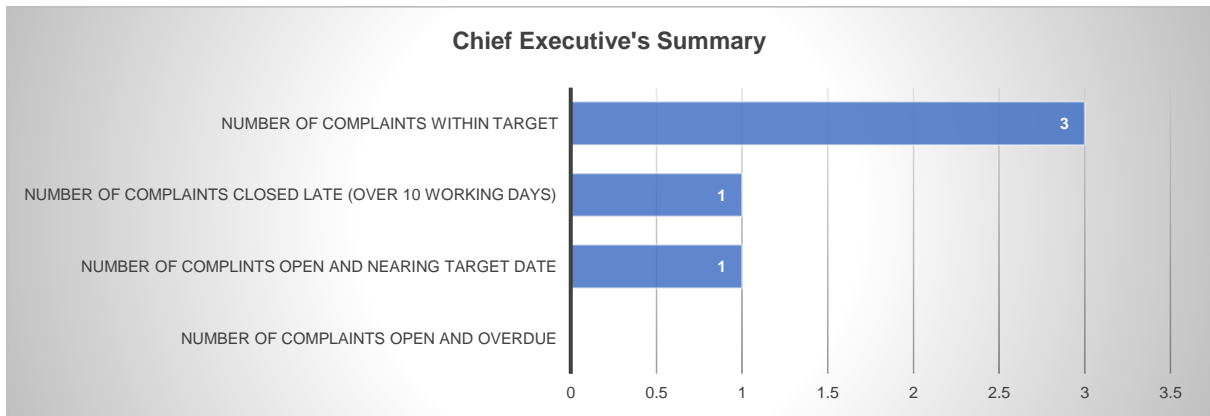
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	A copy of the Annual Letter is published on the Ombudsman’s website – <a href="https://www.ombudsman.wales/app/uploads/2024/10/Flintshire-County-Council.pdf">https://www.ombudsman.wales/app/uploads/2024/10/Flintshire-County-Council.pdf</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Rebecca Jones, Customer Contact Service Manager <b>Telephone:</b> 01352 702413 <b>E-mail:</b> <a href="mailto:rebecca.jones@flintshire.gov.uk">rebecca.jones@flintshire.gov.uk</a>

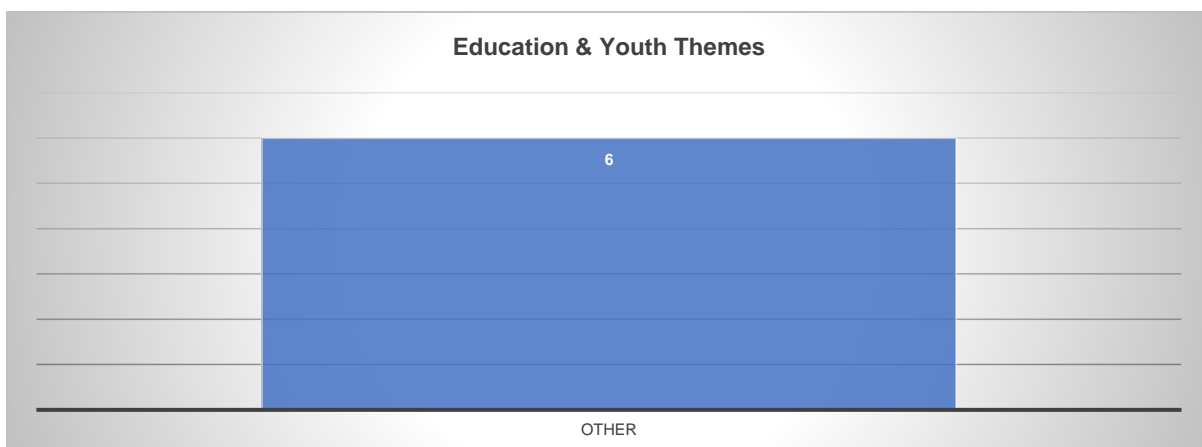
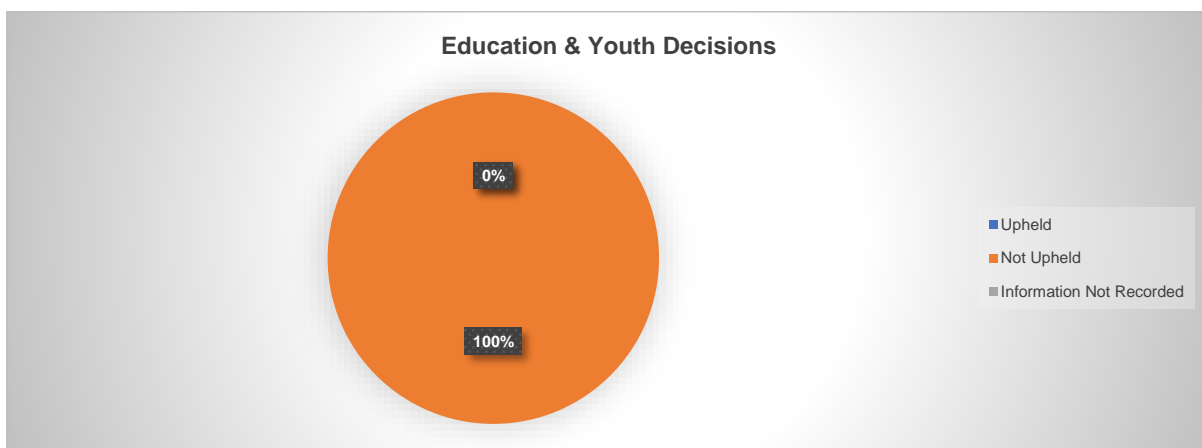
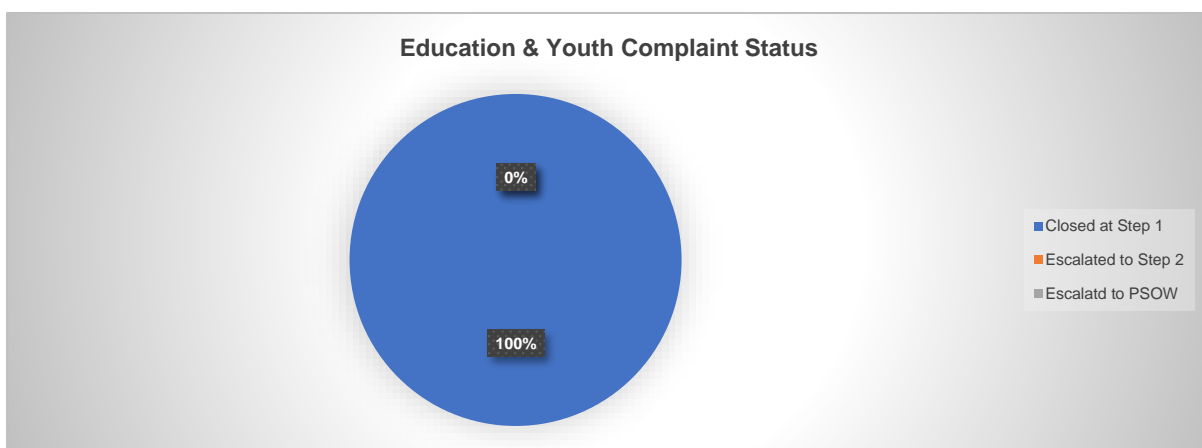
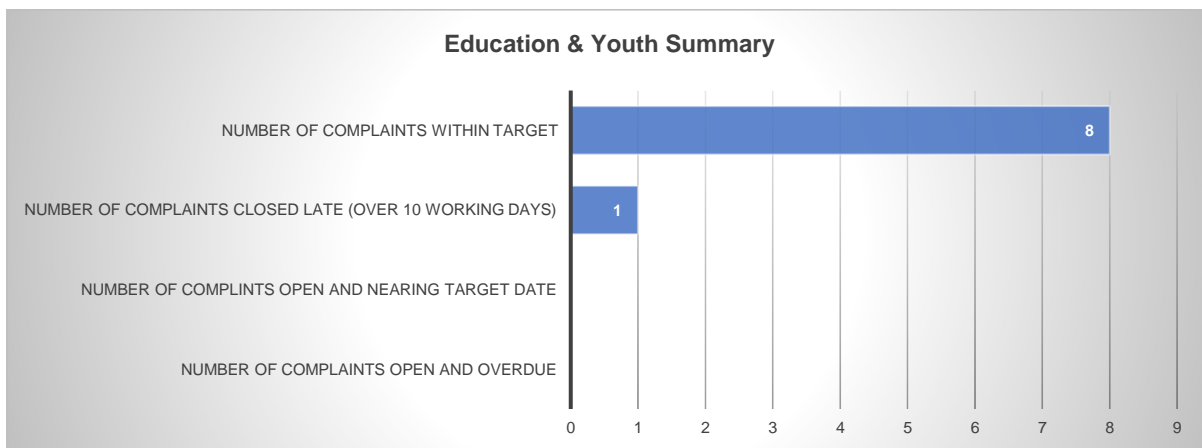
<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Public Services Ombudsman for Wales</b> – investigates complaints against public service providers in Wales where people believe they have suffered an injustice through maladministration on the part of the public service provider e.g. a local authority.  <b>Complaints Standards Authority</b> – a team within the Public Services Ombudsman for Wales’ office focused on ensuring the procedures to complain to public service providers in Wales are complainant focused, simple, fair and objective, timely and effective, accountable and committed to continuous improvement.

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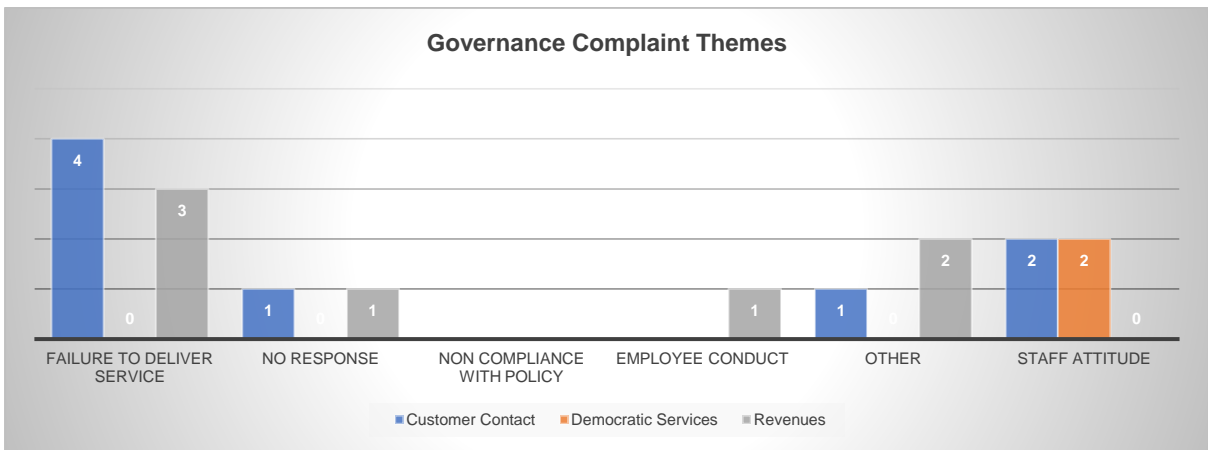
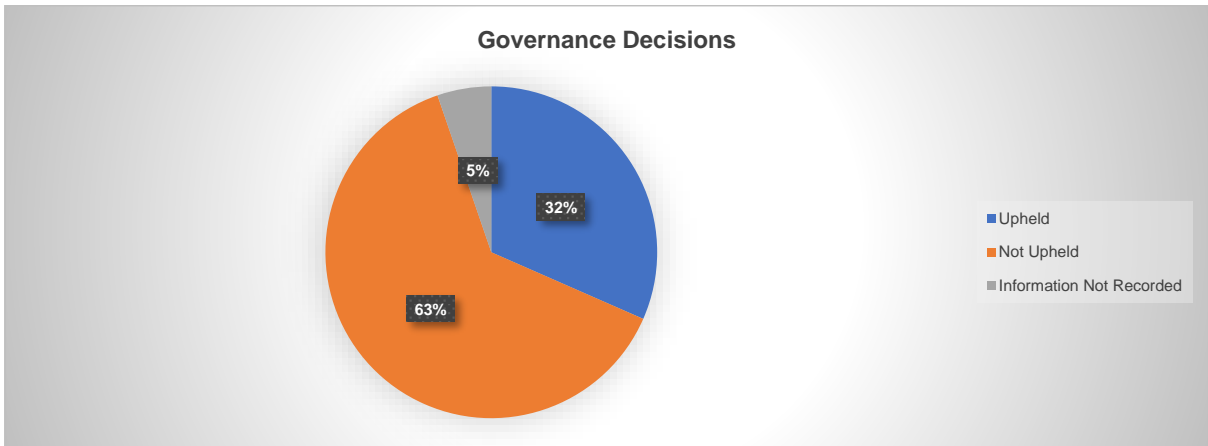
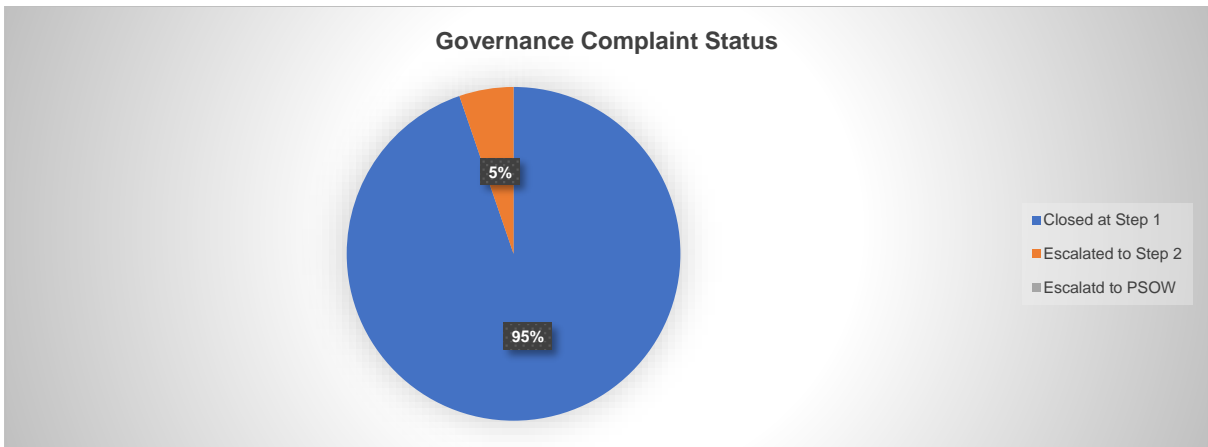
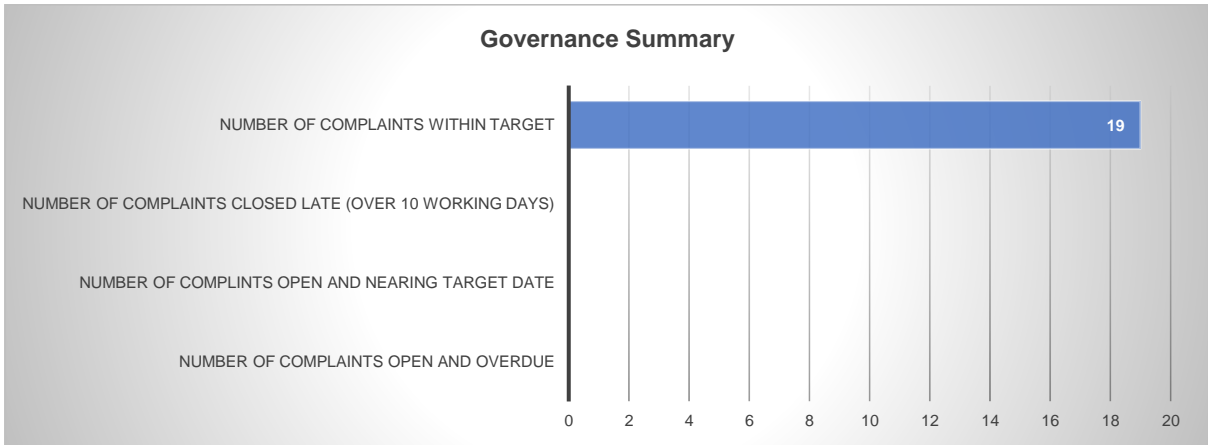
### Chief Executive's



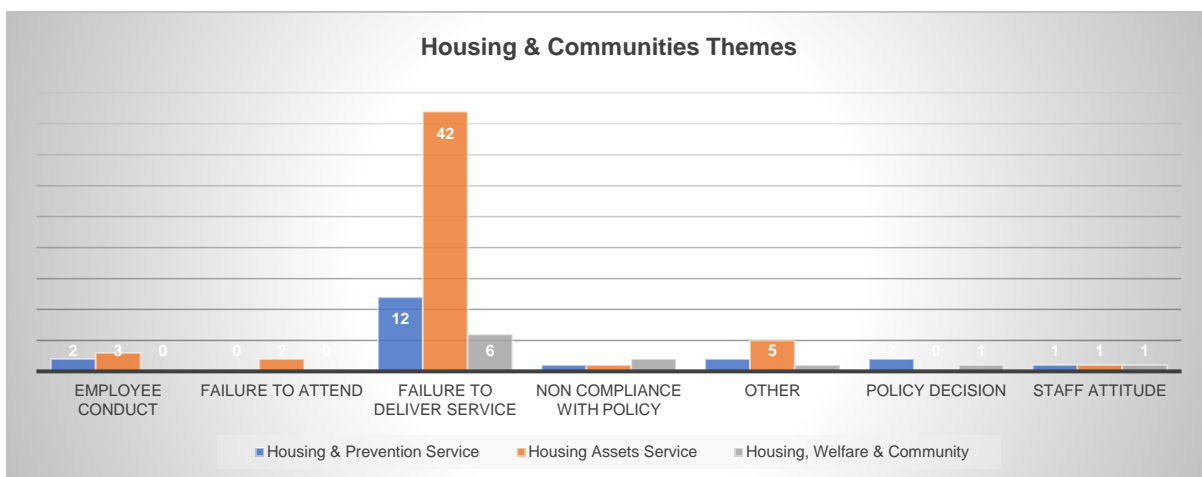
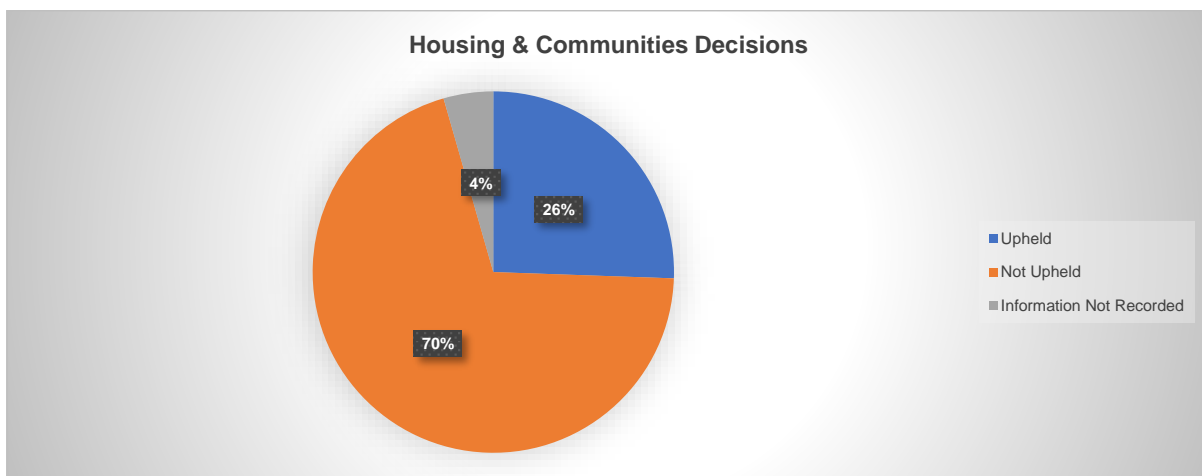
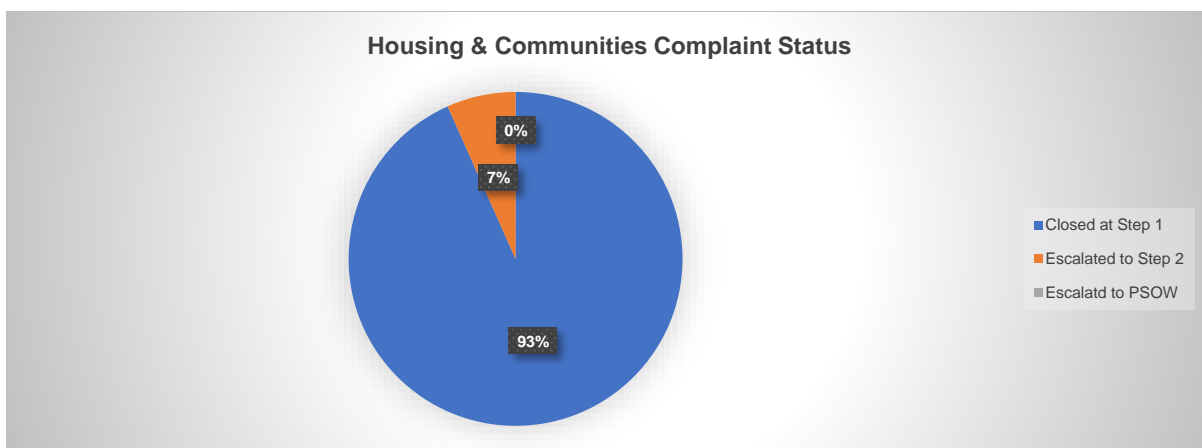
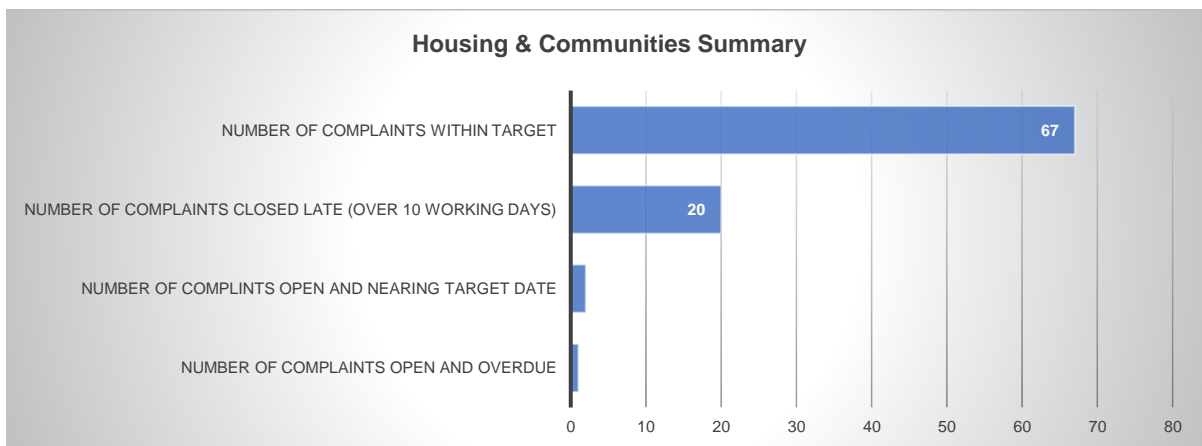
# Education & Youth



# Governance

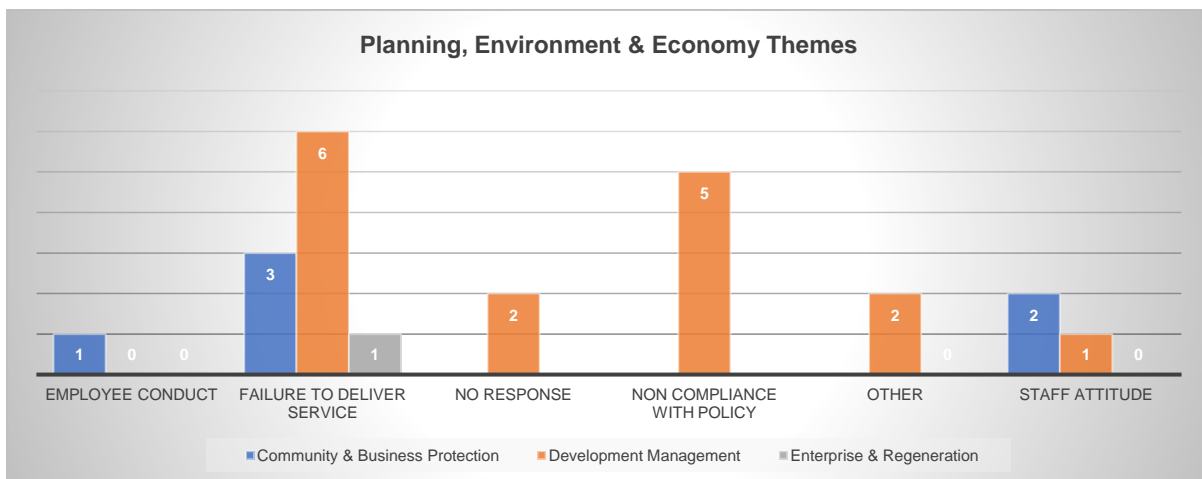
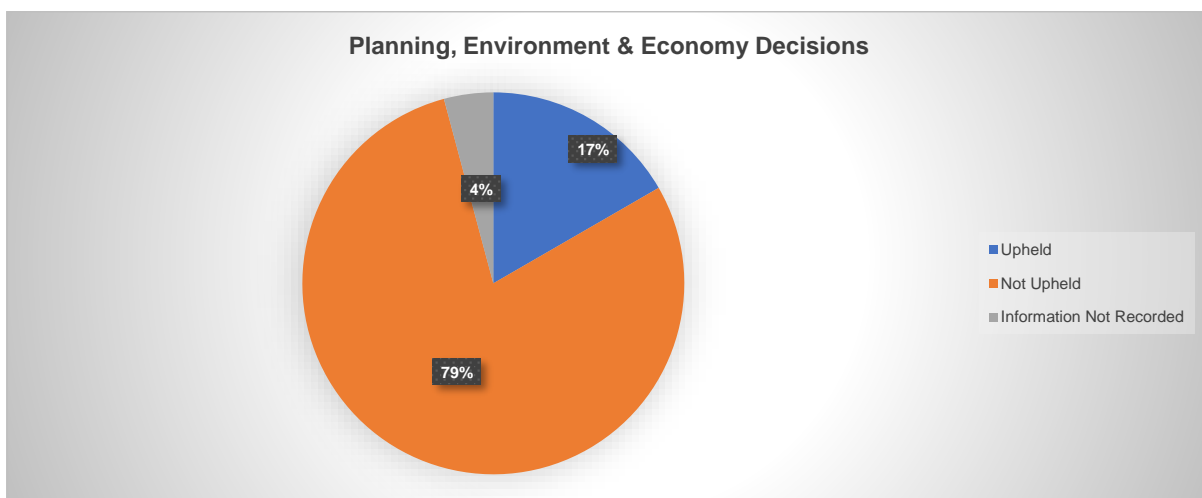
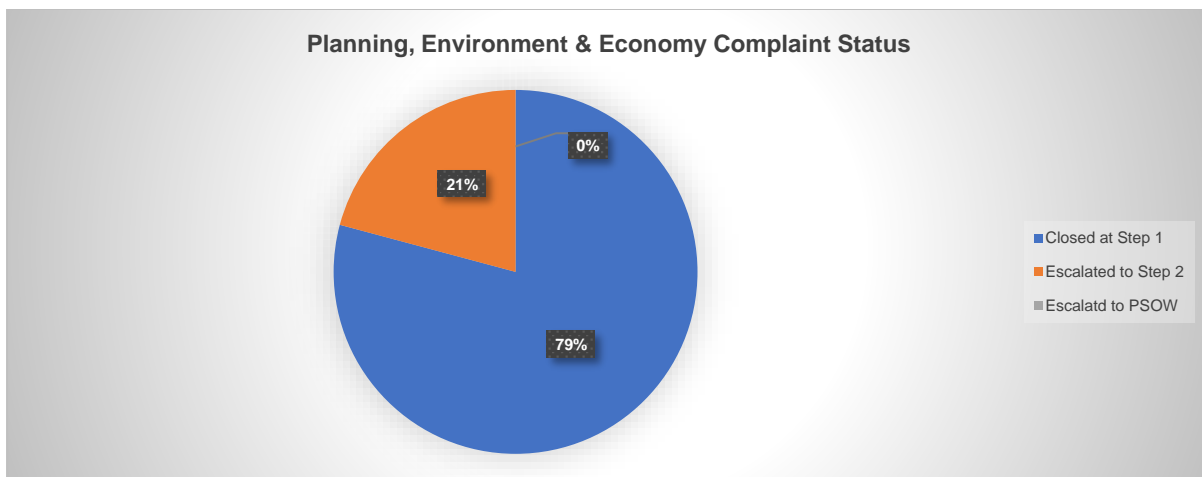
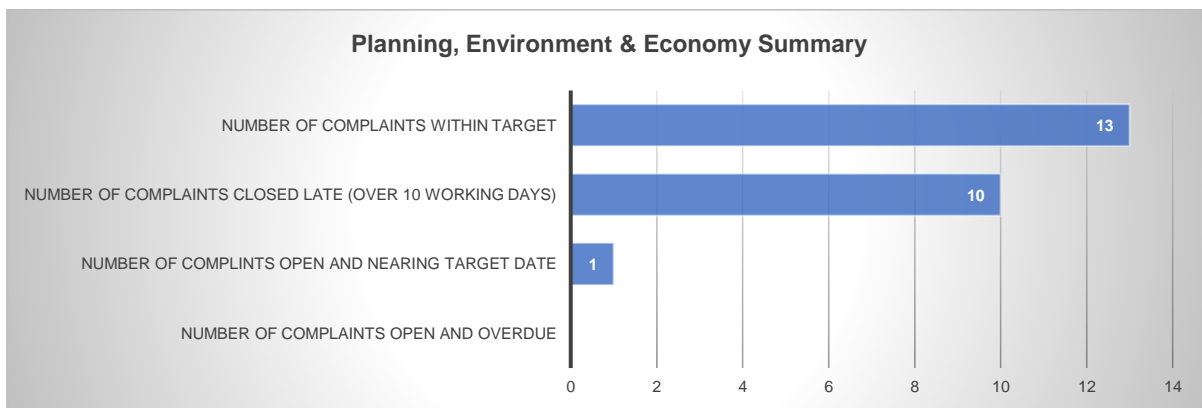


# Housing & Communities

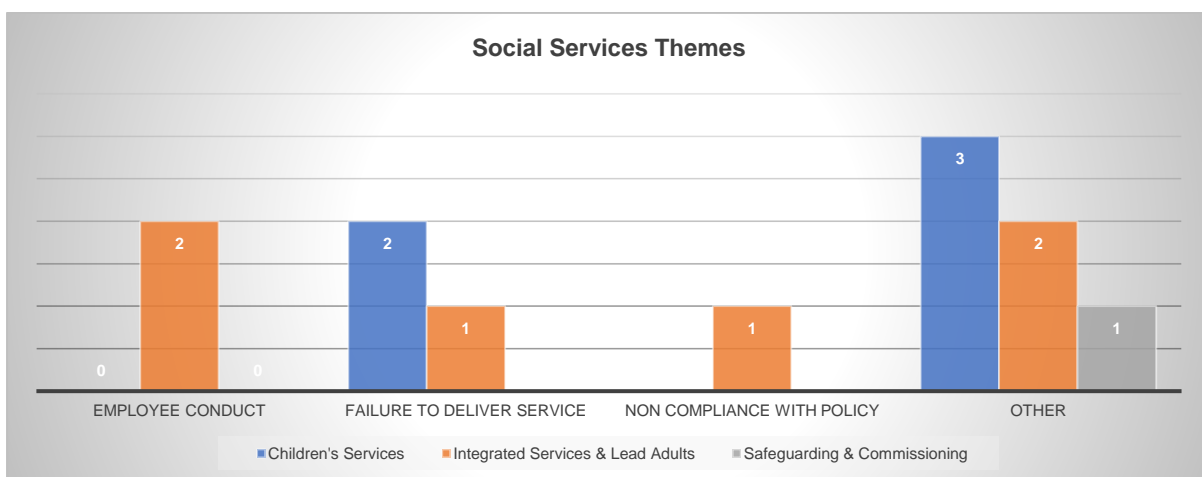
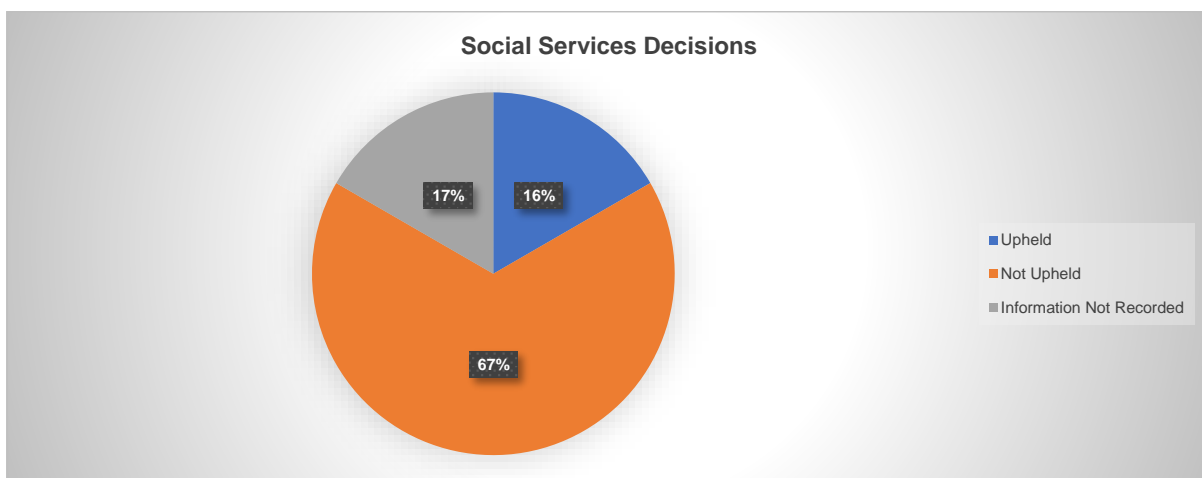
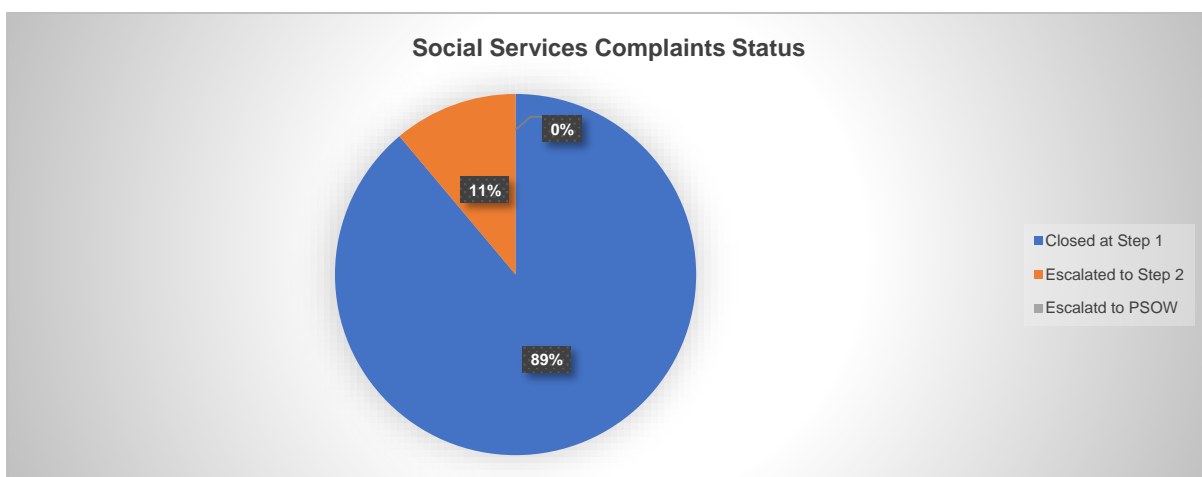
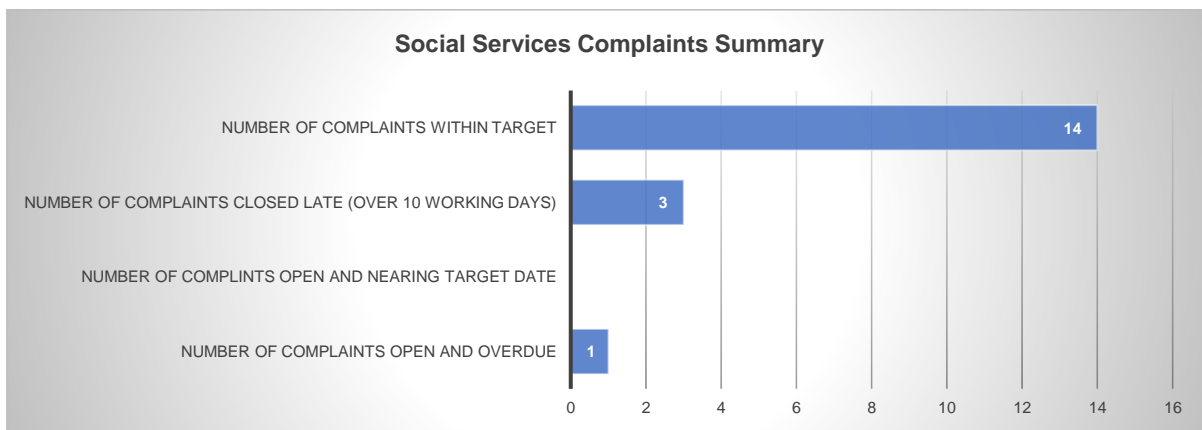




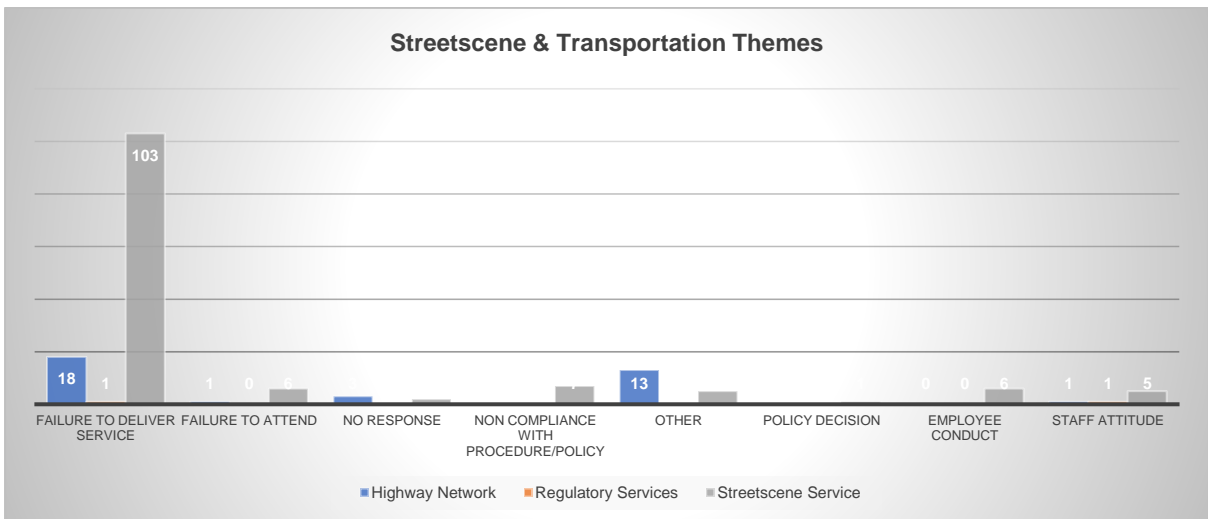
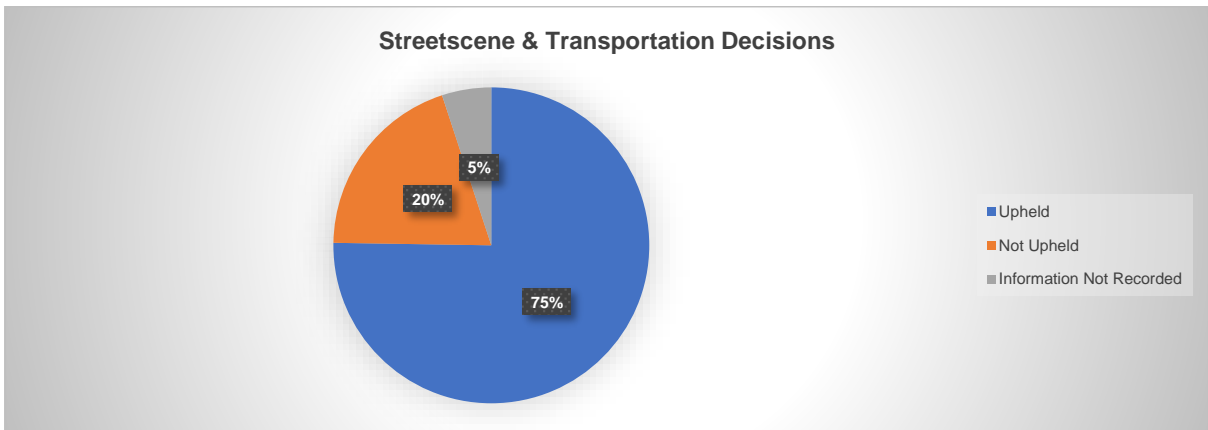
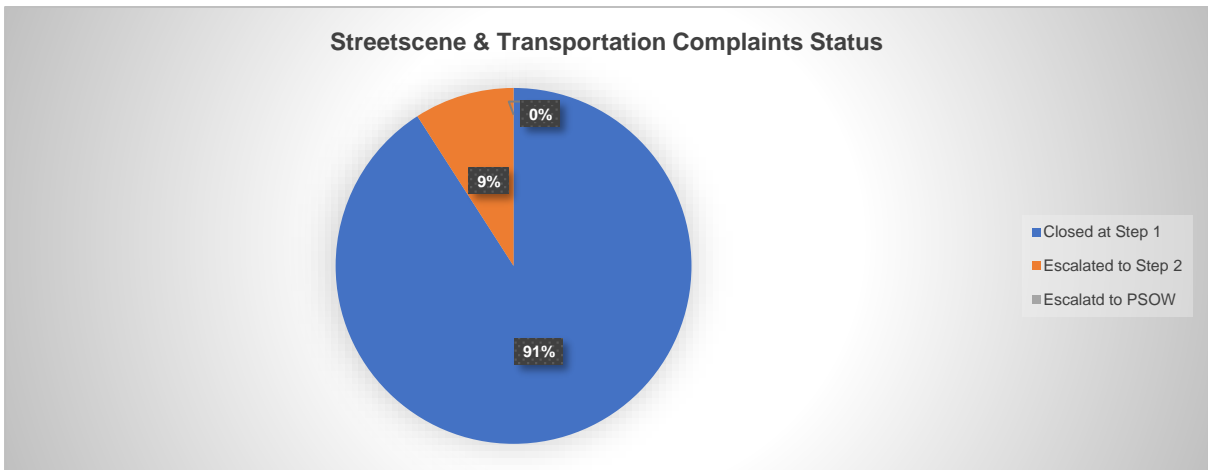
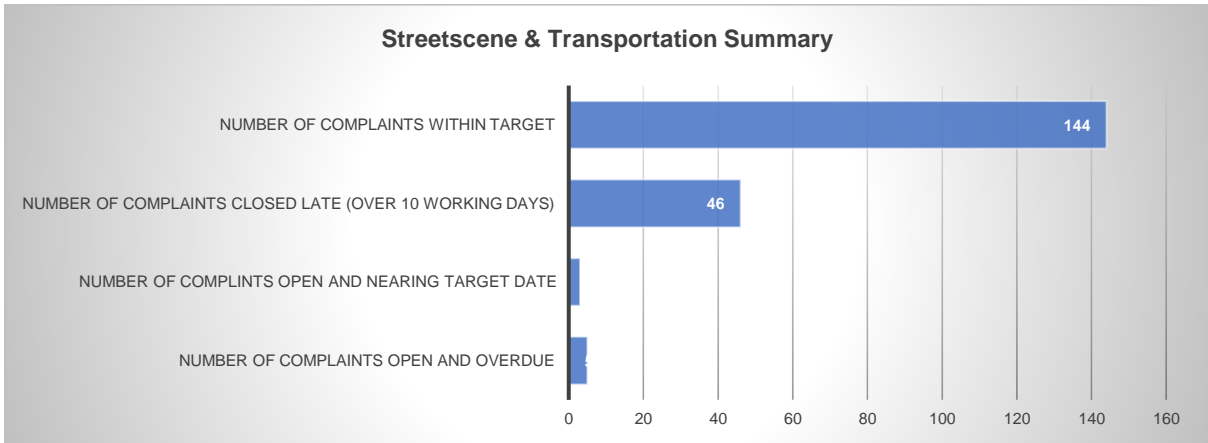
# Planning, Environment & Economy



# Social Services



# Streetscene & Transportation



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## Appendix 2: Learning from complaints 2023-24

Ref	Portfolio	Service	Issue	Theme	Lesson learnt
1.	Chief Executives	Low number of complaints – no complaints upheld in 2023-24.			
2.	Education & Youth	Low number of complaints – no complaints upheld in 2023-24.			
3.	Governance	Customer Contact	Staff attitude in the Contact Centre.	Staff attitude	<ul style="list-style-type: none"> <li>• Routine call sampling by the Team Leader.</li> <li>• Regular 1:1s with Agents and review of sampled calls.</li> <li>• 1:1 support for any known issues.</li> </ul>
		Revenues	Personal information recorded on ring doorbells when Enforcement Officers make enquiries with neighbours.	Service standards	<ul style="list-style-type: none"> <li>• Awareness raising especially given the increased use of ring doorbell technology.</li> <li>• Instruction to Debt Enforcement Agents to refrain from knocking on neighbour doors to avoid inadvertently compromising third party residents who receive a cold call.</li> </ul>
		Revenues	External Debt Enforcement Agent acted disproportionately when clamping a vehicle of a third party.	Conduct	<ul style="list-style-type: none"> <li>• Introduction of a process whereby the Council is presented with a schedule of visits that have taken place over the previous fortnight.</li> <li>• Sampling of the cases including a review of video footage to ensure the appropriate standards are being met and that Enforcement Agents are representing the Council professionally.</li> <li>• Feedback to the external agency where necessary to drive improvement.</li> </ul>
4.	Housing & Communities	Strategic Housing	Gas safety concerns at NEW Homes.	Health and safety	<ul style="list-style-type: none"> <li>• Revised guidance to the Council's Gas Safety Engineers.</li> <li>• Revised procedures for accepting handover of new homes or major refurbishments.</li> <li>• The Council undertakes its own survey/review of each installation.</li> </ul>
		Housing Assets	Timely of responses.	Service standards	<ul style="list-style-type: none"> <li>• New templates enabling the service to respond to frequent complaints more efficiently.</li> </ul>

					<ul style="list-style-type: none"> <li>Allocated specific complaints or requests for service directly to WHQS teams to bypass the inspection team (which could take longer etc.)</li> </ul>
		Housing Assets	Pre-emptive measures to reduce number of complaints.	Service standards	<ul style="list-style-type: none"> <li>Changed internal reporting processes and actions.</li> <li>Produced tenant guides for controlling mould and condensation.</li> <li>Produced helpful information and guides published on our website.</li> <li>Created specific programmes of work to deal with seasonal issues (emergency boundary and gardens works programme, Mould &amp; Condensation works).</li> <li>Tenant induction handbook given to all new tenants within 2 weeks of their occupation.</li> </ul>
Page 322.		Housing Assets	Reducing cases of no access and resulting complaints made from tenants not knowing when someone was attending to complete their reported repairs.	Service standards	<ul style="list-style-type: none"> <li>The implementation of DRS to improve the service delivery giving our customers an appointment convenient for themselves to have their repair carried out.</li> </ul>
	<b>Planning, Environment &amp; Economy</b>	Portfolio wide	Complaints not being answered within timescale.	Service standards	<ul style="list-style-type: none"> <li>A portfolio complaints tracker spreadsheet developed.</li> <li>Monthly complaints tracker meetings with officers where complaints are outstanding.</li> <li>Improved processes around issuing holding responses to complainants.</li> </ul>
		Portfolio wide	Dealing with complex complaints that often involve more than one service area.	Service standards	<ul style="list-style-type: none"> <li>Portfolio collaboration meetings held to discuss and track actions on complex complaints.</li> <li>Meetings are minuted to capture all agreed actions and officer responsibilities.</li> </ul>
		Portfolio wide	Ownership of complaints.	Service standards	<ul style="list-style-type: none"> <li>All Team Leaders now responsible for answering Step 1 complaints for their service areas (unless complaint is referring to them).</li> <li>Feedback on complaint given at 1:1/workload review meetings.</li> <li>Team Leaders held accountable for actions agreed at complaint tracker meetings.</li> </ul>

6.	<b>Social Services</b>	Adult Social Services	Increase in the volume of complaints about financial implications of charges.	Information sharing	<ul style="list-style-type: none"> <li>• Review and refreshed a range of leaflets including Paying for Residential Care, Deferred Payments Scheme, Charging for Community Care, Discharge Leaflet.</li> <li>• Employees reminded to add a case note that leaflets have been shared with family members and when they share financial advice in conversations they have with families.</li> </ul>
		Children's Social Services	Lack of information about direct payments and how to use payments.	Information sharing	<ul style="list-style-type: none"> <li>• Introduced a standard letter to explain to families why a direct payment has been awarded and how it should be used and why excess funding is required to be returned to the Council.</li> <li>• Review underway for children with care and support needs to have their own individual case record, moving us away from the 'lead child' approach.</li> </ul>
15.	<b>Streetscene &amp; Transportation</b>	Garden Waste Collections	Confusion on website as to whether to apply for new sticker.	Information sharing	<ul style="list-style-type: none"> <li>• Website application reviewed and noted that wording was unclear and confusing causing residents to apply for a sticker they did not require.</li> <li>• Application wording was adjusted and members of staff within the admin team to review reports to check additional stickers had not been ordered</li> </ul>
		Rail Card Codes	Codes no longer supplied to FCC from TFW.	Information sharing	<ul style="list-style-type: none"> <li>• Liaised with Transport department to inform them of the changes.</li> <li>• Made enquiries with TFW – codes no longer supplied, but residents can apply direct through TFW.</li> <li>• Updated information on website with new link to refer residents to.</li> </ul>
		Mattress Bookings at HRC Sites	Booking in system was ineffective, causing complaints.	Service standards	<ul style="list-style-type: none"> <li>• Process was reviewed and feedback given to waste &amp; recycling manager.</li> <li>• New system put into place, which links straight through to HRC sites.</li> <li>• Updated the team on the process and website information.</li> <li>• Training given to chargehands on site so that bookings can now be reviewed and monitored.</li> </ul>

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday, 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Corporate Self-assessment 2023/24
<b>Report Author</b>	Chief Executive
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

The Local Government and Elections Act (Wales) 2021 sets out a duty to report on performance and states 'A council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements.' This Corporate Self-assessment 2023/24 aims to achieve the duty set out above for the act and for the use by the Council.

The Corporate Self-assessment is a comprehensive assessment of the corporate organisation and not a detailed assessment of the performance of each service portfolio, and therefore, the assessment themes have been designed in this way.

In September the Corporate Self-assessment for 2023/24 was presented to Governance and Audit Committee for consideration. Whilst the findings had been discussed at a Members workshop in July 2024 and presented to Cabinet the day prior to the Governance and Audit Committee meeting in September 2024, there was further discussion as to whether the report should be further amended.

This report addresses those comments raised by Members following the Governance and Audit Committee meeting.

### RECOMMENDATIONS

1	To be assured of the update provided to Committee regarding the Corporate Self-assessment 2023/24.
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## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE CORPORATE SELF-ASSESSMENT 2023/24</b>
1.01	<p>In September the Corporate Self-assessment for 2023/24 was presented to Governance and Audit Committee for consideration. Whilst the findings had been discussed at a Members workshop and presented to Cabinet there was further discussion as to whether the report should be amended based on the recent findings of the Audit Wales, Financial Sustainability Review report.</p> <p>During the debate, concerns were raised that some of the responses may require a 'sense check', for example, question B15. Members of the Committee agreed to raise any other areas of concern or areas for review to the Internal Audit Manager by 11th October 2024, so an updated report could be provided at the next meeting (25<sup>th</sup> November 2024).</p> <p>To date only one Member provided further information to the Internal Audit Manager.</p>
1.02	<p>The areas identified by Members were reviewed in line with the current Corporate Self- assessment, previous Corporate Self-assessments (2021/22 and 2022/23) and the recent findings of the Audit Wales, Financial Sustainability Review report.</p> <p>It should be noted that the Financial Sustainability review report was produced after the Corporate Self-assessment 2023/24.</p>
1.03	<p>Following a further review of the Corporate Self-assessment 2023/24 it was determined that the current scores within the Corporate Self-assessment 2023/24 for those areas raised by Members, had already been reduced and identified as an Opportunity for Improvement. For other areas raised by Members, that had not been identified as an Opportunity for Improvement and given the Corporate Self-assessment is based on 2023/24, that any further changes would be reviewed and included within the Corporate Self-assessment 2024/25. This is covered in further detail within Appendix A.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>A risk in delivering some of the Opportunities for Improvement identified in the Corporate Self-assessment 2023/24 are in relation to available resources.</p>

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	<p>The results of Stage One were shared with Senior Managers at Senior Leadership Academi where some of the results were considered, challenged, and evaluated.</p>

	<p>During Stage Two, consultation was undertaken with Chief Officer - Governance, Officers, and a number of Members from Cabinet, the Governance and Audit Committee and the Corporate Resources Overview and Scrutiny Committee, to further consider, challenge and evaluate the feedback and scores to ensure that we as a Council are continuously self-assessing our performance.</p> <p>Corporate Resources Overview and Scrutiny Committee had the opportunity to consider and review the content of the Corporate Self-assessment 2023/24 and the Opportunities for Improvement (detailed within the Corporate Self-assessment) on 12<sup>th</sup> September 2024. Recommendation at this meeting was to reintroduce the section specific to consultation. The Corporate Self-assessment has been amended and Section 7 details what consultation had been undertaken during 2023/24 and information regarding future development of a Consultation and Engagement Hub.</p> <p>Governance and Audit Committee had an opportunity to consider and review the content of the Corporate Self-assessment 2023/24 and the Opportunities for Improvement (detailed within the Corporate Self-assessment) at Governance and Audit Committee meeting on 26<sup>th</sup> September 2024.</p>
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Risk Management feeds into the Corporate Self-assessment and is assessed within the themes and questions. A key risk in delivering some of the Opportunities for Improvement identified in the Corporate Self-assessment 2023/24, are in relation to available resources.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A: Corporate Self-assessment 2023/24 Summary Update Note Appendix B: Corporate Self-Assessment 2023/24

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<a href="#">Council Plan (2023-28)</a> <a href="#">Annual Governance Statement 2023/24</a> <a href="#">Panel Performance Assessment Methodology</a> <a href="#">Audit Wales – Financial Sustainability Review Report</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Emma Heath (Strategic Performance Advisor) <b>Telephone:</b> 01352 702 744 <b>E-mail:</b> <a href="mailto:emma.heath@flintshire.gov.uk">emma.heath@flintshire.gov.uk</a>

8.00	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Annual Governance Statement:</b> is a public document that reports on the extent to which we as the Council comply with our own code of governance. This is a requirement by the Accounts and Audit (Wales) Regulations 2018 to prepare a statement on internal control.</p> <p><b>Panel Performance Assessment:</b> The Local Government and Elections (Wales) Act 2021 places a duty on councils to arrange for a panel to undertake and respond to a corporate, organisational level assessment, of the extent to which the council is meeting its performance requirements.</p>

Theme	Corporate Self-assessment 2023/24
Page 329 <b>Theme B Resource, Planning &amp; Management</b>	<p><b>B16 – Does the Council have comprehensive and maintained strategies for workforce, finance, procurement, and assets in place, that are being managed to support wider agendas (spending for community benefit, social value, place shaping, housing shortages, and regeneration)?</b></p> <p><b>Update:</b> This was a new question added to the Corporate Self-assessment (CSA) for 2023/24 and scored a 2/3. As such an Opportunity for Improvement has been identified and is detailed within in Section 11 of the Corporate Self-assessment report because as a Council, we have identified that we don't have comprehensive and maintained strategies. However, in regard to the Audit Wales Financial Sustainability report, which is about the future financial sustainability of the Council, the Council did present a balanced budget for 2024/25 and the CSA was based on the financial year of 2023/24 whilst highlighting Opportunities for Improvement for future years.</p> <p>The Audit Wales (AW) report stated that the Council was only able to present a balanced budget for 2024/25 after two rounds of substantial savings. The second round, which was unplanned, required £10 million in December 2023, of a total of £32 million planned in-year. The Council is aware that it is not feasible to identify savings in such a manner going forward, however, the need for the second round of savings was a direct result of the much lower than expected settlement from Welsh Government.</p> <p><b>Outcome of Review:</b> Based on the existing scoring within the 2023/24 CSA report it is felt that no further update is required for this financial year. However, the Corporate Self-Assessment for 2024/25 will pick up and address the findings from the Audit Wales report.</p>
	<p><b>B19 – Are these strategies and supporting action plans sustainable, and dynamic, in adapting to change and the future?</b></p> <p><b>Update:</b> This question was reduced from a 3 to a 2/3 after the Members workshop and was identified as an Opportunity for Improvement within the CSA (Section 11) and also links to question B16.</p> <p><b>Outcome of Review:</b> Based on the existing scoring within the 2023/24 CSA report it is felt that no further update is required for this financial year.</p>

	<p><b>B20 – Are there effective budget monitoring arrangements in place that offer value for money?</b></p> <p><b>Update:</b> This question scored a 4 for the 2023/24 CSA as a balance budget had been set. As a consequence, this does not have an area for improvement. This was identified prior to the release of the Audit Wales report.</p> <p><b>Outcome of review:</b> The CSA was a reflection on 2023/24 and therefore it is deemed no further update is required. However, the Corporate Self-Assessment for 2024/25 will pick up and address the findings from the Audit Wales report.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 330</p> <p><b>Theme E Innovation &amp; Change Management</b></p>	<p><b>E35 Does the Council have a proven appetite for innovation and change management?</b></p> <p><b>Update:</b> The score was reduced this year to a 3/4 from a 4, therefore identified as an Opportunity for Improvement.</p> <p><b>Outcome of Review:</b> Based on the existing scoring of the CSA report it is considered no further update is required for this financial year.</p>
	<p><b>E36 How well has the Council implemented its chosen innovation and change programmes and projects against time, budget, risk identification, transition and performance objectives and targets? AMENDED IN 23/24</b></p> <p><b>Update:</b> Scored a 4 for this question, same as previous year. Examples given were:</p> <ul style="list-style-type: none"> <li>• Successful at securing external funding to deliver innovative projects including within the Energy Services, Regeneration and Countryside</li> <li>• Adult community Learning Partnership- significant expansion of provision – positive Estyn inspection.</li> <li>• Council Plan (2023-28)</li> </ul> <p>The Council has a track record of change, and these changes are demonstrated in the ability to save £120m over the last ten years. The emerging transition programme now provides the evidence that was lacking at the time of the AW review.</p>

	<p><b>Outcome of Review:</b> Based on the information already within the CSA for 2023/24 it is considered there is no requirement to update the report further .</p>
<p><b>Theme G Customer &amp; Community Engagement</b></p>	<p><b>G49 How satisfied with services are residents including under-represented groups and how is this measured?</b></p> <p><b>Update:</b> This was a new question for 2023/24 and scored a 2/3. This was an area for discussion at the CSA Members workshop in July 2024 and explanation given regarding the score of 2/3; as there is a need to improve the completion of Integrated Impact Assessments, the AW report on Service User Perspective and having more corporate oversight of the consultations to ensure we are considering the views of services and services users more. This has been identified as an Opportunity for Improvement in the CSA 2023/24 with a comment on Page 22 of the report providing an update on the development of a Consultation and Engagement hub;</p> <p>Development of the Consultation and Engagement hub is now live, so this will see improvements to gain an understanding how satisfied with services are residents including under-represented groups and how is this measured</p> <p><b>Outcome of Review:</b> Based on the existing scoring of the CSA report for 2023/24 it is deemed that no further update is required.</p>
<p><b>Additional Query</b></p> <p><b>Theme D Organisational Leadership and Operating Models</b></p>	<p><b>D27 Is there strong and effective political leadership and influence (locally, regionally and nationally)? (amended 23/24)</b></p> <p><b>Query:</b> More examples of Leadership – locally, regionally and nationally in addition to local group leader meetings</p> <p><b>Outcome of Review:</b> This will be reviewed (and updated) within the Corporate Self-Assessment for 2024/25</p>

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2023/24

Flintshire County Council  
Corporate Self-Assessment

Approved 26.09.2024 by Governance and Audit Committee

## What is the Purpose of this Document?

This document details the Council’s Corporate Self-assessment and identifies areas of best practise and areas for further improvement. The document explains:

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# 1. What is the Corporate Self-Assessment?

The Local Government and Elections Act (Wales) 2021 sets out a duty to report on performance and states 'A council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements.' This document aims to achieve the duty set out above for the act and for the use by the Council.

The Corporate Self-assessment is a comprehensive assessment of the corporate organisation and not a detailed assessment of the performance of each service portfolio, the assessment themes are designed in this way.

The self-assessment is meant to provide a platform for assurance and self-improvement and would lead to an improvement plan for the organisation.

The Self-assessment Model focused on nine themes and considered a number of core questions within each of these themes, outlined further in this document. As with all models there will inevitably be overlaps across themes however, the themes are sufficiently defined and demarked to avoid too much overlapping or duplication.

The Self-assessment Model followed three stages:

- **Stage One** - 'desk-based' analysis and evaluation of available documents and evidence, and some internal triangulation through review and moderation
- **Stage Two** - opinion sourcing, consultation and engagement and 'triangulation'
- **Stage Three** - production of a formal and final published assessment and improvement plan which will be led by the Cabinet and run through both the Corporate Resources Overview and Scrutiny Committee and the Governance and Audit Committee for input and assurance.

The first stage was more evidential, this included the presence of strategies and evaluative reports e.g., regulatory reports, the [Annual Governance Statement](#) (AGS), the Annual Performance Report. The second stage, more qualitative through consultation with key stakeholders, whilst the third stage is the closing stage involving the production and publication of a formal and final assessment and action plan.

## 2. Process of Review and Timeframe

A timeframe to complete each of the three stages of the Corporate Self-assessment was identified as follows:

Stage	Task	Timeline
One	Desk-based' analysis and evaluation of available documents and evidence, and some internal triangulation through review and moderation	January – April 2024
Two	Opinion sourcing, consultation and engagement and 'triangulation'	April – July 2024
Three	Closing stage, production of a formal and final published assessment and action plan. Led by the Cabinet and run through both the Overview and Scrutiny Committee and the Governance and Audit Committee for input and assurance	July - September 2024

The Corporate Self-assessment draws upon the Council's AGS model of evaluation, scoring and evidence capturing as this model was known to be effective. A Project Board was initially established in 2021, comprising of a Project Board Chair, a senior responsible officer, and officers from across portfolios that were either currently Performance Leads or officers who were previously part of the Governance Recovery Group during the Council's response phase to the pandemic. A report was initially shared at Governance and Audit Committee in July 2021 on the development of the Self-assessment model, the proposed model for the first Corporate Self-assessment was endorsed.

As this is the third year completing the Corporate Self-assessment, the Performance and Risk Management Team now lead on the self-assessment but continue to liaise with the officers who previously sat on the Project Board as they understand their portfolio services, whilst having sufficient seniority within the Council to take the Self-assessment forward.

This is the Council's third year completing the Corporate Self-assessment. For 2022/23, the model and approach were reviewed and adapted slightly to include an additional two questions within Theme A (Vision, Strategy and Performance Reports), to ensure that the Well-being of Future Generations (Wales) Act 2015 and Integrated Impact Assessments (IIA's) were incorporated. For 2023/24, the model and approach was reviewed and adapted to align with the [Panel Performance Assessment Methodology](#), with existing questions amended slightly, a number of new questions and a new Theme (Theme I: Climate Change) added to the Corporate Self-assessment. The Local Government and Elections (Wales) Act 2021 places a duty on councils to arrange for a panel to undertake and respond to a corporate, organisational level assessment, of the extent to which the council is meeting its performance requirements.

The results of Stage One were shared at a Senior Leadership Academi where some of the results were considered, challenged, and evaluated. During Stage Two, consultation was undertaken with some Members from Cabinet, Governance and Audit Committee and Corporate Resources Overview and Scrutiny Committee, to further consider, challenge and evaluate the feedback and scores to ensure that we as a Council are continuously self-assessing our performance.

### 3. Scoring Criteria:

The scoring criteria for the Corporate Self-assessment is detailed below;

**Score 5** – Very best practice

**Score 4** – Good evidence

**Score 3** – Evidence but further action may be required

**Score 2** – Some evidence but lacking in key areas/ action required

**Score 4/5** – Very best practice / Good evidence

**Score 3/4** – Good evidence / Further action may be required

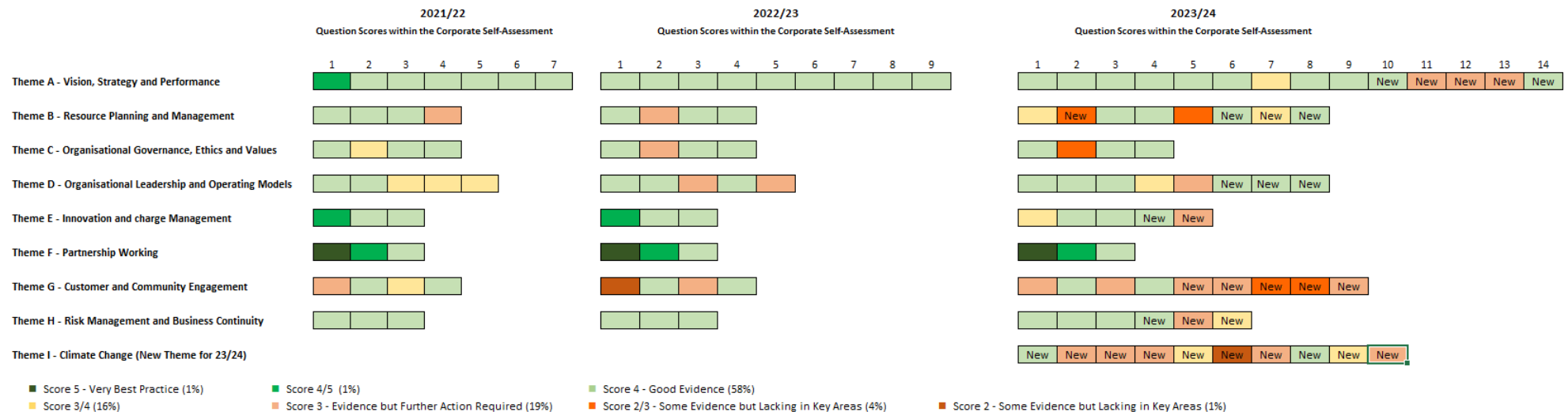
**Score 2/3** – Some evidence but lacking in key areas / Further action may be required

**Score 1** – No evidence

### 4. Three Year Comparison (Summary of the Effectiveness of the Council’s Corporate Self-Assessments)

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Comparison between 2021/22, 2022/23 and 2023/24 Corporate Self Assessments



Note: Two additional questions were added to the 22/23 Corporate Self-assessment within Theme A  
 Note: A total of 32 new questions and a new theme (Theme I) were added to the 23/24 Corporate Self-assessment

An overall comparison of the scores between 2022/23 and 2023/24 for the 35 questions within Themes A-H (excluding the thirty-two new questions within the Themes) between the financial years of 2022/23 and 2022/24, shows that **27** scores have remained the same, **6** have decreased and **2** have increased.

A further breakdown of the scoring within each of the Themes is outlined below;

- **Theme A** – eight questions remained with a score of 4 and one question reduced from a score of 4 to a 3/4. The five new questions for 2023/24; two scored 4 and three questions scored 3.
- **Theme B** – two questions scored 4; one question scored 3/4 and one question scored 2/3. The four new questions for 2023/24; two questions scored a 4, one question scored 3/4 and another score 2/3
- **Theme C** – three of the questions remained at a 4 and one question reduced to a 2/3.
- **Theme D** – two questions remained the same with a score of 4, one question increased from 3 to a 4 and one question decreased from a score of 4 to a 3/4. The three new questions for 2023/24; all three questions scored a 4.
- **Theme E** – two questions remained the same with a score of 4, and one questions decreased from 4/5 to a 3/4. The two new questions for 2023/24; one scored a 4 and the other scored a 3.
- **Theme F** – scoring for all three questions remained the same, one score of 5, one a 4/5 and one question scoring a 4.
- **Theme G** – scores for two questions remained a 4, one question increased from a 2 to a 3, and one question remained a score of 3. The five new questions for 2023/24; three questions scored 3 and two questions scored 2/3.
- **Theme H** – scoring for all three questions remained a 4. The three new questions for 2023/24; one question scored 4, one question scored 3/4 and the other question scored 3.
- **Theme I** – For 2023/24 Theme I was added to the Corporate Self-assessment to capture information specific to Climate Change, with 10 questions being added to this theme. Of the ten questions, two questions scored 4, two questions scored 3/4, five questions scored 3 and one question scored 2.

## 5. External Assurance

A high-level focus of governance, risk, and control arrangements are in place for setting and monitoring actions in response to reports received from external regulators, including Estyn, Care Inspectorate Wales (CIW) and Audit Wales. The Annual Audit Summary sets out the audit and regulatory work completed by Audit Wales of Flintshire County Council since the last annual report which was published in March 2023. Overall, the Auditor General for Wales has reached a positive conclusion. No formal recommendations have been made during the year and proposals for improvement have arisen from the national and local reviews undertaken. The Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 12 April 2024, after the deadline agreed with the Welsh Government of 30 November 2023. The audit was delivered later than in previous years mainly due to the impact of new auditing standard requirements.

## 6. Council Performance

The Council Plan is a detailed document which sets out the annual priorities of the Council. It is a requirement of the Local Government and Elections (Wales) Act 2021 for organisations to 'set out any actions to increase the extent to which the council is meeting the performance requirements.' The Council Plan 2023-28 was adopted by the Council in June 2023, and the end of year performance monitoring report highlighted that 74% of activities were making good progress and 65% of the performance indicators had met or exceeded their targets for the year. Where targets had not been met, a rationale has been provided to explain why. Further information is detailed within the Annual Performance Report.

## 7. Consultation

Page 340  
A key component of completing the Corporate Self-assessment is Stage Two: Consultation. The results of Stage One of the Corporate Self-assessment were shared and consulted upon at a Senior Leadership Academy, where some of the results were considered, challenged, and evaluated. During Stage Two, consultation was also undertaken with a number of Members from Cabinet, Governance and Audit Committee and Corporate Resources Overview and Scrutiny Committee, to further consider, challenge and evaluate the feedback and scores to ensure that we as a Council are continuously self-assessing our performance.

The Council is committed to giving people a voice and involving them in the decisions it makes and with the development of a Consultation and Engagement Hub underway, this will further enhance consultation and engagement. Once finalised (September 2024) the Hub will provide a central resource where:

- People can access opportunities to get involved and see how their involvement has made a difference.
- Services can access consultation outcomes to help inform their work.
- Regulators can review the Council's consultation and engagement activity and outcomes.

## 8. Annual Governance Statement

It has been clear when evaluating both the Corporate Self-assessment and the Annual Governance Statement (AGS) that there are some commonalities. The themes identified for Improvement from the AGS are:

- **Improvement in internal and external stakeholder engagement, consultation, and participation**
  - Enhanced decision making to ensure the most appropriate course of action is taken.\*



- The ability to receive and use feedback to shape service improvement, including improved complaints handling.\*
- Ensuring inclusivity with stakeholder groups and encouragement of public participation.\*
- Improved social media presence.
- **Development of the Integrated Impact Assessments (IIAs)**
  - This will ensure the Council assesses the impact of their decisions and policies on equality groups, the environment, the economy, and other areas of interest prior to policy / strategy changes.
- **Sustainability of Resources and Resilience of Workforce**
  - Effectively managing service expectations with the resources available with all stakeholders especially.
  - Developing and retaining the workforce capacity, recruitment and retention following a pay modelling review.\*
  - Increase the use of the Welsh language within the workforce and members.
- **Training Opportunities**
  - Enhanced decision making and challenge process through focused training, facilitated sessions available to Members and Senior Officers.
- **Embedding of Risk Management**
  - Implementing robust and integrated risk management arrangements, within the Council's financial, social, and environmental position.
  - Increase level of awareness and understanding of risk management across the Council through the development and roll out of risk management e-learning module.\*

Where an Asterisk has been included to an area for improvement above, this an area for improvement which has also been identified in this year's Corporate Self-assessment (2023/24).

## 9. Key Themes of the Corporate Self-Assessment

The nine key themes of the Corporate Self-assessment are listed below, with analysis on how we do this / how we achieve this is provided from page 9 to page 25:

<b>Theme A</b>	Vision, Strategy and Performance
<b>Theme B</b>	Resource Planning and Management
<b>Theme C</b>	Organisational Governance, Ethics and Values
<b>Theme D</b>	Organisational Leadership and Operating Models
<b>Theme E</b>	Innovation and Change Management
<b>Theme F</b>	Partnership Working
<b>Theme G</b>	Customer and Community Engagement
<b>Theme H</b>	Risk Management and Business Continuity
<b>Theme I</b>	Climate Change

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Against these themes, the Council reviewed whether:

- It was exercising its functions effectively
- It was using its resources economically, efficiently, and effectively
- Governance was effective for securing the above

## Theme A – Vision, Strategy and Performance

Questions		How we do this / How we achieve this?
A1	Does the Council have a set of corporate and service strategies in place which set out vision and ambition?	<ul style="list-style-type: none"> <li>• Council Plan 2023-28 which sets out the Council's vision and ambition for the year and longer term.</li> <li>• A set of corporate and service strategies were in place which set out the Council's vision and ambition e.g., the Digital Strategy, Medium Term Financial Strategy (MTFS) and the Capital Programme and Capital Strategy 2024/25 – 2026/27</li> </ul>
A2	Are these strategies locked-in to national and regional Government strategy, and collaborative planning with key partners?	<ul style="list-style-type: none"> <li>• The Council Plan priorities are clearly defined and locked into national and regional priorities and strategies.</li> <li>• The Council Plan 2023-28 identifies clear linkages to national and regional policies/strategies which are captured in the document</li> <li>• School Modernisation Strategy and Strategic outline Programme for 21st Century school investment - Moving towards Net Zero Carbon for new schools builds, Youth Justice Plan</li> </ul>
A3	Are these strategies being followed and are they achieving their aims and objectives?	<ul style="list-style-type: none"> <li>• The Council Plan 2023-28 progress and performance is monitored through the Business Planning, Performance and Risk Management System</li> <li>• The MTFS was updated annually alongside the Council's budget process</li> <li>• Service Strategies were reviewed within their set timeframes (set timeframes varied between each of the strategies and the services)</li> <li>• Annual reporting on relevant strategies and plans ensures reviews of aims and objectives are being achieved</li> </ul>
A4	Are these strategies sustainable, and dynamic, in adapting to change and the future?	<ul style="list-style-type: none"> <li>• The Council Plan had an annual refresh in 2023/24 to ensure appropriateness. Engagement was conducted with stakeholders including Chief Officer Team, senior officers, employees, members of the Council to support the development of the plan</li> <li>• The review of our Digital Strategy including consultation ensures it remains fit for purpose and meets the needs of changing technologies</li> </ul>
A5	Are these strategies supported by portfolio service business plans which are consistent with the overall aims and objectives of the Council?	<ul style="list-style-type: none"> <li>• During the year each Portfolio had a business plan in place which supported the Council Priorities that align with the Council Plan 2023-28, with the aims and objectives of the Council and some priorities are reflected in the Council Plan, where appropriate</li> <li>• Portfolio Business Plans are in development and monitored through the Business Planning, Performance and Risk Management System</li> </ul>
A6	Are these strategies compliant with the requirements of the Wellbeing of Future Generations (Wales) Act 2015?	<ul style="list-style-type: none"> <li>• Statutory guidance for Public Service Boards (PSBs) adhered to, for Well-being Assessment and Well-being Plan production. This includes demonstrable alignment to the well-being goals for Wales and five ways of working</li> </ul>

Questions		How we do this / How we achieve this?
		<ul style="list-style-type: none"> <li>• A requirement of Committee reports is to demonstrate how strategies are compliant with the Act</li> <li>• The Digital Strategy and Climate Change Strategy aims and objectives are well mandated under the Act and the five ways of working</li> <li>• Council Plan (2023-28) (and Portfolio Business Plans) are compliant with the requirements of the Act</li> </ul>
A7	Are strategies and decisions made following the undertaking of Integrated Impact Assessments (where applicable)?	<ul style="list-style-type: none"> <li>• Integrated Impact Assessments (IIAs) are carried out on all new strategies that assess against the Wellbeing of Future Generations (Wales) Act 2015, including summary IIAs for Committee reporting on strategic reports.</li> </ul>
A8	Are these portfolio service plans being followed and are they achieving their aims, objectives, and performance targets? (new to 22/23)	<ul style="list-style-type: none"> <li>• Regular reviewing of Portfolio Business Plans, including monitoring and an escalation process in place</li> <li>• Annual Performance Report 2023/24</li> <li>• End of year reporting 2023/24 against the priorities and measures within the Council Plan (2023-28)</li> <li>• Risk Registers were developed within the Business Planning, Performance and Risk Management System during 2023/24. Risks are monitored and updated monthly (or more frequently if required)</li> </ul>
A9	Is there effective democratic oversight of portfolio service direction and performance? (new to 22/23)	<ul style="list-style-type: none"> <li>• Performance reporting cycles that we had in place ensured that we had robust assurance and scrutiny in place</li> <li>• Performance reporting cycles have a thorough process for executive responsibility, scrutiny, and assurance</li> <li>• Portfolio performance has been reported through relevant Programme Boards</li> </ul>
A10	Is there an integrated organisation cross-cutting approach to tackling issues such as climate change, poverty, regeneration / local economy, wellbeing etc? (new to 23/24)	<ul style="list-style-type: none"> <li>• Climate change and carbon reduction is considered within the Asset Management Plan</li> <li>• Financial impacts are picked up across portfolios through programme boards, capital strategy and MTFs</li> <li>• Adult learning action plan linked to regeneration – place making groups e.g., Holywell area mapping sheltered housing; linking adult learning plan into community provision</li> </ul>
A11	Is data used effectively to evaluate performance and drive improvement? (new to 23/24)	<ul style="list-style-type: none"> <li>• External benchmarking is undertaking, and sources include Data Cymru, Housemark, APSE</li> <li>• Public Service Ombudsman for Wales Annual Letter and complaints report</li> <li>• Annual targets in Welsh in Education Strategic Plan (WESP) are reported to Welsh Government and used to update action plans</li> </ul>
A12	Is there evidence of an embedded and continuous approach to performance management, which identifies required interventions that are acted upon promptly? (new to 23/24)	<ul style="list-style-type: none"> <li>• Information and Data Management Strategy</li> <li>• Scrutiny committees</li> <li>• Programme Boards</li> <li>• Estyn and CIW inspections</li> <li>• Social Services annual report – identifies priorities</li> </ul>

Questions	How we do this / How we achieve this?
<p>A13 Do service plans include an evaluation of service performance (including audit and complaints/compliments) to identify areas of improvement and are these aligned to corporate improvement objectives? (new to 23/24)</p>	<ul style="list-style-type: none"> <li>• Complaints/compliments</li> <li>• Social Services Annual Report</li> <li>• Annual self-evaluation report undertaken in Education and Youth portfolio</li> <li>• Alignment between Portfolio Business Plans and Council Plan (2023-28)</li> </ul>
<p>A14 Does the Council adopt a category management approach to procurement? (new to 23/24)</p>	<ul style="list-style-type: none"> <li>• The Council's Procurement Strategy has been recently reviewed and aims to align with the Well-being of Future Generations (Wales) Act 2015, and reference Flintshire's own Corporate Well-being Objectives</li> <li>• The category management approach is considered best practice</li> <li>• The Collaborative Procurement Service reports to a Joint Management Board</li> </ul>

**Score 4 – Good Evidence**

Each Portfolio ensures that their business plans align with the Council Plan 2023-28 and other strategies / plans (where applicable)

Digital Strategy aims and objectives are well mandated under the Well-being of Future Generations (Wales) Act 2015 and the five ways of working

A new Strategic Equality Plan (SEP) is developed every four years and annually reviewed; fulfils statutory responsibility and promotes equality and demonstrates our ambition in relation to this

- Cross cutting collective corporate approach in place – climate analysis and equality analysis

**Score 3/4 – Good evidence / Action may be required**

- (A7) Consistently undertake an IIA, where required, will improve, and better inform decision making

**Score 3 – Evidence but Further Action Required**

- (A11) This is undertaking but has limitations. As a Council need to use data to drive and further enhance performance
- (A12) There is much data capturing across the organisation undertaking but need to consider how this captured at a strategic level
- (A13) Ongoing development of Portfolio Business Plans within the Business Planning, Performance and Risk Management System

## Theme B – Resource Planning and Management

Questions	How we do this/how we achieve this?
B15 Does the Council have comprehensive and maintained strategies for workforce, finance, procurement, and assets in place, that are aligned to the statutory budget planning cycle (which demonstrates how the Council will sustain service delivery)? (amended 23/24)	<ul style="list-style-type: none"> <li>The Council had a number of comprehensive and maintained strategies in place which included; the Medium Term Financial Strategy, Market Stability Report, Dementia Strategy, Code of Corporate Governance, Procurement Strategy, a Capital Asset Strategy, Workforce Strategy and Digital Strategy</li> </ul>
B16 Does the Council have comprehensive and maintained strategies for workforce, finance, procurement, and assets in place, that are being managed to support wider agendas (spending for community benefit, social value, place shaping, housing shortages, and regeneration)? (new to 23/24)	<ul style="list-style-type: none"> <li>Number of strategies that support wider agendas, including inclusion of social value within procurement activities</li> <li>Housing Strategy - includes a five year financial programme of works to build additional social homes to address shortages in the County</li> <li>Community Asset Transfer process</li> <li>Sustainable Learning Communities Investment Programme</li> </ul>
B17 Are these strategies achieving their aims and objectives at a corporate level?	<ul style="list-style-type: none"> <li>These strategies act as a framework within the Council and underpin all activities operated. Updates were provided to Cabinet and/or Overview and Scrutiny Committees on the progress of the strategies</li> </ul>
B18 Are these strategies achieving their aims and objectives at a portfolio level?	<ul style="list-style-type: none"> <li>These strategies act as a framework within the Council and underpin all activities operated. Updates were provided to Cabinet and/or Overview and Scrutiny Committees on the progress of the strategies</li> </ul>
B19 Are these strategies sustainable, and dynamic, in adapting to change and the future?	<ul style="list-style-type: none"> <li>These strategies act as a framework within the Council and underpin all activities operated. However, there were some areas between Portfolios and Corporate that doesn't always respond to changing needs</li> </ul>
B20 Are there effective budget monitoring arrangements in place that offer value for money? (new to 23/24)	<ul style="list-style-type: none"> <li>MTFS – comprehensive assessment of budget</li> <li>Committed Finance Team</li> <li>Budget monitoring between Corporate Finance and Portfolio Service Managers allowing early identification and intervention</li> <li>Member involvement of budget monitoring</li> </ul>
B21 Does the Council consider staff retention, current and future skills needs and gaps? (new to 23/24)	<ul style="list-style-type: none"> <li>Hybrid Working Policy</li> <li>Flexible Working Policy</li> <li>Employee Assistance Programme</li> <li>Adapting to meeting service changes needs</li> </ul>

<p>B22 Is there a positive organisational culture (respect, transparency, co-operation, challenge, commitment to continuous improvement, equality of staff and organisational health)? (new to 23/24)</p>	<ul style="list-style-type: none"> <li>• Welsh in the Workplace Policy</li> <li>• Supervision and Well-being appraisal process / policy</li> <li>• Code of Practice on Ethical Employment in Supply Chains</li> <li>• Diversity and Equality policy</li> <li>• Learning and Development opportunities</li> <li>• Access to VivUp – Employee Benefits Support Platform</li> </ul>
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**Score 4 – Good Evidence**

- Strategies act as a framework within the Council and underpin all activities operated, at a portfolio and corporate level
- Positive organisational culture – Open and honest culture of transparency and co-operation
- Undertaking of Workforce Survey during June 2023

**Score 3/4 – Good Evidence / Action May be Required**

- (B21) Review and implementation of a compliant and sustainable pay model
- (B15) Timeliness of reviewing and monitoring of key strategies

**Score 2/3 - Some Evidence but Lacking in Key Areas / Further Action Required**

- (B16) and (B19) These are areas that need be improved upon, this includes the timeliness of reviewing and monitoring key strategies and plans, ensuring corporate oversight of all policies and strategies, and determining the effectiveness of such policies and strategies

## Theme C – Organisational Governance, Ethics and Values

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Questions	How we do this/how we achieve this
C23 Does the Council have comprehensive, clear, robust and maintained frameworks and codes in place for governance, ethics and values that welcomes scrutiny and constructive challenge? (new to 23/24)	<ul style="list-style-type: none"> <li>The Council's Code of Corporate Governance was reviewed and updated by the Corporate Governance Working Group which comprised of senior officers from the relevant portfolios. Their assessments were subject to challenge by statutory officers</li> <li>IA Report (ethics) - We ensured that the seven principles of public life were central to decision making</li> <li>Code of Conduct - Good conduct was of paramount importance and adherence to the code was ensured by the Council having a robust Standards Committee, the membership of which was refreshed through stringent recruitment of new lay members</li> <li>We upheld Principle A of our Corporate Governance Arrangements, which requires us to behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</li> <li>Our Annual Governance Statement (AGS) was subject to Member challenge</li> <li>Risk Management Framework was reviewed in December 2023 and presented to Governance and Audit Committee January 2024</li> </ul>
C24 How well are these frameworks and codes applied and observed?	<ul style="list-style-type: none"> <li>The AGS is a self-assessment of our Code of Corporate Governance based on the evidence and knowledge we have within the organisation and was reviewed by Audit Wales</li> </ul>
C25 Is the application of ethics and values evident in the way the Council appraises options and makes decisions?	<ul style="list-style-type: none"> <li>Strong corporate values are evidenced in the continued delivery of discretionary services/decisions made for the benefit of our residents despite financial pressures to cut such services</li> </ul>
C26 Does the Council work productively with its external regulators and demonstrate sound compliance?	<ul style="list-style-type: none"> <li>A robust ethical framework was in place - mapped through to monitoring and reporting structures</li> <li>The ethical framework was visible in the Constitution and supporting policies and protocols</li> </ul>

### Score 4 – Good Evidence

- Strong corporate values which are evidence in the continued delivery of services, especially those that are discretionary
- Annual Governance Statement and Code of Corporate Governance
- Frameworks and codes presented to Governance and Audit Committee

### Score 2/3 - Some Evidence but Lacking in Key Areas / Further Action Required

- (C24) Develop a clear set of values which are clearly defined and it is consistently applied across the Council (including employees and Members). All policies, strategies, and processes to align with the Council's values



## Theme D – Organisational Leadership and Operating Models

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Question	How we do this/how we achieve this
D27 Is there strong and effective political leadership and influence (locally, regionally and nationally)? (amended 23/24)	<ul style="list-style-type: none"> <li>The AGS, Principle A evidence identified a number of documents which set out Codes of Conduct along with the Code of Corporate Governance and also set out a standard to achieve</li> <li>Regular Group leaders' meetings were held between the leaders of each of the Council's political groups and attended by the statutory officers (Chief Executive/Head of Paid Service, Chief Officer (Governance)/Monitoring Officer, Corporate Finance Manager/Section 151 Officer and Head of Democratic Services)</li> </ul>
D28 Is there strong and effective professional leadership and influence (locally, regionally and nationally)? (amended 23/24)	<ul style="list-style-type: none"> <li>The AGS Principle A evidence identified a number of documents which set out Codes of Conduct along with the Code of Corporate Governance which also sets out a standard to achieve</li> <li>Strong and professional leadership was provided through the Chief Officer Team (COT) and the portfolio Department Management Teams, supported by the senior Leadership Academy, comprising of Chief Officers and their portfolio Service Managers</li> </ul>
D29 Does the Council have an adopted organisational operating model and a preferred working culture?	<ul style="list-style-type: none"> <li>The Council's 'flat structure' operating model was adapted in 2014, following an extensive review. The original structure of Chief Executive and nine Chief Officers moved to one of a Chief Executive and six Chief Officers as a result of adapting to change within the Council</li> <li>Continuously looking at ways to improve service delivery</li> <li>Collaborative working</li> </ul>
D30 As an organisation do we operate as a one Council?	<ul style="list-style-type: none"> <li>The structure was effective, and this was demonstrated by the performance of the organisation at corporate performance level and the performance across a number of various projects in which the different areas worked in a collaborative way</li> </ul>
D31 Is it evident that the preferred working culture is pre-dominant and effective?	<ul style="list-style-type: none"> <li>The working culture was collegiate with officers from different portfolios working together on projects</li> </ul>
D32 Does the Council show commitment to working with partners to reduce inequality and delivering services that are inclusive and accessible to a diverse community? (new to 23/24)	<ul style="list-style-type: none"> <li>North Wales Public Sector Equality Network work with the Regional Community Cohesion Team</li> <li>Armed Forced Covenant</li> <li>Partnership working for alternative education delivery models</li> <li>Regional School Improvement service</li> <li>Development of Digital Hub in partnership with Digital Communities Wales to ensure digital services can be accessed for all</li> </ul>

D33	Are councillors and officers supported in their leadership roles, including learning and development? (new to 23/24)	<ul style="list-style-type: none"> <li>• Retaining Professional Body status/accreditation</li> <li>• Career Professional Development</li> <li>• WLGA Leadership courses</li> <li>• Elected Members detailed induction training package</li> </ul>
D34	How do political and managerial leaders at all levels demonstrate leadership and commitment to reducing inequality and challenging discrimination within the Council? (new to 23/24)	<ul style="list-style-type: none"> <li>• Corporate Equalities Board</li> <li>• Anti Racist Wales action plan</li> <li>• Strategic Equality Plan</li> <li>• Learning and Development opportunities</li> <li>• Pride events within secondary schools</li> </ul>

<b>Score 4 – Good Evidence</b>	
Page 350	<p>Strong collaborative working across portfolios and continuously looking at ways to improve delivery</p> <p>Range of learning and development opportunities</p> <p>Annual Governance Statement / Code of Corporate Governance</p> <p>Regular group leader’s meetings</p>
	<b>Score 3/4 – Good Evidence / Action May be Required</b>
	<ul style="list-style-type: none"> <li>• (D30) The completion of the Council’s Vision and Values work needs to be finalised. It will help define and reinforce the Council’s goals</li> </ul>
	<b>Score 3 - Evidence but Further Action Required</b>
<ul style="list-style-type: none"> <li>• (D31) Resilience amongst the workforce is an emerging issue and therefore, to address this work is underway on a compliant and sustainable pay model and the approval of the Workforce Planning Framework (this is also relates to Theme B)</li> </ul>	

## Theme E – Innovation and Change Management

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Question	How we do this/how we achieve this
<p>E35 Does the Council have a proven appetite for innovation and change management?</p>	<ul style="list-style-type: none"> <li>• The Council Plan (2023-28) is a five-year plan and is an ambitious document. Target dates, measures and actions were stretched/ambitious but realistic in nature. Within the Council Plan 2023-28 there are number of examples that demonstrate innovation and change management with a number of additional actions and measures evident throughout the duration of the plan</li> <li>• Digital Strategy, Sustainable Learning Communities Strategy, Housing Strategy</li> <li>• Net Zero of new building projects</li> </ul>
<p>E36 How well has the Council implemented its chosen innovation and change programmes and projects against time, budget, risk identification, transition and performance objectives and targets? (amended 23/24)</p>	<ul style="list-style-type: none"> <li>• Successful at securing external funding to deliver innovative projects including within the Energy Services, Regeneration and Countryside</li> <li>• Adult community Learning Partnership- significant expansion of provision – positive Estyn inspection.</li> <li>• Council Plan (2023-28)</li> </ul>
<p>E37 How well does the Council compare to its peers in being an innovator?</p>	<ul style="list-style-type: none"> <li>• Lead authority on Wales Government Mutual Investment Model (MIM) on school capital projects</li> <li>• Engage with a number of networks to share ideas and identify best and work practice, including the successful Multi-Systemic Therapy project, Micro-care, Project Search</li> </ul>
<p>E38 Is there a clear commitment to prevention with suitable resources deployed to prevention or resolving issues (root cause) over treating and managing issues? And has consideration been given to collaboration with other services / partners to provide an integrated solution? (new to 23/24)</p>	<ul style="list-style-type: none"> <li>• Trauma Informed Practices with Training Officers and Schools to be become trauma informed practitioners / organisations to support a more preventative approach</li> <li>• Housing Support Grant</li> <li>• Advocacy services for adults and children are commissioned on a regional or sub-regional basis</li> <li>• North Wales Construction Framework and Partnership</li> <li>• North East Wales Sensory Support Service</li> <li>• Digital Surgeries</li> </ul>
<p>E39 Does the Council use digital tools, data, and strategies to facilitate transformation, support corporate objectives and continuously drive improvement? (new to 23/24)</p>	<ul style="list-style-type: none"> <li>• Digital Strategy 2021-2026 - Governed by the Digital Strategy Board</li> <li>• Capital Programme / Asset Management Plan</li> <li>• Utilised digital solutions, including social media and google ads advertising, to support with the recruitment of social workers</li> </ul>

<p><b>Score 4 – Good Evidence</b></p> <ul style="list-style-type: none"> <li>• Digital Strategy 2021-26 sets a clear vision demonstrating the Council’s appetite for innovation and change in a modern digital world</li> <li>• Hybrid working model has supported the adapt to change management and provides continuity of services delivery. Extensive use of virtual meetings that allows collaboration with a range of organisations successfully</li> </ul>
<p><b>Score 3/4 – Good Evidence / Action May be Required</b></p> <ul style="list-style-type: none"> <li>• (E35) Generate an environment where innovative thinking is encouraged to generate a positive impact</li> </ul>
<p><b>Score 3 - Evidence but Further Action Required</b></p> <ul style="list-style-type: none"> <li>• (E39) To improve ease of access to data and digital tools that facilitate more efficient and effective working resulting in increased productivity</li> </ul>

## Theme F – Partnership Working

Question	How we do this/how we achieve this
F40 Does the council engage well in local, regional, and national partnerships and collaborations?	<ul style="list-style-type: none"> <li>• There was a wide amount of evidence throughout a number of documents which demonstrated engagement locally, regionally, and nationally. Examples of these documents included the Public Services Board – Well-being Plan, Joint Public Service Board Plan, Council Plan (2023-28), AGS - Principle B, Code of Corporate Governance and Regional Emergency Planning, Welsh Language promotion work with Wrexham</li> </ul>
F41 Where in partnerships do, we have good and robust governance partnerships arrangements?	<ul style="list-style-type: none"> <li>• Clear terms of reference were agreed where necessary to ensure clarity of the governance arrangements. For example, the Public Service Board Terms of Reference set out the Governance arrangements for the Board</li> <li>• Adult Learning Partnership</li> <li>• Youth Justice Service Executive Management Board</li> </ul>
F42 Do partners achieve their objectives / outcomes?	<ul style="list-style-type: none"> <li>• Performance of key partnerships and collaboration was strong</li> <li>• Establishments of new groups to manage emerging issues</li> <li>• Success in achieving a number of grant funding</li> </ul>

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### Score 5 – Very Best Practice

- Engagement in local, regional, and national partnerships and collaborations

### Score 4 / 5 – Very Best Practice / Good Evidence

- Portfolios representing the Council on a number of boards, locally, regionally and nationally including Youth Justice Service Executive Management Board

### Score 4 – Good Evidence

- Regional Integration Funding clearly identifies the success achieved against its aims and objectives

## Theme G – Customer and Community Engagement

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Question	How we do this/how we achieve this
G43 Does the Council have comprehensive and maintained plans and policies for customer and community engagement in place?	<ul style="list-style-type: none"> <li>• Core principles for public engagement and consultation were adopted in 2012 to underpin the Welsh National Principles for Public Engagement</li> <li>• Regional School Improvement Service</li> <li>• Social Services Annual Report provides evidence of engagement with individuals and communities</li> </ul>
G44 Does the Council use customer and community feedback effectively in reviewing performance and shaping services?	<ul style="list-style-type: none"> <li>• Services engaged with customers and communities to gain feedback on performance and drive improvements to help shape services</li> <li>• Survey for Tenants and Residents (STAR Survey) undertaken</li> <li>• Concerns and Complaints Policy</li> </ul>
G45 How well does the Council perform in meeting its customer services standards and targets?	<ul style="list-style-type: none"> <li>• Performance against Corporate Complaints was monitored and reported to Cabinet, Corporate Resources Overview and Scrutiny Committee, Governance and Audit Committee as well as annually to the PSOW annual letter and half yearly update. The Chief Officers Team received monthly performance reports</li> </ul>
G46 How well does the Council engage with stakeholders in framing policy and in the making of key service policy decisions?	<ul style="list-style-type: none"> <li>• Engagement with key stakeholders such as partners had been identified in the AGS as working well. There was strong evidence of partnership working, relationship management and formal and informal partnerships</li> <li>• Workshops with external partners to inform policy and strategy development regarding Housing Strategy and Welsh Quality Housing Standard</li> <li>• Climate Change Programme Communication And Engagement Plan</li> </ul>
G47 Are there mechanisms in place to ensure that under-represented groups are communicated and engaged with effectively? (new to 23/24)	<ul style="list-style-type: none"> <li>• Regional Community Cohesion Team</li> <li>• Strategic Equality Plan</li> <li>• Youth Service Consultation – What Matters</li> <li>• Childrens Commissioner Consultation – Bullying Serious Violence and Organised Crime – local/national consultation</li> </ul>
G48 Do underrepresented groups have opportunities to be involved in decision making and the design and delivery of services? (new to 23/24)	<ul style="list-style-type: none"> <li>• Youth Council and Youth Service Young Leaders</li> <li>• Use of service users in interviews, e.g., Progression Service</li> <li>• Development of the Consultation and Engagement hub</li> <li>• STAR Rent Survey</li> <li>• Surveys undertaken at a service level</li> </ul>

G49	How satisfied with services are residents including under-represented groups and how is this measured? (new to 23/24)	<ul style="list-style-type: none"> <li>Development of the Consultation and Engagement hub is now live so this will see improvements to gain an understanding how satisfied with services are residents including under-represented groups and how is this measured</li> </ul>
G50	Does the Council collect, share, and publish relevant Equality, Diversity and Inclusion (EDI) data and information about its communities? (new to 23/24)	<ul style="list-style-type: none"> <li>Pupil Level Annual School Census (PLASC) data</li> <li>Strategic Equality Plan</li> <li>Use of external sources (Data Cymru)</li> </ul>
G51	How is Equality, Diversity and Inclusion (EDI) information regularly updated and used to identify priorities for the local area? (new to 23/24)	<ul style="list-style-type: none"> <li>Updated in the Strategic Equality Plan annual reports and Plans (every 4 years) and when the wellbeing assessment is updated</li> <li>Captured via Upshot in the Youth Service and used for targeting provision/projects</li> <li>Equality, Diversity and Inclusion information is used in service planning and regional strategies within Social Services</li> </ul>

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**Score 4 – Good Evidence**

- EDI information used within Youth Justice for targeted provision and includes identifying protected characteristics and data relating to communities
- Engagement and consultation at services levels frequently undertaken to support and inform reviewing performance and shaping services

**Score 3 – Evidence but Further Action Required**

- (G43) and (G45) To develop a corporate Consultation and Engagement Strategy to improve consultation, involvement and engagement across the Council
- (G47) and (G48) Develop quality assurance process for IIAs which ensures under represented engaged and consulted to inform decision making
- (G51) Ensure equality data is made more easily accessible so Officers are able to access what they need, when they need it

**Score 2 / 3 – Some Evidence but Lacking in Key Areas / Further Action Required**

- (G49) and (G50) Ensure services have processes in place to capture and use equality monitoring data and Establish mechanism to share equality data across the Council

## Theme H – Risk Management and Business Continuity

Question	How we do this/how we achieve this
H52 Does the Council have comprehensive and maintained strategies for risk management and business continuity in place, which inform decision making? (amended 23/24)	<ul style="list-style-type: none"> <li>• Risk Management Framework is reviewed annually, updated accordingly, and was last reviewed in December 2023 and endorsed at Governance and Audit Committee January 2024. Risk Procedure is a live document and frequently reviewed and updated</li> <li>• Development of Risk Registers for each portfolio within the Business Planning, Performance and Risk Management System has enabled the monitoring and reporting of risks to be centralised and co-ordinated</li> <li>• Risk reports produced monthly for Portfolios and Chief Officer Team</li> </ul>
H53 Have these strategies proved effective in real-time and/or test scenario settings?	<ul style="list-style-type: none"> <li>• Recovery risk registers are no longer a requirement since coming out of the pandemic, but portfolio risk registers continued to be managed and maintained throughout 2022/23</li> </ul>
H54 Are these strategies dynamic in adapting to change and ensuring resilience for the future?	<ul style="list-style-type: none"> <li>• The Risk Management Framework was reviewed and shared with Governance and Audit Committee for review and agreement of the framework. Development takes place yearly to ensure the latest trends and best practice is being upheld</li> <li>• An E-learning Risk Management module has been developed and finalised. Roll out of the E-learning module to commence September 2024</li> </ul>
H55 Is there sufficient assurance from Internal Audit, Audit Wales, and other regulators on performance against statutory duties and achievement of objectives? (new to 23/24)	<ul style="list-style-type: none"> <li>• Social Services positive inspection from Care Inspectorate Wales 2023/24</li> <li>• Audit Wales reports</li> <li>• Annual external regulation report</li> <li>• Estyn</li> <li>• Internal audit reports</li> <li>• Frequent reporting to Governance and Audit Committee regarding regulatory reports</li> </ul>
H56 Is data used effectively to identify risks and drive improvement? (new to 23/24)	<ul style="list-style-type: none"> <li>• Information and Data Management Strategy</li> <li>• The use of organisations to assist with benchmarking, i.e., Data Wales</li> <li>• Data collected to support and evidence achievement of portfolio objectives is also used to monitor strategic and operational risks</li> </ul>
H57 Is there a shared understanding and collective view of risks and risk appetite? (new to 23/24)	<ul style="list-style-type: none"> <li>• Risk Management Framework / procedure considers risk appetite</li> <li>• Frequent reporting of risks to ensure shared understanding and collective view of risks</li> </ul>



<p><b>Score 4 – Good Evidence</b></p> <ul style="list-style-type: none"> <li>• Risk Management Framework was approved by Governance and Audit Committee</li> <li>• Development of Risk Registers for each portfolio within the Business Planning, Performance and Risk Management System has enabled the monitoring and reporting of risks to be centralised and co-ordinated</li> </ul>
<p><b>Score 3/4 – Good Evidence / Action May be Required</b></p> <ul style="list-style-type: none"> <li>• (H57) Increase level of awareness and understanding of risk management / risks / risk appetite across the Council through the development and roll out of risk management e-learning module</li> </ul>
<p><b>Score 3 – Evidence but Further Action Required</b></p> <ul style="list-style-type: none"> <li>• (H56) To further enhance use of data (internal and external) to identify risks to support with driving improvement across the Council</li> </ul>

## Theme I – Climate Change (New Theme 23/24)

Question	How we do this/how we achieve this
158 How does the Council champion and direct action on climate change?	<ul style="list-style-type: none"> <li>• The Council published its Climate Change Strategy in February 2022, which details how it will reduce its carbon emissions, aiming to become Net Zero by 2030</li> <li>• Training and awareness events</li> <li>• Working groups to support themes detailed within the Climate Change Strategy</li> </ul>
159 How is the Council working with partners and the community to reduce the impact of climate change?	<ul style="list-style-type: none"> <li>• Energy efficient technology</li> <li>• Engaging with tenants and primary schools</li> <li>• E-learning module</li> <li>• Clear direction and engagement with partners and stakeholders</li> </ul>
160 What is the Council's approach to climate change mitigation measures relating to its own operations?	<ul style="list-style-type: none"> <li>• People Strategy, Digital Strategy contribute and has actions aligned to the Council's approach to climate change</li> <li>• The Council's Climate Change Strategy contains an action plan that details how emissions are to be reduced across five themes; Buildings, Mobility and Transport, Procurement, Land Use and Behaviour</li> </ul>
161 Are the Council's 2030 net zero commitments in Net Zero Wales understood and owned across the Council?	<ul style="list-style-type: none"> <li>• Council wide development of the development of the Climate Change Strategy</li> <li>• Structured training programme developed</li> <li>• Members and senior leaders have received carbon literacy training to increase awareness</li> </ul>
162 How is the Council contributing to the target of net zero by 2050 across its whole community?	<ul style="list-style-type: none"> <li>• The Council works with other public sector organisations as well as private sector businesses, to engage, empower and influence carbon reduction</li> <li>• The Climate Change programme maintains a communication and engagement plan which ensures key stakeholder groups are engaged and provided information and support to reduce their carbon impacts</li> <li>• Climate Toolkits to inform and empower launched in 2023/24</li> </ul>
163 What is the approach to adaptation and building local resilience to climate change?	<ul style="list-style-type: none"> <li>• Climate Strategy Review including climate risk and resilience to inform new strategy</li> <li>• Able to work hybrid</li> <li>• Adverse Weather Policy</li> <li>• Climate risk and adaptation measures are carried out across the Council</li> </ul>
164 To what extent have planned mitigation and adaptation actions relating to climate change been prioritised and aligned to the Council's financial strategy?	<ul style="list-style-type: none"> <li>• Climate Change Strategy</li> <li>• Climate Change training and awareness events</li> <li>• Established reporting and scrutiny processes in place</li> <li>• Programmes built into MTFS</li> </ul>

165	Is the Council able to evidence from its reporting to date of its own emissions, in accordance with the Public Sector Net Zero reporting guide?	<ul style="list-style-type: none"> <li>The Council calculates its emissions aligned with the Public Sector Net Zero Reporting Guide and reports annual Carbon Footprint updates to Climate Change Committee, Environment and Economy Overview and Scrutiny Committee and Cabinet</li> </ul>
166	Are any steps being taken to record, monitor and report on progress with emissions reductions in the wider community?	<ul style="list-style-type: none"> <li>Participation in national working groups to explore development of Social Care Carbon Reporting tools for use with social care providers</li> <li>Climate toolkit</li> <li>Keep Britain Tidy inform the Council, of the Schools using their carbon calculator tool 'Count Your Carbon' and what the emissions are</li> </ul>
167	Is climate change integrated into medium- and longer-term planning and are planned actions on climate change mitigation and adaptation sufficiently resourced, which will have the most significant impact?	<ul style="list-style-type: none"> <li>Climate Change Strategy and action plan details short, medium, and long term actions to achieve Net Zero Carbon</li> <li>Action plans are monitored by working groups, and reported on annually to Climate Change Committee, Scrutiny Committee and Cabinet</li> </ul>

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**Score 4 – Good Evidence**

- Climate Change Strategy
- Climate Change training and awareness events
- Programme built into MTFS

**Score 3/4 – Good Evidence / Action May be Required**

- (162) and (166) Facilitate both accredited and non-accredited training for Members and Officers to improve their knowledge and understanding of the impacts of climate change. Monitoring and reporting emissions reductions within the wider community

**Score 3 – Evidence but Further Action Required**

- (159), (160), (161), (164 and (167) – Review of Climate Change Strategy. Review the Council’s current commitments. Council to utilise real data and progress from the last 2-5 years to plan medium and long term goals

**Score 2 - Some Evidence but Lacking in Key Areas**

- (163) Consider how we can better work with our partners and community to reduce the impact of climate change, as well as mitigation measures for the Council’s own operations

## 10. Progress on Opportunities for Improvement from 2022/23

Opportunity for Improvement 2022/23	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Review of Progress 2023/24
<p>1) Look at workforce strategies to allow for more flexibility in resource planning and responding to recruitment challenges</p> <p>2) Corporate oversight of all policies and strategies for each Portfolio, creating a structured work programme that details the reviewing period of the policies and strategies</p> <p>Determining the effectiveness of policies and strategies by aligning them with the 'Theme' question (B13)</p>	<p>March 2024</p> <p>September 2024</p> <p>September 2024</p>	<p>B) Planning and Resource Management - <i>Are these strategies and supporting action plans sustainable, and dynamic, in adapting to change and the future? (B13 now B19 as of 23/24)</i></p>	<p>Corporate Manager, People and Organisational Development</p> <p>Internal Audit, Performance and Risk Manager / Strategic Performance Advisor</p> <p>Internal Audit, Performance and Risk Manager / Strategic Performance Advisor</p>	<p><b>Amber</b></p>	<p>1) As advised in Section 7, within the Council Plan 2023-28, recruitment and retention is a key area of focus as part of the priority 'People'. A Workforce Planning Framework is in draft – once finalized and implemented this will provide a consistent approach. In the meantime, Portfolios are provided with their establishment report (people data) monthly and EDI reports quarterly which enables managers to look at employee data including age breakdown and positively compare our demographics as a Council with census information. The development of a compliant and sustainable is progressing positively. A new target date for implementation needs to be agreed with Cabinet</p> <p>2) A draft Policy Framework has been developed. A structured forward work programme to develop corporate oversight of strategies and polices is at the initial stages</p> <p>3) As this area of work is still at initial stages, ensuring that strategies / policies are sustainable and dynamic in adapting to change and the future, will commence at the review /</p>

Opportunity for Improvement 2022/23	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Review of Progress 2023/24
<p>1) Establish clear ethics and values for the organisation</p> <p>2) Engage with the workforce to determine the Council's ethics and values</p> <p>3) All policies, strategies, and process to align with the Council's ethics and values (this is also related to Theme B, question B13)</p>	<p>December 2023</p> <p>December 2023 (completed)</p> <p>September 2024</p>	<p>C) Organisational Governance, Ethics and Values - <i>How well are these frameworks and codes applied and observed? (C15 now C24 as of 23/24)</i></p>	<p>Corporate Manager, People and Organisational Development</p> <p>Corporate Manager, People and Organisational Development</p> <p>Internal Audit, Performance and Risk Manager / Strategic Performance Advisor</p>	<p><b>Amber</b></p>	<p>development stages of a strategy / policy. Also has links to the use of IIA's</p> <p>1) The Council's ethics and values have been developed and now require final approval and adoption</p> <p>2) Engagement with the workforce during the summer months of 2023 provided positive feedback which endorsed the proposed organisational values</p> <p>3) A structured forward work programme to develop corporate oversight of strategies and policies is at the initial stages but as part of this work alignment with the Council's ethics and values will form part of this</p>
<p>1) Embedding the ethics and values within the organisational and working structure</p> <p>2) The implementation of a compliant and sustainable new pay model (this is also related to Theme B, question B13)</p> <p>3) Finalisation of the Workforce Planning Framework (this is also related to Theme B, question B13)</p> <p>4) Preferred working culture needs to be defined through consultation and review of policy</p>	<p>September 2024</p> <p>March 2024</p> <p>December 2023</p> <p>December 2024</p>	<p>D) Organisational Leadership and Structure - <i>Does the Council have an adopted organisational structure and a preferred working culture? (D20 now D29 as of 23/24)</i></p>	<p>Corporate Manager, People and Organisational Development</p> <p>Corporate Manager, People and Organisational Development</p> <p>Corporate Manager, People and Organisational Development</p>	<p><b>Amber</b></p>	<p>1) Review of relevant policies including Hybrid Working policy</p> <p>2) Work commenced in October 2023 and has continued into 2024. A preferred model is emerging but requires further work to ensure it is fit for purpose and meets the tests of legal, sustainable and affordable</p> <p>3) A draft Workforce Planning Framework has been developed. As advised in Section A employee data is available to managers to undertake workforce planning (including succession planning)</p>

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Opportunity for Improvement 2022/23	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Review of Progress 2023/24
					4) Engagement with the workforce during the summer months of 2023 provided positive feedback which endorsed the proposed organisational values. Enabling relevant policies, including the Hybrid Working Policy to be affective will require continuous review and monitoring
<p>Page 362</p> <p>Improve and embed a performance culture through the development of a Performance Management Framework</p>	March 2024	D) Organisational Leadership and Structure - <i>Is it evident that the preferred working culture is predominant and effective? (D22 now D31 as of 2023/24)</i>	Internal Audit, Performance and Risk Manager / Strategic Performance Advisor	<b>Red</b>	1) The development of Performance Management Framework has fallen behind schedule. Initial research and structure of the Performance Management Framework has been undertaken but drafting of the framework is still required
<p>1) Establish a corporate Facebook page and develop use of social media as a means of communication</p> <p>2) A Charter for communication detailing customer expectations of the Council and vice versa. Establish realistic and manageable response times as well as standard of civility</p> <p>3) Create corporate policy on consultation and engagement with annual plans of intended consultations</p>	March 2024	G) Customer and Community Engagement - <i>Does the Council have comprehensive and maintained plans and policies for customer and community engagement in place? (G29 now G43 as of 23/24)</i>	Customer Contact Service Manager / Customer Service and Communications Manager	<b>Amber</b>	<p>1) The Council's corporate Facebook page was launched in early 2024 and is used frequently to share information including news, events, and emergency information. A Welsh and English account is managed by Customer Service and has gained over 4,000 followers</p> <p>2) A review of the Customer Service Policy and charter for communication is in progress. The outcome of this review will be published on the newly</p>

Opportunity for Improvement 2022/23	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Review of Progress 2023/24
4) Review of customer standards guidelines corporately					launched Consultation & Engagement Hub to invite feedback from customers  3) A corporate policy on consultation and engagement has been drafted and is due to be shared on the newly launched Consultation & Engagement Hub to invite feedback from customers  4) A review of corporate customer standards links to point 2 and is to be reviewed
Customers engagement and involvement as part of the reviewing process  Develop a single system for oversight of customer engagement  3) Enhance service delivery through data collection, feedback and benchmarking	March 2024	G) Customer and Community Engagement - <i>How well does the Council perform in meeting its customer services standards and targets? (G31 now G45 as of 23/24)</i>	Customer Contact Service Manager / Customer Service and Communications Manager	<b>Amber</b>	1) Customers to be consulted on a draft corporate consultation and engagement policy via the consultation and engagement hub  2) Capital secured in 2023/24 to procure a third-party solution to host the Council's consultation and engagement but work on hold due to MTFS. Local solution developed and launched on the Council's website as an alternative  3) Improved complaint performance data shared with portfolios to review trends and learn from complaints and learn from complaints

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## 11. Opportunities for Improvement in 2023/24

The Performance and Risk Management Team engaged with Portfolios in the completion of the Self-Assessment. Based on the range of questions asked against the nine Themes it is considered that the Council:

- a) Does exercise its functions effectively,
- b) Uses its resources economically, efficiently, and effectively, and
- c) Governance is effective for securing the matters set out in points (a) and (b).

This is consistent with the Council’s Annual Governance Statement and the Annual Performance Report for the year 2023/24. There are always areas where we strive for improvement and the following list of opportunities were identified for improvement in 2023/24.

During 2023/24, consultation was undertaken with the Senior Management Team and members of Cabinet, the Corporate Resources Overview and Scrutiny Committee and Governance and Audit Committee. This enabled each of the Themes to be critically reviewed and as a result the Council have identified eleven areas for improvement, broken down into specific actions for each area. Some of these areas were also Opportunities for Improvement for 2022/23 with them being more medium and/or longer-term goals.

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
1) Improve and embed a performance culture through the development of a Performance Management Framework. (Links to D31)	December 2024	A) Vision, Strategy and Performance <i>A11 Is data used effectively to evaluate performance and drive improvement?</i>	Internal Audit, Performance and Risk Manager / Strategic Performance Advisor	Red	1) The development of Performance Management Framework has fallen behind schedule due to available resources and conflicting priorities. Initial research and structure of the Performance Management Framework has been undertaken but drafting of the framework is still required
2) Offer training sessions provided by DataCymru to all elected Members in order to improve the understanding of how data can be used in committee	March 2025	<i>A12 Is there evidence of an embedded and continuous approach to performance management, which identifies required</i>	Democratic Services Manager		2) Training opportunities are provided to Members and where applicable the Council will continue to liaise with Data Cymru for further training



Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
<p>work to facilitate improvements. Provide training to all (ordinary) members of OSC's, to ensure they understand their role and the committee's role, to include effective questioning skills (performance, risk, data).</p> <p>3) Review the committee reporting template to ensure risk management is a key element of the report.</p> <p>4) Develop an Information and Data Management Group, to improve The Council's use of data and to further implement and embed the Information and Data Management Strategy</p>	<p>January 2025</p> <p>December 2024</p>	<p><i>interventions that are acted upon promptly?</i></p> <p><i>A13 Do service plans include an evaluation of service performance (including audit and complaints/compliments) to identify areas of improvement and are these aligned to corporate improvement objectives?</i></p> <p>D) Organisational Leadership and Structure</p> <p><i>D31) Is it evident that the preferred working culture is pre-dominant and effective?</i></p> <p>H) Risk Management and Business Continuity</p> <p><i>H56) Is data used effectively to identify risks and drive improvement?</i></p>	<p>Democratic Services Manager</p> <p>Information Governance Manager</p>	<p style="background-color: red; color: red;">[Redacted]</p>	<p>opportunities. Effective Chairing skills training is provided to all Chairs and Vice-Chairs of Committees, to include facilitating debate and challenge. There will be separate sessions in due course for Chairs and Vice-Chairs of OSC to focus on risk and performance. Continue to ensure elected Members challenge and support the Council appropriately as part of the Overview &amp; Scrutiny process.</p> <p>3) This is a new opportunity for improvement in this year's Corporate Self-assessment, therefore is at the initial stages. However, each OSC committee do monitor identified risks as part of their normal working practice, and perhaps maintain a record as part of their Forward Work element.</p> <p>4) A terms of reference is being drafted for the Information and Data Management Group but aims and objectives of the group will consist of:</p> <ul style="list-style-type: none"> <li>• We will treat information and data as a key corporate asset to support improved decision make and best use of resource</li> <li>• We will use information and data more effectively and innovatively to deliver better,</li> </ul>

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
		<p>E) Innovation and Change Management</p> <p><i>E35) Does the Council have a proven appetite for innovation and change management?</i></p> <p><i>E39) Does the Council use digital tools, data, and strategies to facilitate transformation, support corporate objectives and continuously drive improvement?</i></p>			<p>seamless services with improved outcomes</p> <ul style="list-style-type: none"> <li>For people and organisations to have full confidence that their information and data is being treated responsibly, securely, and ethically, in line with appropriate legislation and industry best practice</li> <li>To improve the services provided to customers by working together and ensuring that the Council's information and data is used effectively well organized, protected, and gets to where it needs to go</li> </ul>
<p>1) Update Guidance for report writing and Committee report template with refreshed information on IIAs</p> <p>2) Put in place process to ensure committee reports on policies/plans/projects include impact assessments</p>	<p>January 2025</p> <p>January 2025</p>	<p>A) Vision, Strategy and Performance</p> <p><i>A7) Are strategies and decisions made following the undertaking of Integrated Impact Assessments (IIA's) (where applicable)?</i></p>	<p>Democratic Services Manager</p> <p>Democratic Services Manager</p>	<p><b>Red</b></p>	<p>1) This is a new opportunity for improvement in this year's Corporate Self-assessment, therefore is at the initial stages.</p> <p>2) A review of the committee reporting template and guidance to ensure IIA's are a key element of the reporting process will be undertaken. Each OSC committee to monitor IIA's as part of their normal working practice, and perhaps maintain a record as part of their Forward Work element. Provide committees with</p>

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
					training on IIA's – e.g. what they are, why they are included, what to look for.
<p>1) Look at workforce strategies to allow for more flexibility in resource planning and responding to recruitment challenges</p> <p>2) Corporate oversight of all policies and strategies for each Portfolio, creating a structured work programme that details the reviewing period of the policies and strategies</p> <p>3) Determining the effectiveness of policies and strategies by aligning them with the 'Theme' question (B19)</p> <p>4) Establish clear ethics and values for the organisation. Completion of the Council's Vision and Values work will help define and reinforce the Council's goals</p>	<p>A new target date for implementation needs to be agreed with Cabinet.</p> <p>December 2024</p> <p>December 2024</p> <p>December 2024</p>	<p>B) Resource Planning and Management</p> <p><i>B15) Does the Council have comprehensive and maintained strategies for workforce, finance, procurement, and assets in place, that are aligned to the statutory budget planning cycle (which demonstrates how the Council will sustain service delivery)?</i></p> <p><i>B16) Does the Council have comprehensive and maintained strategies for workforce, finance, procurement, and assets in place, that are being managed to support wider agendas (spending for community</i></p>	<p>Corporate Manager, People and Organisational Development</p> <p>Internal Audit, Performance and Risk Manager / Strategic Performance Advisor</p> <p>Internal Audit, Performance and Risk Manager / Strategic Performance Advisor</p> <p>Corporate Manager, People and Organisational Development</p>	<b>Amber</b>	<p>1) As advised in Section 7, within the Council Plan 2023-28, recruitment and retention is a key area of focus as part of the priority 'People'. A Workforce Planning Framework is in draft – once finalized and implemented this will provide a consistent approach. In the meantime, Portfolios are provided with their establishment report (people data) monthly and EDI reports quarterly which enables managers to look at employee data including age breakdown and positively compare our demographics as a Council with census information. The development of a compliant and sustainable is progressing positively. A new target date for implementation needs to be agreed with Cabinet</p> <p>2) A draft Policy Framework has been developed. A structured forward work programme to develop corporate oversight of strategies and policies is at the initial stages</p> <p>3) As this area of work is still at initial stages, ensuring that strategies /</p>

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
5) All policies, strategies, and process to align with the Council's ethics and values (this is also related to Theme B, question B19)	December 2024	<p><i>benefit, social value, place shaping, housing shortages, and regeneration)?</i></p> <p><i>B19) Are these strategies and supporting action plans sustainable, and dynamic, in adapting to change and the future?</i></p> <p>C) Organisational Governance, Ethics and Values</p> <p><i>C24) How well are these frameworks and codes applied and observed?</i></p> <p>D) Organisational Leadership and Structure</p> <p><i>D30) As an organisation do we operate as a one Council?</i></p>	Internal Audit, Performance and Risk Manager / Strategic Performance Advisor	<p style="background-color: #FFD700; text-align: center;">Amber</p>	<p>policies are sustainable and dynamic in adapting to change and the future, will commence at the review / development stages of a strategy / policy. Also has links to the use of IIA's (Theme A)</p> <p>4) The Council's ethics and values have been developed and now require final approval and adoption</p> <p>5) A structured forward work programme to develop corporate oversight of strategies and polices is at the initial stages but as part of this work alignment with the Council's ethics and values will form part of this</p>
1) Look at workforce strategies to allow for more flexibility in resource planning and responding to recruitment challenges through the review of pay model	A new target date for implementation needs to	B) Resource Planning and Management	Corporate Manager, People and	<p style="background-color: #FFD700; text-align: center;">Amber</p>	1) Due to existing budget pressures and vacancy management, which impacts sustainability (Five Ways of Working, Well-being of Future Generations

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
2) Development of Workforce Planning Framework	be agreed with Cabinet.  December 2024	<i>B21) Does the Council consider staff retention, current and future skills needs and gaps?</i>	Organisational Development  Corporate Manager, People and Organisational Development		(Wales) Act 2015) work remains ongoing regarding review of pay model. Workshops have been undertaken with Members to review pay model options and costing associated  2) As advised in Section 7, within the Council Plan 2023-28, recruitment and retention is a key area of focus as part of the priority 'People'. A Workforce Planning Framework is in draft – once finalised and implemented this will provide a consistent approach
1) A Charter for communication detailing customer expectations of the Council and vice versa. Establish realistic and manageable response times as well as standard of civility  2) Create corporate policy on Consultation and Engagement with annual plans of intended consultations  3) Review of customer standards guidelines corporately	December 2024  January 2025  January 2025	G) Customer and Community Engagement  <i>(G43) Does the Council have comprehensive and maintained plans and policies for customer and community engagement in place?</i>  <i>(G45)How well does the Council perform in meeting its customer services</i>	Customer Contact Service Manager / Customer Service and Communications Manager	<b>Amber</b>	1) A review of the Customer Service Policy and Charter for Communication is in progress. The outcome of this review will be published on the newly launched Consultation & Engagement Hub to invite feedback from customers  2) A corporate policy on Consultation and Engagement has been drafted and is due to be shared on the newly launched Consultation & Engagement Hub to invite feedback from customers  3) A review of Corporate Customer Standards links to point 2 and is to be reviewed

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
		<i>standards and targets?</i>			
<p>1) Work with Regional Community Cohesion Officer to commission regional workshop on how to engage/consult with people with protected characteristics</p> <p>2) Develop quality assurance process for IIAs which ensures under represented engaged and consulted to inform decision making</p> <p>3) Update guidance on equality monitoring and ensure services have processes in place to capture and use equality monitoring data</p> <p>4) Establish mechanism to share equality data across the Council</p>	<p>March 2025</p> <p>Further approval required at Corporate Equality Board</p> <p>Further approval required at Corporate Equality Board</p> <p>Further approval required at Corporate Equality Board</p>	<p>G) Customer and Community Engagement</p> <p><i>(G7) Are there mechanisms in place to ensure that under-represented groups are communicated and engaged with effectively?</i></p> <p><i>(G48) Do underrepresented groups have opportunities to be involved in decision making and the design and delivery of services?</i></p> <p><i>(G49) How satisfied with services are residents including under-represented groups and how is this measured?</i></p> <p><i>(G50) Does the Council collect, share, and publish relevant</i></p>	<p>Strategic Policy Advisor</p> <p>Corporate Equality Board and IIA Quality Assurance Subgroup</p> <p>Corporate Equality Board and Data Subgroup</p> <p>Corporate Equality Board and Data Subgroup</p>	<p></p> <p></p> <p><b>Red</b></p> <p></p>	<p>1) This is a new opportunity for improvement in this year's Corporate Self-assessment, therefore, this is at the initial stages</p> <p>2) Actions which relate to the Corporate Equality Board will be discussed at the next meeting in September for approval and to set timeframes</p> <p>3) Actions which relate to the Corporate Equality Board will be discussed at the next meeting in September for approval and to set timeframes</p> <p>4) Actions which relate to the Corporate Equality Board will be discussed at the next meeting in September for approval and to set timeframes</p>

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
5) Ensure more robust and comprehensive evidence of the profile of the Council's employees and customers is available for analysis. Ensure equality data is made more easily accessible so users are able to access what they need, when they need it	Further approval required at Corporate Equality Board	<i>Equality, Diversity and Inclusion (EDI) data and information about its communities?</i>  <i>(G51) How is Equality, Diversity and Inclusion (EDI) information regularly updated and used to identify priorities for the local area?</i>	Corporate Equality Board and Data Subgroup  Corporate Equality Board and Data Subgroup		5) Actions which relate to the Corporate Equality Board will be discussed at the next meeting in September for approval and to set timeframes
1) Roll out of Risk Management e-learning module	October 2024	(H) Risk Management and Business Continuity  <i>(H57) Is there a shared understanding and collective view of risks and risk appetite?</i>	Strategic Performance Advisor	<b>Amber</b>	1) The e-learning module has been developed and is in its final stages of product testing. Once finalised it be rolled out to the workforce and Members
1) To review the Climate Change Strategy during 2024-25	March 2025	(I) Climate Change  <i>(I59) How is the Council working with partners and the community to reduce the impact of climate change?</i>	Programme Manager, Climate Change & Carbon Reduction		1) This gives us an opportunity to review our current commitments and consider how we can better work with our partners and community to reduce the impact of climate change, as well as mitigation measures for the Council's own operations

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
2) The Public Service Boards in the region have agreed to develop a climate risk assessment as a regional approach. The Council will ensure it feeds into this process as a key stakeholder	March 2025	<p><i>(160) What is the Council's approach to climate change mitigation measures relating to its own operations?</i></p> <p><i>(162) How is the Council contributing to the target of net zero by 2050 across its whole community?</i></p> <p><i>(163) What is the approach to adaptation and building local resilience to climate change?</i></p>	Programme Manager, Climate Change & Carbon Reduction	Amber	2) The Council will ensure it feeds into this process as a key stakeholder
1) Improve communications internally with Officers and Members to ensure all are familiar and understand the Council's commitments and progress	March 2025	(I) Climate Change  <i>(161) - Are the Council's 2030 net zero commitments in Net Zero Wales understood and owned across the Council?</i>	Programme Manager, Climate Change & Carbon Reduction	Amber	1) Ownership of the Council's net zero commitments has been adopted throughout the organisation. Work is still underway to improve knowledge and understanding of climate change and its impacts, as part of an ongoing behaviour change programme. Communications internally are improving with more frequent use of the Workforce news and employee engagement  2) Carbon Literacy and e-learn training are available to both officers and



Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
2) Facilitate both accredited and non-accredited training for Members and Officers to improve their knowledge and understanding of the impacts of climate change  3) Building condition surveys for the Council's schools to enable a baseline to be determined  4) To keep abreast of best practice in costing other carbon actions	March 2025  March 2025  March 2025	<i>(164) To what extent have planned mitigation and adaptation actions relating to climate change been prioritised and aligned to the Council's financial strategy?</i>	Programme Manager, Climate Change & Carbon Reduction  Programme Manager, Climate Change & Carbon Reduction  Programme Manager, Climate Change & Carbon Reduction	Amber	Members, and 'Carbon' is now a mandatory subject within the Member training programme  3) The current Welsh Government funded building condition surveys for the Council's schools will allow a baseline to be determined from which more accurate costings and phased plans of work can be established for our building stock  4) The Council will continue to keep abreast of the latest best practice in costing other carbon actions to ensure the programme of work is realistic and achievable
1) Monitoring and reporting emissions reductions	March 2025	(I) Climate Change  <i>(i66) Are any steps being taken to record, monitor and report on progress with emissions reductions in the wider community?</i>	Programme Manager, Climate Change & Carbon Reduction	Amber	1) Monitoring and reporting emissions reductions within the wider community will be reviewed as part of the Climate change strategy review, to ensure the Council is able to use its influence as a public sector organisation to drive wider carbon reduction outside of its own operations
1) Utilise real data and progress from the last 2-5 years to plan medium and long-term goals that are both achievable and ambitious	March 2025	(I) Climate Change  <i>(167) Is climate change integrated into medium- and longer-term planning and are planned</i>	Programme Manager, Climate Change & Carbon Reduction	Amber	1) Again, this year's Climate Change strategy review will allow the Council to utilise real data and progress from the last 2-5 years to plan medium and long term goals that are both achievable and ambitious

Opportunity for Improvement 2023/24	Target Completion Date	Theme and Question it Contributes to	Owner	Progress RAG	Progress Comment
		<i>actions on climate change mitigation and adaptation sufficiently resourced, which will have the most significant impact?</i>			

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## 12. Certification

The Corporate Self-Assessment undertaken provides a comprehensive assessment of the organisation and provides a platform of assurance.

Opportunities to improve have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Flintshire County Council

**Neal Cockerton – Chief Executive**

**Cllr. Ian B Roberts – Leader of the Council**

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday, 25 November 2024
<b>Report Subject</b>	Governance and Audit Committee Self-Assessment – Action Plan – Mid Year Review
<b>Report Author</b>	Internal Audit, Performance and Risk Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

In April 2024 a report was presented to the Governance and Audit Committee on the outcome of the committee’s self-assessment.

This report provides committee with a detailed action plan of how the findings in the self-assessment will be addressed. This action plan has been established by the Chair and the Vice Chair of the Committee.

The action plan for the self-assessment is detailed in Appendix A.

### RECOMMENDATIONS

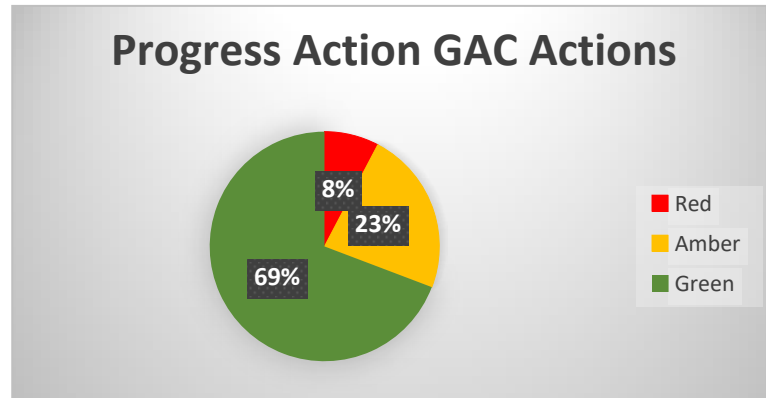
1	That the Committee considers the action plan and reaches a decision on whether any further information is needed.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE GOVERNANCE AND AUDIT COMMITTEE SELF ASSESSMENT ACTION PLAN</b>
1.01	<p>In February 2024, the self-assessment was completed, and a report presented to the Governance and Audit Committee in April 2024.</p> <p>At the meeting it was agreed that a mid-year review of the action plan should be brought back to committee.</p> <p>Overall positive progress has been made. Out of the 13 actions progress raised only one has not progressed:</p> <ul style="list-style-type: none"> <li>• Seek feedback from Chairs of Scrutiny on co-working arrangements to ensure good communications and complementary approaches to improvement. Establish ongoing comms system between GAC Chair and Chairs of Scrutiny. To address this, Individual meetings to be</li> </ul>

established between the Chair and Vice Chair of GAC and each OSC with the aim of improving relationships and understanding of each other's role. This is due to be arranged in January 2025.

**Summary of Progress**



Appendix A details full progress against actions.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None from the report itself. Resources may be required to address any actions or development needs identified.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Summary results from the facilitation workshop attended by the Governance and Audit Committee Members were compiled by the Chair and Vice Chair of the Committee.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The Governance and Audit Committee is part of the governance framework for the Authority. It therefore must function effectively to fulfil its role. This process allows the committee to assess how effective it is and take action to mitigate any deficiencies.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Governance and Audit Committee Self-Assessment Action Plan – Mid year review

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

	<p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>
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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p>

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Governance and Audit Committee Development and Improvement Plan 2023/24 – November 2024

Appendix B

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Topic	Action	Rational	Responsible	Timescale	Progress RAG	Current Status
Self-Assessment / Influencing	1.1 Finish gaining feedback from key partners on what they want from GAC and how it could be more useful/effective. Use information to shape the way GAC operates i) Leader and Cabinet ii) Chief Executive iii) Chief Officer, Governance and COT iv) Internal Audit, Performance & Risk Manager v) Audit Wales	To improve GAC self-assessment and engagement with Flintshire's Leaders	Chair and Vice Chair	May-July 2023	Amber	Quarterly meetings with the Council Leader established  Questionnaires sent to Chairs of OSC  Further individual meetings to be established with Chairs / Vice Chairs of OSC and key officers
	1.2 Seek feedback from Chairs of Scrutiny on co-working arrangements to ensure good communications and complementary approaches to improvement. Establish ongoing comms system between GAC Chair and Chairs of Scrutiny	To improve mutual understanding and effective flow of information, especially where services may be giving cause for concern	Chair and Vice Chair	Following Annual General Meeting of the Council	Red	Individual meetings to be established between the Chair and Vice Chair of GAC and each OSC with the aim of improving relationships and understanding of each other's role
Coverage of ToR and Assurance	1.3 Programme additional reports to GAC to ensure ToR are covered, specifically including: - approaches to ensuring VfM - major projects and their governance	Perceived gaps at the moment	Internal Audit, Performance & Risk Manager	Programme in consultation with Chair and Vice Chair	Amber	Work programme reviewed on a regular basis  To consult with other service over major projects etc to ensure there is no duplication
	1.4 Continue to invite Responsible Officers to GAC where there are red IA reports or concerns re progress and invite Senior Risk Owners to GAC to update on the management of key risks.	Important to develop mature relationships with wide range of senior and middle managers given they are operationally responsible for implementation of improvement and risk management actions	Internal Audit, Performance & Risk Manager	Programme within FWP	Green	Officers are invited to GAC to update of red reports with concerns re progress

Governance and Audit Committee Development and Improvement Plan 2023/24 – November 2024

Appendix B

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Topic	Action	Rational	Responsible	Timescale	Progress RAG	Current Status
	1.5 As part of the Corporate Self-Assessment workshop for members consider how VFM is being achieved	To ensure that the Council gets VFM from the arrangements are put in place	GAC members supported by Internal Audit, Performance & Risk Manager	As part of the CSA process	Green	This has been consider as part of the CSA workshop
Effectiveness and Impact	1.6 All GAC members to focus on identifying constructive and practical means of adding value and achieving improvement in matters considered	Core to GAC's role in gaining assurance and contributing to FCC improvement	All GAC members, plus Chair to prompt	Each meeting	Green	Ongoing
	1.7 Committee to meet prior to each meeting to discuss key issues.	Committee to tease out the key element / assurance they would like	All GAC members, plus Chair to prompt	Each meeting	Green	Commenced Sept 2024
	1.8 Highlight key points during the pre-briefing with the Chair / Vice Chair  Discuss with Committee how they with Red / Amber Red reports to be presented.	Committee to tease out the key element / assurance they would like	All GAC members, plus Chair to prompt	Each meeting	Green	Ongoing
Learning and Development	1.9 Continue pre GAC training sessions to ensure members are briefed ahead of major reports coming to GAC	Useful to have informal means of developing knowledge and skills in advance of agenda items- especially though not only for new members	Internal Audit, Performance & Risk Manager	Before each GAC meeting	Green	Ongoing
	1.10 In advance of next GAC self-assessment, evaluate knowledge, skills and training needs of GAC members, using the K and S framework from CIPFA guidance. Use this to frame updated Learning and Development Plan	Understanding of what GAC members have to offer, individually and collectively, should improve ability to question, challenge, support and escalate issues	Chair/Vice Chair supported by Internal Audit, Performance & Risk Manager	June - September 2023	Amber	Knowledge and skills matrix shared with members. Matrix to be returned and collated to identify any training needs.  New members to provide
	1.11 Ask Group Leaders to nominate members with the relevant skills.	Committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled	Chair support by Chief Officer, Governance	Prior to appointment of committee members	Green	New members have previously been members of the GAC and therefore possess skills and

Governance and Audit Committee Development and Improvement Plan 2023/24 – November 2024

Appendix B

Topic	Action	Rational	Responsible	Timescale	Progress RAG	Current Status
						understanding of the committee
<b>Annual Report/ Accountability</b>	1.12 Collate information on issues of concern to GAC and/or escalated to those in leadership/governance roles to ensure actions are followed through and feed into Annual Report	Not always easy to show GAC's impact as influence not always captured in written record. However, essential to gather issues pursued so as to demonstrate pro activity as part of GAC's accountability to Council	Chair/Vice Chair	After each meeting or at least quarterly	<b>Green</b>	Annual report identified the increase in actions / challenges raised by the GAC
	1.13 Linked to submission of Annual Report, Chair and Vice Chair of GAC to request meeting with Leader at least annually to ensure mutual briefing	Important to account to FCC's leader for GAC's work and to have the Leader's feedback to shape future arrangements	Chair	November 2023	<b>Green</b>	Quarterly meetings now take place with the Council Leader

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**GOVERNANCE AND AUDIT COMMITTEE**

<b>Date of Meeting</b>	Monday, 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Annual Governance Statement 2023/24 - Mid-Year Progress Update Report
<b>Report Author</b>	Chief Officer, Governance
<b>Type of Report</b>	Assurance

**EXECUTIVE SUMMARY**

Each financial year the Council is required to produce an Annual Governance Statement (AGS) as part of its final accounts. The AGS explains how the Council has complied with its Code of Corporate Governance, in securing good governance and managing its risks.

The AGS for 2023/24 was presented to Governance and Audit Committee in July 2024 with a commitment that the Governance and Audit Committee would receive a mid-year progress update report on the areas identified for improvement within the AGS.

**RECOMMENDATIONS**

1	To consider and accept the AGS 2023/24 Mid-year Progress Report.
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## **REPORT DETAILS**

<b>1.00 EXPLAINING THE AGS MID-YEAR PROGRESS REVIEW REPORT</b>													
1.01	Under the Accounts and Audit (Wales) Regulations 2018, each local authority must ensure it has a sound system of internal control to ensure good governance and manage risks. Each year they must conduct a review of the effectiveness of the system and prepare an Annual Governance Statement (AGS). The review must be considered and the AGS approved by a Committee or full Council.												
1.02	The AGS Mid-year Progress Review Report is reported to Governance and Audit Committee to show what progress has been made against the actions from the assessment of the Council's Corporate Governance Framework where areas of best practice and areas for further improvement were identified.												
1.03	<p>Please find below a brief summary on progress against the significant Governance issues identified in the AGS;</p> <table border="1" data-bbox="408 846 1279 1003"> <thead> <tr> <th>Number</th> <th>Open</th> <th>Closed</th> <th>Progress RAG Green</th> <th>Progress RAG Amber</th> <th>Progress RAG Red</th> </tr> </thead> <tbody> <tr> <td>14</td> <td>10</td> <td>4</td> <td>6</td> <td>1</td> <td>3</td> </tr> </tbody> </table> <p>Of the 19 Strategic issues identified in the AGS all 19 issues remain open and further details can be found in the AGS 2023/24 Mid-year Progress Report (Appendix A).</p>	Number	Open	Closed	Progress RAG Green	Progress RAG Amber	Progress RAG Red	14	10	4	6	1	3
Number	Open	Closed	Progress RAG Green	Progress RAG Amber	Progress RAG Red								
14	10	4	6	1	3								

<b>2.00 RESOURCE IMPLICATIONS</b>	
2.01	There are no direct resource implications related to this report.

<b>3.00 CONSULTATIONS REQUIRED / CARRIED OUT</b>	
3.01	The mid-year report has been produced using information from all Statutory and Chief Officers and Service Managers.

<b>4.00 RISK MANAGEMENT</b>	
4.01	The Annual Governance Statement lists all the significant governance issues arising from the self-assessment along with any outstanding 'red' strategic risks. The Statement also describes actions taken against the governance issues reported in last year's Annual Governance Statement.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A AGS 2023/24 Mid-year Progress Report

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Sam Perry, Performance and Risk Management Support Officer</p> <p><b>Telephone:</b> 01352 701476</p> <p><b>E-mail:</b> <a href="mailto:Sam.perry@flintshire.gov.uk">Sam.perry@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Corporate Governance:</b> the system by which Local Authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Risk Management:</b> the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency or likelihood of risk events occurring (wherever this is possible) and minimise the consequences if they occur. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p><b>Financial Accounts / Statements:</b> The Council’s annual finance report providing details of the Council’s financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p> <p><b>Audit Wales:</b> Their aim is to assure the people of Wales that public money is being managed well. Explain how public money is being used and how it meets people’s needs. Inspire and empower the Welsh public sector to improve.</p>

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2023/24

Flintshire County Council  
Annual Governance Statement

Mid-Year Progress Update

## What is the purpose of this document?

This document details our progress made against the actions from the assessment of Council’s Corporate Governance arrangements where areas of best practise and areas for further improvement were identified.

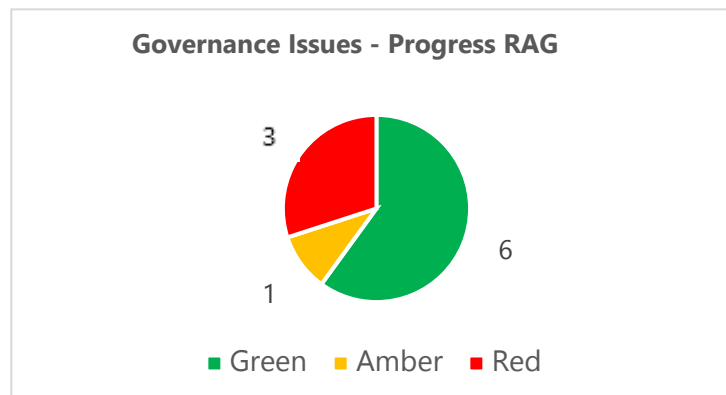
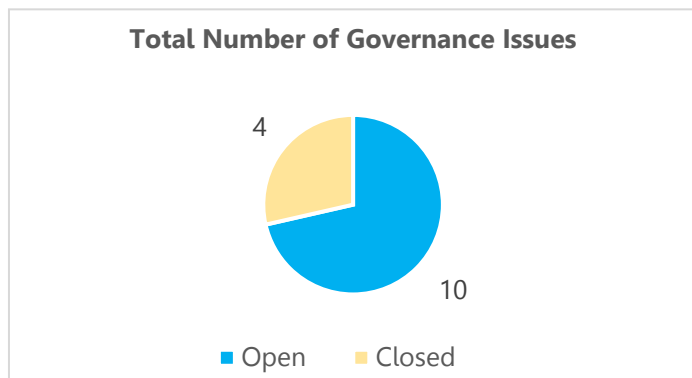
### Areas for Improvement (As reported to Governance and Audit Committee in July 2024)

	Area for Improvement
<b>Principle A</b>	(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation
<b>Principle B</b>	<p>(B17, B18, B21, B23, B24, B25, B26) Customer Service and Communication Manager is now in post and work has begun to improve how the Council consults and engages more effectively e.g., through better use of social media and a new consultation and engagement hub which is due to be launched on the Council’s website imminently. Research is currently underway to identify areas of good practice to help inform and develop a local strategy for consultation and engagement</p> <p>A mid-plan review of Council Plan 2023-28 is planned for late 2024, early 2025, which will also include consultation to ensure the views and experience of citizens, service users are considered</p> <p>A recent Audit Wales report has identified that improvement in Service User perspective / views needed to inform decisions and proposals to the recommendations will be implemented over the next year</p>
<b>Principle C</b>	<p>(C28, C29, C31) Increasing priorities with limited additional resources available (vacancy management and financial challenges) continues to provide pressures on the Council and is in some instances impacting negatively on service delivery. However, by continuing to embed the use of Integrated Impact Assessments it supports and inform decision making and determining priorities, making best use of resources available</p> <p>(C32, C33) Development of business planning within performance management system will support longer term business planning, whilst evidencing any associated risks / opportunities. This includes consider and balancing the combined economic, social and environmental impacts of policies and strategies</p>

<p><b>Principle D</b></p>	<p>(D37, D40) Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to priorities competing demands within limited resources available including people, skills, land, and assets and bearing in mind future impacts. Considering and monitoring risks facing each partner when working collaboratively including shared risks.</p> <p>(D37) Implementing the recommendations identified from within the Audit Wales regarding Use of Performance Information: Service User Perspective and Outcomes</p> <p>(D40) When working with partners and collaboratively risks (and also opportunities) are being explored consistently</p>
<p><b>Principle E</b></p>	<p>(E61) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority’s resources are allocated so that outcomes are achieved effectively and efficiently.</p>
<p><b>Principle F</b></p>	<p>(F66) Embedding the risk management framework</p> <p>(F69) Risks identified and reported upon in more detail within Committee reports</p> <p>(F73) Continuing to align the risk management framework and policies on internal control with achieving the Council’s objectives</p>

## Dashboard overview for significant Governance issues reported in the 2023/24 AGS

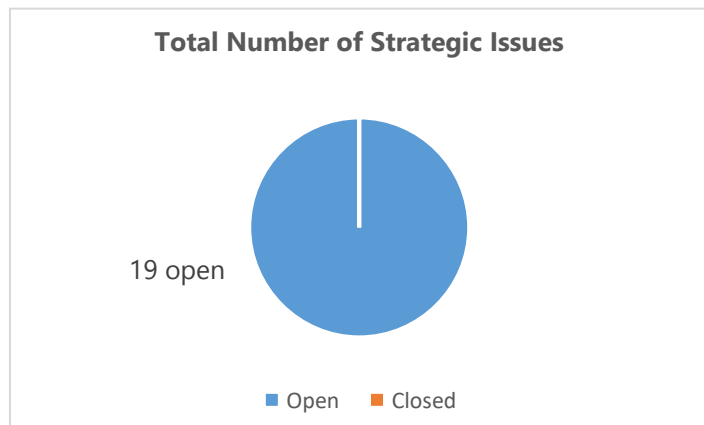
The first chart below provides a high-level overview of the progress made of the 14 areas identified as significance Governance issues (pages 5-9) as part of the AGS review. Of those Governance issues that remain open, the second chart provides details on the progress of these.



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## Dashboard overview for significant Strategic issues reported in the 2023/24 AGS

The chart below provides a high-level overview of how many of the 19 Strategic Issues (pages 10-23) have remained opened or closed as part of the AGS review.



## Progress updates for significant Governance issues identified during 2023/24

The review of the effectiveness of the Council’s governance arrangements, identified the following significant internal Governance issues during 2023/24. Progress updates of how the issue has been addressed and if it remains open is provided below:

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation	<ul style="list-style-type: none"> <li>Continue to highlight the role and responsibility of Members</li> <li>Workshop for Members (as and when required)</li> <li>To continue to provide relevant training and learning opportunities</li> </ul>	Open	<p>Sessions were delivered by an external provider to elected Members in May 2024, focusing on behavior and respect.</p> <p>It was highlighted as a priority, with the target that all Members would attend the sessions. Group Leaders were involved to encourage participation amongst Members.</p> <p>Further sessions for those who were unable to attend in May, will be delivered in December 2024.</p> <p>A follow-up ‘de-brief’ will take place in February 2025, to get feedback from Members and evaluate the impact and success of the sessions.</p>	Green
(B17, B18, B21, B23, B24, B25, B26) Circumstances previously curtailed the Council’s ability to consult and engage, but not the willingness to do so. Ongoing planning to ensure implementation of the Local Government and Elections	<ul style="list-style-type: none"> <li>Development of a consultation and engagement hub</li> </ul>	Closed	<p>A consultation and engagement hub has launched on Flintshire’s website and is being used for a range of topics:  <a href="https://www.flintshire.gov.uk/en/Resident/Consultation-and-Engagement/Home.aspx">https://www.flintshire.gov.uk/en/Resident/Consultation-and-Engagement/Home.aspx</a></p>	Closed
	<ul style="list-style-type: none"> <li>Creating a Customer and Engagement and Public Participation Strategy</li> </ul>	Open	<p>A Customer and Engagement and Public Participation Strategy is currently being developed and is due to be shared with key officers across the Council prior to public engagement.</p>	Green

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
(Wales) Act 2021	<ul style="list-style-type: none"> <li>Development of social media platforms (Facebook has already been developed)</li> </ul>	<b>Closed</b>	Facebook as a social media platform is being actively used to promote Council services, share news and events and for other emergency information. Over 4,500 people have "followed" the corporate account.	<b>Closed</b>
	<ul style="list-style-type: none"> <li>Use of Council's complaints and feedback for continued service improvement</li> </ul>	<b>Closed</b>	Information about complaints is shared regularly which is helping to drive improvements in performance and to learn from complaints.	<b>Closed</b>
<b>(C28, C29, C31, C32, C33)</b> Delivering defined outcomes on a <b>sustainable</b> basis within the resources that will be available and considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	<ul style="list-style-type: none"> <li>Review of the pay model</li> </ul>	<b>Open</b>	Pay modelling meetings with Trade Unions, Finance HR and Internal Audit colleagues have ceased pending confirmation of budget to progress.	<b>Red</b>
	<ul style="list-style-type: none"> <li>Integrated Impact Assessments to be utilised and happen consistently across all portfolio's</li> </ul>	<b>Open</b>	The University of Manchester is in the final stage of evaluating the new approach to Integrated Impact Assessments (IIA). Their report is due to be finalised November 2024.  An IIA Quality Assurance Group has been established under the auspices of the Corporate Equality Board. The group is taking forward actions to ensure: <ul style="list-style-type: none"> <li>IIAs are included in reports where relevant.</li> <li>Sample checks of IIAs are undertaken to improve quality.</li> <li>IIA tool meets regulatory requirements.</li> <li>Guidance and good practice are shared with employees.</li> </ul> Briefing sessions for Scrutiny members are being scheduled for December 2024/January 2025.	<b>Green</b>

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
	<ul style="list-style-type: none"> <li>Review the challenges with vacancy management</li> </ul>	Open	We continue to operate a vacancy management approach which requires a business case to progress all vacancies (including agency placements).	Green
<b>(D37)</b> Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to priorities competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	<ul style="list-style-type: none"> <li>Implementing the recommendations identified from within the Audit Wales regarding Use of Performance Information: Service User Perspective and Outcomes. Mid-plan review of Council Plan (2023-28) to ensure consideration of service user perspective</li> </ul>	Open	A public consultation regarding the Council Plan (2023-28) was open for 8 weeks from 5 <sup>th</sup> August until 7 <sup>th</sup> October 2024. 363 responses were received, and the results will further support and inform the remainder of the mid-plan review of the Council Plan (2023-28) to ensure consideration of the view of our residents.	Amber
<b>(D40)</b> Considering and monitoring risks facing each partner when working collaboratively including shared risks	<ul style="list-style-type: none"> <li>When working with partners and collaboratively risks (and also opportunities) are being explored consistently</li> </ul>	Closed	Risks (and opportunities) are explored when working collaboratively with partners and where risks (and opportunities) have emerged these are recorded within the Performance and Risk Management System, and monitored by Risk Owner, relevant Portfolio and progress update provided to Programme Board. Work is ongoing to continue to embed risk management across the Council and reporting on risks to Committees as of January 2025. This will now become a business-as-usual process.	Closed
<b>(E51)</b> Ensuring that there are structures in place to encourage public participation	<ul style="list-style-type: none"> <li>This internal governance issue mitigation actions for E51 are the same for B17, B18, B21, B23, B24, B25, B26</li> </ul>	Open	As above – Please refer to updates for B17, B18, B21, B23, B24, B25, B26. This will remain open until the Customer and Engagement and Public Participation Strategy has been finalised.	Green

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
<p><b>(F66, F69, F73)</b> An Internal Audit review of the risk management framework and risk register was undertaken during 23/24 and has highlighted some areas for improvement to build upon the risk management framework.</p>	<ul style="list-style-type: none"> <li>Continue to embed the Risk Management Framework</li> <li>Undertake annual review of Risk Management Framework</li> <li>The further develop the reporting of risks within the performance and risk management system</li> <li>Reports presented to Committees as of Autumn 2024</li> <li>Roll out of the E-learning risk management training module August 2024</li> </ul>	<p><b>Open</b></p>	<ul style="list-style-type: none"> <li>Embedding Risk Management and Risk Management Framework across the Council is progressing well.</li> <li>Monthly reports are provided to all Portfolios and Chief Officer Team.</li> <li>The Performance and Risk Management Team have undertaken in-depth review of some portfolios risk register and further in-depth reviews planned for the remainder of the financial year.</li> <li>The annual review of Risk Management Framework has commenced and will be presented to Governance and Audit Committee in January 2025.</li> <li>Reports to Cabinet and Overview and Scrutiny Committees will be presented in January 2025, rather than the original proposed timeframe of Autumn 2024, so it aligns with the reporting of the Risk Management Framework.</li> <li>The Risk Management e-learning module was rolled out in September 2024.</li> </ul>	<p><b>Green</b></p>
<p>Red / Limited Assurance Audit – Deferred Charges and Management of Residential Care Liabilities</p>	<ul style="list-style-type: none"> <li>Full Action Plan has been developed and shared with Governance and Audit Committee in April 2024</li> </ul>	<p><b>Open</b></p>	<p>Most actions have been completed; however, Audit Committee will be receiving an update on 22<sup>nd</sup> January and the RAG needs to remain RED until after this date, when it will be reviewed.</p>	<p><b>Red</b></p>
<p>Red / Limited Assurance Audit – Recycling Targets</p>	<ul style="list-style-type: none"> <li>Full Action Plan has been developed and will be shared with Governance and Audit Committee in July 2024</li> </ul>	<p><b>Open</b></p>	<p>Due to the current risk of infraction fines and inability to achieve statutory targets, this has been highlighted as a strategic risk rated red for the Authority. As this has been reported as a strategic red risk, an internal audit was</p>	<p><b>Red</b></p>



Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
			<p>undertaken on the service during 2023-2024 to identify the reasons for the failure to meet recycling targets and provide assurance that the Council is taking effective steps to mitigate the risk. This audit has an assurance rating of red with four clear actions identified that the Council will need to take to mitigate the potential of fines and increase recycling performance. A copy of the internal audit report was presented to the Governance and Audit Committee in July 2024 and those actions are now being progressed accordingly.</p>	

## Progress updates for significant Strategic issues reported in the 2023/24 AGS

The review of the effectiveness of the Council’s governance arrangements identified 19 Strategic issues (red risks) during 2023/24. Progress updates of how the issues have been addressed and if they remain open is provided below:

Strategic issues for 2023/24	Inherent Risk Score	Current Risk Rating	Target Risk Score	Mitigation Actions	Current Status	Progress Update
<p><b>EY01</b> - Secondary schools are not financially viable due to insufficient base funding and falling pupil numbers</p> <p><b>New code as of 2023/24 - REY01</b></p>	15	20	15	<ul style="list-style-type: none"> <li>Challenge and support meetings with Headteacher/School Business Manager and regular budget monitoring sessions with schools to confirm adherence to licensed deficit protocol</li> <li>Financial Performance Monitoring Group meetings</li> <li>Schools’ pupil funding Formula review</li> <li>Local Authority approval mechanisms for recruitment in schools with budget deficits</li> </ul>	Open	Budgetary challenge meetings are well underway with those schools identified in a budgetary deficit with clear advice being given by officers to headteachers about deficit reduction strategies. Licensed deficit plans are being rejected if they are insufficiently detailed or extend beyond the three year recommended period.
<p><b>EY13</b> - Inability to fully deliver on Welsh Government's Sustainable Communities for Learning Programme due to financial, workforce and contractor implications</p> <p><b>New code as of</b></p>	15	9	15	<ul style="list-style-type: none"> <li>Effective project plans, project risk register and Project Officers in place ensure projects are progressing within budget and timescales with regular reports to Education programme and Capital and Assets Programme Boards to track progress</li> <li>Regular dialogue with North</li> </ul>	Open	Ability to deliver the programme in full remains a risk due to delays to construction methodologies for one project impacting on the contractual practical completion date of the building, handover and availability the new school facilities as noted in the current construction programme. Also construction methodologies and works

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<p><b>2023/24 - REY13</b></p>				<p>Wales Construction Partnership contractors and supply chain</p>		<p>negatively impacting on the compliance and warranty of the building for a project – there are significant developing risks that the contractor is unable to meet some of the Council's construction requirements.</p>
<p><b>EY36 - External Grants for Revenue Expenditure</b></p> <p><b>New code as of 2023/24 – REY36</b></p>	<p>15</p>	<p>15</p>	<p>15</p>	<ul style="list-style-type: none"> <li>Monitoring of Welsh Government grant funding streams through Portfolio Finance Meetings and to escalate cost pressures arising from grant reductions.</li> </ul>	<p><b>Open</b></p>	<p>Portfolio continues to monitor grant expenditure but timing of grant details from Wales Government makes medium-long term planning of services difficult.</p>
<p><b>REY37 - Lack of resources/capacity to meet increasing demand for specialist provision, means children and young people with complex educational needs are not accessing appropriate education provision</b></p> <p><b>New risk for 2023/24</b></p>	<p>8</p>	<p>15</p>	<p>8</p>	<ul style="list-style-type: none"> <li>Options for an increase in specialist school provision by use of Welsh Government grant funding; using grant funding to increase number of places within resource provision in secondary sector</li> </ul>	<p><b>Open</b></p>	<p>The demand for specialist provision continues to outstrip the availability of places. Cabinet have approved that the Authority proceeds to statutory consultation on increasing provision within specialist schools sector and increasing secondary specialist resource provision in two high schools.</p>
<p><b>CG02 - Significant Loss of Corporate data and systems due to security / environmental / Technical incident</b></p> <p><b>New code as of 2023/24 - RGV01</b></p>	<p>20</p>	<p>15</p>	<p>12</p>	<ul style="list-style-type: none"> <li>Use of Citrix technologies provides a secure environment which delivers the majority of our business systems</li> <li>Maintain a second active datacentre allows for the continual provision of critical systems</li> <li>Utilise strong security controls,</li> </ul>	<p><b>Open</b></p>	<p>The introduction of software to identify a Ransomware attack earlier in the year has slightly reduced the likelihood of disruption and work on mitigation actions continues, including Citrix technologies to deliver systems continuing to be used, a second data centre for the continuous provision of critical systems and</p>

				<p>vulnerability management and delivery mechanism to reduce this risk</p> <ul style="list-style-type: none"> <li>• Development of Cyber incident response and recovery plan</li> <li>• Regular review and testing of IT Disaster Recovery Plan</li> <li>• Identify list of critical business applications</li> <li>• Complete full review on IT Security Policies</li> </ul>		<p>continued use of strong security control, delivery mechanism are being performed and ongoing review of IT Disaster Recovery Plan.</p>
<p><b>GO10</b> - Failure to meet agreed deadlines within the Digital Strategy</p> <p><b>New code as of 2023/24 - RGV03</b></p>	<b>15</b>	<b>12</b>	<b>6</b>	<ul style="list-style-type: none"> <li>• Investigate the potential for automation to free up resource within the IT Service</li> <li>• Continue with the DSB prioritisation process to reduce burden at any one time</li> </ul>	<b>Open</b>	<p>The ability to achieve deadlines within the Digital Strategy remains dependent on capacity within the Portfolio leading the project as well as both IT services. It is also impacted by the actions of external suppliers, regional partners and other stakeholders, as well as the Authority's ability to invest financially. Opportunities to release capacity in some areas of IT through automation are being explored but have yet to be fully scoped or resourced. A funding bid to support this has been approved and new Microsoft licenses are being purchased to unlock this. Work to prioritise new projects proposed via the Digital Strategy Board continues but implementation timescales are often protracted as no additional resource accompanies these pieces of work. New assessment criteria has been incorporated around savings that would be delivered and an evaluation of value</p>

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						for money.	
Page 401	<p><b>NR03</b> - The Council is unable to meet its homelessness statutory obligations due to shortages in staff, budgetary pressures, and lack of available accommodation</p> <p><b>New code as of 2023/24 – RHC09</b></p>	15	20	12	<ul style="list-style-type: none"> <li>• Monitor demand for homeless services with a view to informing workforce, prevention activities and homeless accommodation planning</li> <li>• Monitor levels of emergency accommodation with a view to informing workforce, move-on activities and homeless accommodation planning</li> <li>• Monthly financial review of budgets to monitor current expenditure and project in-year and future pressures</li> </ul>	Open	<p>Risks associated with homelessness remain high. Demand for service continues to be high and has increased significantly in recent years. Numbers of households has also increased significantly in recent year, however numbers have stabilised from the start of the year to the half year point. A recent Independent Review of Homelessness Services in Flintshire has re-affirmed that the Council provides good quality homeless and housing advice and support services but there is a need to bolster staffing levels to respond to increases in demand and to maximize opportunity for service transformation. It is hoped that the successful delivery of the Housing Support &amp; Homelessness Service Restructure by the end of the financial year will support a reduction in expenditure of homeless accommodation and lead to a reduction in Risk Rating.</p>
	<p><b>NR04</b> - The Council does not have access to sufficient/adequate/right type of housing supply to meet the demands of those individuals on the common housing register and due to the</p>	15	15	12	<ul style="list-style-type: none"> <li>• Monitoring Common Housing Register data to ensure the Local Authority has strategic oversight for housing needs to include future build plans and redevelopment of housing stock and/or future policy changes</li> <li>• Ensure Common Allocations Policy adhered to when assessing housing needs and</li> </ul>	Open	<p>Unmet housing needs due to insufficient social housing and disparity between applicant need and local supply remains a challenge. Availability of social housing has reduced over recent years with fewer properties available annually across both Council stock and Housing Association stock. Over supply of sheltered housing continues to be a challenge for the Council. Levels of Notices issued by local</p>

<p>increase in the levels of homelessness.</p> <p><b>New code as of 2023/24 – RHC10</b></p>				<p>eligibility for Common Housing Register</p> <ul style="list-style-type: none"> <li>• Use Common Housing Register data to inform Housing Strategy and redevelopment and new build plans for affordable housing as annually through the Housing Prospectus</li> <li>• Monitor notices from within the private sector resulting in homeless presentations to inform future engagement strategies for landlords and agents and scope for purchase options on the back of recent changes from Welsh Local Government Association (WLGA) on the Social Housing Grant (SHG) programme</li> <li>• Monitor expenditure on homeless emergency accommodation with a view to informing financial risk and MTFS / budget planning</li> </ul>		<p>landlord has stabilised following a significant peak in the Summer of 2023 as the final stages of new legislation for renting in Wales (Renting Homes Wales Act 2016) were implemented. Single people under the age of 50 still make up a significant proportion of the Common Housing Register applicant base and the local homeless cohort, yet there is limited 1 bed social housing available every year and private rental costs continue to be high. Relationship breakdown and asked to leave by friends or family continue to be some of the main reasons for people requiring housing and homelessness support in Flintshire. Positive work is being undertaken to improve supply of homes to meet local needs, but there are few quick fixes to a challenge that has been decades in the making. The Council continues to make good use of capital funding from Welsh Government to acquire and build the new homes we need.</p>
<p><b>NR05</b> – Delays in pre-construction process due to planning and Sustainable Drainage Approval Body (SABS) applications</p> <p><b>New code as of 2023/24 – RHC11</b></p>	20	9	8	<ul style="list-style-type: none"> <li>• Monitor programme deliverables in line with agreed timescales and budget</li> <li>• Delivery risks to be highlighted at regular intervals to Housing Programme Board, Assets Board and Chief Officer of Housing and Communities and any mitigating actions</li> </ul>	<b>Open</b>	<p>We are monitoring programme deliverables in line with agreed timescales and budget, delivery risks are highlighted as required and mitigating actions are identified and implemented. Key milestones in pre-construction are monitored on a scheme-by-scheme basis with the development teams for the Council projects and Registered Social</p>

<p><b>Updated description -</b> Delays in pre-construction process due to planning and sustainable drainage approval body (SABS) applications may lead to late delivery of schemes, and loss of Social Housing Grant (SHG) within the annual PDP allocation</p>				<ul style="list-style-type: none"> <li>identified and implemented</li> <li>Key milestones in pre-construction to be monitored on a scheme-by-scheme basis with the development teams for Flintshire County Council (FCC) projects and Registered Social Landlords (RSL) partners for the PDP (Planned Development Programme). These will be Welsh Government technical approval, planning approval, SABS approval, contractor appointment and scheme approval</li> <li>Mitigations will be realistic time assumptions for SABS, Welsh Government technical approval and planning processes, resource, redeployment to address "pinch points" and adjustment to PDP to bring forward alternative schemes to maximise SHG allocations to FCC</li> </ul>		<p>Landlords (RSL) partners for the PDP (Planned Development Programme).</p> <p>Mitigations do have realistic time assumptions for SABS, Welsh Government technical approval and planning processes. If required resources are used to address "pinch points" and to adjust the PDP to bring forward alternative schemes to maximise Social Housing Grant allocations to the Council. In addition, Acceptable Cost Guidance (ACG) have been adjusted to reflect the higher costs of construction. Delivery of some schemes is later than initially intended but earlier than had been forecast in the interim period. Significant impediments to pre delivery and post-delivery have reduced. Risk diminished as ACG's uplifted to reflect higher costs, additional grant by Welsh Government provided, phosphate issue addressed, and SABS team strengthened, monitoring of scheme by target dates and delivery dates of completions now on track.</p>
<p><b>RPE03</b> - Unable to regenerate Town Centres through implementation of the Town Centre Strategy due to insufficient resources and wider economic</p>	<b>9</b>	<b>12</b>	<b>4</b>	<ul style="list-style-type: none"> <li>Develop new place making plans to set out future actions in each town. Each plan to be based upon refreshed data analysis, commercial assessment and community consultation</li> <li>Manage expectations from</li> </ul>	<b>Open</b>	<p>The Regeneration Service has been very successful so far in 2024/25 in securing and deploying external funding for town centre regeneration. To date, £2.5m has been secured which will help to bring 6 vacant town centre properties back into use and improve 12 other properties. The</p>

<p>trends</p> <p><b>New risk for 2023/24</b></p>				<p>stakeholders by differentiating between aspirations and agreed actions with resources</p> <ul style="list-style-type: none"> <li>• Monitor the progress of the place making plans and availability of resources for their delivery</li> </ul>		<p>team is also well advanced with the development of Place Making Plans in the 7 Flintshire towns which will enable access to Welsh Government funding in the future. The team are supporting a range of private sector property owners and investors with their development work which may generate future investment projects.</p> <p>The team has been successful in growing the scale and value of regeneration delivery due to temporary investment by the Council in staff capacity. This enabled greater project development and bid writing to take place. This funding is due to come to an end in 2025/26 which will radically limit the ability of the Council to secure further investment.</p>
<p><b>RPE55</b> - Inability of the Council to cost its carbon reduction strategy causing issues with identification and commitment of funds to realise the actions needed to become a net zero carbon Council.</p> <p><b>New risk for 2023/24</b></p>	<p style="text-align: center;"><b>12</b></p>	<p style="text-align: center;"><b>9</b></p>	<p style="text-align: center;"><b>4</b></p>	<ul style="list-style-type: none"> <li>• Work with Welsh Government, Welsh Local Government Association and other Welsh local authorities to understand and utilise best practice methods for costing carbon actions. Keep abreast of emerging technological solutions and cost implications of same. Where possible, utilise baseline data to forecast costs of associated decarbonisation works.</li> </ul>	<p style="text-align: center;"><b>Open</b></p>	<p>This risk finding was identified in a recent audit. Management agreed that, where possible, the current plan has been costed as far as practical, and further costing will take place as and when the tools/methodology exist to do so. Climate actions have been included in the MTFS and Capital works programme and will continue to be added as and when the information is available.</p>



<p><b>SS01</b> – Expenditure on out of county placements increases as placement costs increase in a demand led market.</p> <p><b>New code as of 2023/24 – RSS01</b></p>	16	16	9	<ul style="list-style-type: none"> <li>• Working with local providers to reshape the residential market</li> <li>• Maximising local housing options</li> <li>• Work continues to look at expanding our in house options and progress further residential provision based on need.</li> <li>• Exit from Care work to begin through a multiagency panel.</li> </ul>	<b>Open</b>	<p>We are continuing to work with local providers to reshape the residential market, including continuing to look at our options for developing further residential provision in hours.</p> <p>The Exit from Care work involves partner agencies working together to develop safe options for children leaving the care system.</p>
<p><b>SS22</b> - An insufficient supply of placements leads to young people being placed in unregistered settings</p> <p><b>New code as of 2023/24 – RSS22</b></p>	16	16	9	<ul style="list-style-type: none"> <li>• Implement Multiagency Support Team to work with families of young people on the edge of care and prevent placement breakdown</li> <li>• Combat exploitation through the Strategic and Operational MET (Missing, Exploitation, Trafficking) group</li> <li>• Develop policies and models to attract new foster carers and expand the type of placements offered</li> <li>• Working with local providers to reshape the residential market</li> <li>• Maximising local housing options</li> <li>• Unaccompanied asylum seeking children (UASC) is an increasing risk for placement costs and are included in the scope of expanding our in house residential.</li> </ul>	<b>Open</b>	<p>We have a number of mitigating actions with the aims of reducing the number of children coming into care, supporting existing placements to prevent breakdown, combating exploitation, recruiting and developing our in house foster carer pool, and maximizing local provision and housing options, and these plans include solutions for accommodating an increasing number of unaccompanied asylum seekers.</p>

<p><b>ST-S07</b> - Inability to achieve national recycling targets due to increased residual waste tonnages collected</p> <p><b>New code as of 2023/24 – RST07</b></p>	12	12	2	<ul style="list-style-type: none"> <li>Undertake a review of the Council Waste Strategy to identify improve service delivery methods to minimise residual waste disposal and increase recycling</li> </ul>	<b>Open</b>	<p>The review of the Council’s Resource and Waste Strategy was undertaken and consulted upon earlier in 2024 and a new strategy adopted in March 2024 with an action plan to improve service delivery methods to improve the Council’s recycling performance, maximise resource efficiency, minimise waste, reduce emissions and minimise the risk of infraction fines. The risk has been reviewed and the risk scoring, and risk comment remains the same this month.</p>
<p><b>CF18</b> - Impact on the stability of the Medium-Term Financial Plan of increases in service demand, high inflation and reduced future Welsh Government Local Government Settlements</p> <p><b>New code as of 2023/24 – RCF18</b></p>	20	20	9	<ul style="list-style-type: none"> <li>Regular monitoring and reporting of the financial impact across the organisation</li> <li>Analysis of funding support announcements by WG in line with above</li> <li>Consideration of the impacts and measures required at Chief Officer Team and MTFS Programme Co-ordinating Group on a regular basis</li> <li>Engagement with Society of Welsh Treasurers (SWT) to gain all Wales position</li> <li>Regular liaison with WLGA contacts re escalation with Welsh Government</li> </ul>	<b>Open</b>	<p>The assumptions for 2025/26 is for a projected range of 1% to cash flat settlement from Welsh Government, whilst pressures and the cost of delivering services has risen by £38m.</p> <p>No further information is available on the likely Welsh Government funding settlement for 2025/26. The draft Welsh Government budget is scheduled for 10 December and Provisional Settlement scheduled for 11 December. The UK Budget announcement is scheduled on 30 October.</p>
<p><b>RCF09</b> - Sufficient funding capacity to meet Welsh Housing Quality</p>	20	20	10	<ul style="list-style-type: none"> <li>Finance and service area are working to assess financial impact and mitigation options, findings reported through to</li> </ul>	<b>Open</b>	<p>The standard focuses on affordable warmth with a target energy pathway of EPC ‘C’. In support of the target Welsh</p>

<p>Standards 2.0 targets</p> <p><b>New risk for 2023/24</b></p>				<p>Senior Management Team, Programme Board and Chief Officer Team</p>		<p>Government have asked Landlords to advise on how they will meet net zero carbon by 2027. Welsh Government have asked Landlords to assess their stock and produce energy pathways for homes by 2027 and work is ongoing in this area, once this is complete work will progress with WG to assess financial affordability options for local authorities.</p>
<p><b>CPA01</b> - Impact of restructuring and efficiency savings over time. Resulting in reduction in HR to point where fulfilling current and increasing service demand is untenable</p> <p><b>New code as of 2023/24 – RCPA01</b></p> <p><b>New description 2023/24</b> – Difficulties in fulfilling workload, recruiting and retaining the right/qualified staff and the impact on the existing workforce. This is a result of multiple factors such as: reduced human resource as a result of historic</p>	<p><b>15</b></p>	<p><b>6</b></p>	<p><b>4</b></p>	<ul style="list-style-type: none"> <li>• Commission service delivery, with supporting budget</li> <li>• Explore different ways of working</li> <li>• Review workload/demand and resource</li> </ul>	<p><b>Open</b></p>	<p>The Team Leader, Corporate Maintenance position was successfully filled. There are vacancies within Design consultancy , however, any proposed appointment/s are on hold due to limited capital projects coming forward.</p>

<p>restructuring and efficiencies; workforce demographics; loss of professional qualified employees</p>						
<p><b>RCPA09</b> - Compliance with carbon targets for corporate assets/ property</p> <p><b>New risk for 2023/24</b></p>	<p><b>20</b></p>	<p><b>10</b></p>	<p><b>4</b></p>	<ul style="list-style-type: none"> <li>• All corporate offices have a Building Management System (BMS) . Ty Dewi Sant BMS is being upgraded and will be completed in 24/25 financial year</li> <li>• Building Management systems are being installed in schools, as of May 2024 this project is 80% complete</li> <li>• All new Schools and care homes being constructed will be achieving the Net Zero Carbon requirement, examples being; Mynydd Isa Campus, Ysgol Croes Atti, Flint and the new Croes Atti residential care home</li> <li>• The annual Capital Repair and Management programme routinely undertake projects, such as reroofing (and in doing so insulation is brought up to the required standard), single glazed windows to be replaced by thermally efficient units</li> <li>• The phase out of oil boilers within the school’s portfolio has been completed and other</li> </ul>	<p><b>Open</b></p>	<p>The Council has agreed and will be undertaking a Refit Programme, this is contained within the Capital programme. The aim is to achieve an annual CO2 savings of 481 tonnes. A mini-Competition has been held for the Refit Framework for Energy Efficiency and Performance Optimisation for Flintshire County Council with the successful tenderer being Asset Plus Energy Performance Limited. Officer will now work with the successful tender to realise the carbon reduction programme, phase 1.</p>

				<p>boilers within the school's portfolio to be replaced with the most efficient product available</p> <ul style="list-style-type: none"> <li>The Council has agreed and will be undertaking a Refit Programme, this is contained within the Capital programme. The Aim is to achieve an annual CO2 savings of 481 tonnes</li> <li>To implement the proposed office rationalisation project in order to further reduce the Council's CO2</li> </ul>		
<p><b>RCPA13</b> - Lack of resource to respond swiftly to increasing demand of capital projects with grant funding requiring swift/in-year spend. May result in loss of grant funding and/or high-profile project failure</p> <p><b>New code as of 2023/24 – RCPA13</b></p>	<p>15</p>	<p>15</p>	<p>9</p>	<ul style="list-style-type: none"> <li>Commissioning services need to challenge via established routes</li> </ul>	<p><b>Open</b></p>	<p>Currently managing resources based on current workload and those workloads that are in the pipeline.</p>

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday, 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Governance and Audit Committee Annual Report
<b>Report Author</b>	Chair of the Governance and Audit Committee
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', there is a requirement for the Governance and Audit Committee to be held to account by the Council for the work they undertake. To support this the Governance and Audit Committee's terms of reference were amended in 2018 to include a requirement for the Committee to prepare a yearly report to the Council on its achievements and demonstrate its accountability.

The Governance and Audit Committee's Annual Report for 2023/24 (Appendix A) provides the Council with the necessary information to meet this requirement.

### RECOMMENDATIONS

1	The Committee considers and endorses the annual report for 2023/24 prior to its submission to Council for approval on 04 December 2024.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT</b>
1.01	<p>In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', the Governance and Audit Committee has an important role within the Council's governance structure and in promoting the principles of good governance.</p> <p>An equally significant part of this role is for the Governance and Audit Committee to demonstrate its accountability. Accountability should be considered under three aspects:</p>

	<ol style="list-style-type: none"> <li>1) Supporting the Council’s accountability to the public and stakeholders;</li> <li>2) Supporting accountability within the Council; and</li> <li>3) Holding the Governance and Audit Committee to account.</li> </ol>
1.02	<p>The Governance and Audit Committee’s Annual Report (Appendix A) is designed to provide assurance to the Council in holding the Committee to account. In particular:</p> <ol style="list-style-type: none"> <li><b>1) Supporting the Council’s accountability to the public and stakeholders</b> <ul style="list-style-type: none"> <li>– For the last twelve months each Governance and Audit Committee meeting has been held remotely and webcast with all Committee papers available on the Council’s website.</li> </ul> </li> <li><b>2) Supporting accountability within the Council</b> <ul style="list-style-type: none"> <li>– Through the review of those reports received by Governance and Audit Committee, the Committee holds to account those responsible for the implementation of management actions and their supporting action plans. In addition to this, the Committee oversees the process for evaluating and improving governance, risk, financial management and control.</li> </ul> </li> <li><b>3) Holding the Governance and Audit Committee to account</b> <ul style="list-style-type: none"> <li>– The Committee has fulfilled its agreed Terms of Reference and adopted the recommended best practice;</li> <li>– Members of the Governance and Audit Committee have assessed their own development needs and taken the opportunity to attend briefing and training sessions;</li> <li>– The Committee has assessed its own effectiveness in February 2024, developed an action plan and monitors progress; and</li> <li>– The Committee demonstrates they have a positive impact on the improvement of governance, risk, financial management and control within the Council.</li> </ul> </li> </ol>
1.03	<p>The annual report provides the Council with an overview of the:</p> <ul style="list-style-type: none"> <li>• Work undertaken by the Committee and its effectiveness against the main areas of the Committee’s Terms of Reference;</li> <li>• Internal Audit opinion for 2023/24;</li> <li>• Committee’s membership and attendance;</li> <li>• Training and Development; and</li> <li>• Future Priorities.</li> </ul>
1.04	<p>Once the Committee has endorsed this report, the Annual Report will be presented to Council for consideration and approval at the 04 December 2024 meeting.</p>
<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	The draft annual report for the Governance and Audit Committee has been shared with the Chief Executive, Chief Officer Governance, Democratic Services Manager and Chair of the Audit Committee.
<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The Governance and Audit Committee is integral to promoting an effective risk management framework within the Council.
<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Governance and Audit Committee Annual Report.
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill - Internal Audit, Performance and Risk Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>
<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Risk Management:</b> the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p><b>Internal Control:</b> Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p> <p><b>Financial Management:</b> the planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p>

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# Governance and Audit Committee Annual Report



2023/24

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Date	Approved By	Version
25/11/2024	Governance and Audit Committee	Draft
04/12/2024	Flintshire County Council (planned)	Final

## Foreword by Brian Harvey, Current Chair of the Governance and Audit Committee (Vice Chair as at 31<sup>st</sup> March 2024)

I am pleased to present the Annual Report of the Governance and Audit Committee which outlines the Committee's work and activities for the year ending 31<sup>st</sup> March 2024. Whilst I was not Chair of the Committee during 2023/24, I was the Vice Chair.

The Governance and Audit Committee is a key part in the Council's governance framework to provide independent oversight on the effectiveness of the Council's governance, risk, financial management, and internal control arrangements. This has continued throughout this financial year.

The Committee has continued to receive valued professional reports, support and advice from Accountancy, Treasury Management, Risk Management, Corporate Business and Communications, Internal Audit and External Audit (Audit Wales). Additionally, we have invited Chief Officers and Service Managers to attend Governance and Audit Committee to respond to concerns raised by members or through various reports, such as those presented by Internal and External Audit. In addition to formal meetings of the Committee, members have participated in a small number of workshops which have informed the work of the Committee. The Chair and Vice Chair attended training courses run by the Welsh Local Government Association.

The Committee has continued to be active again this year in ensuring that management actions following Internal Audit reviews are followed up and have been questioning relevant Officers where progress in taking action has been slow. Delays occurred have largely been due to the limited capacity / resources within the services. As the Council remains in a very challenging financial and operational environment it continues to be important that risk management and internal control arrangements are effective. The Committee will continue with this approach in 2024/25 so as to provide the required assurance to the Council. Apart from the above, there are no other major areas of concern to bring to the attention of Council.



At each meeting we have reviewed our Forward Work Programme ensuring the work mirrors the level of risks and priorities of the Council. Any actions raised during previous Committee meetings are reviewed for completeness.

I would like to thank members and officers who have supported the work of this Committee by presenting, discussing, challenging, and debating solutions to the governance, risk, financial, and control environment of the Council. The Committee has been well attended throughout the year and where apologies have been given a trained substitute member has attended on the members' behalf. Finally, I would like to confirm that there are no areas of concern for the Committee to note or report back on which is reassuring for the Council.

**Brian Harvey**  
Chair of Governance and Audit Committee

## 1 Introduction

The Governance and Audit Committee is a key part in the Council's Governance Framework. It provides independent governance assurance over the adequacy of the Council's governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, the Committee makes an important contribution by ensuring effective assurance arrangements are in place.

How the Governance and Audit Committee fulfils this role is detailed within the Committee Terms of Reference (March 2021). It states that the Governance and Audit Committee's role and functions will be to:

- A** Review the effectiveness of the Authority's systems of corporate governance, internal control, complaints, performance (self-assessment and peer review) and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.
- B** Oversee the reporting of the statutory financial statements to ensure the balance, transparency, and integrity of published financial information, as well as the review of the financial statements prepared by the authority and recommended to County Council; and  
  
Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
- C** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
- D** Report to the Council annually, summarising the Committee's activities and recommendations.

The full Terms of Reference for Governance and Audit Committee are detailed at Appendix A.

In supporting the Governance and Audit Committee deliver its terms of reference, there is a strong contribution from the independent members, the external advisors and regulators and the Internal Audit Service.

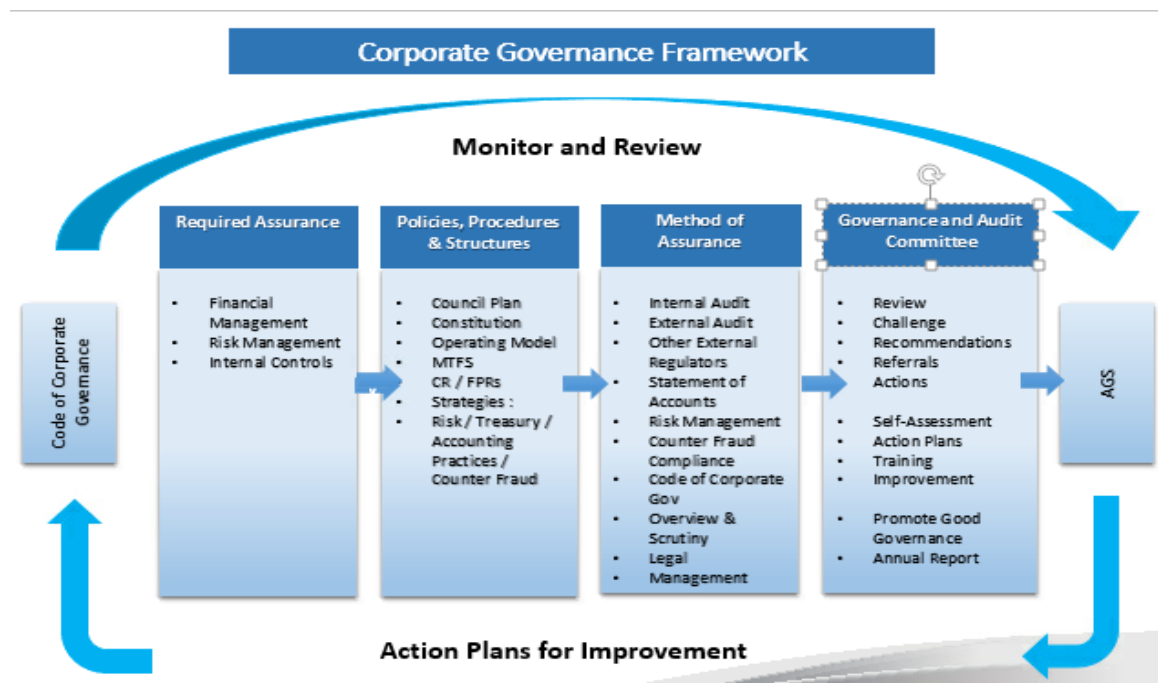
## 2. Work of the Governance and Audit Committee and its Effectiveness

The Committee has worked within its Terms of Reference, which includes the requirement to monitor and review governance, risk management, financial management and internal controls within the Council to ensure there is an appropriate and effective framework in place. This process is demonstrated in Graphic 1 below.

The Governance and Audit Committee provides the Council with an independent opinion of the effectiveness of the Governance arrangements within the Council including those of the internal and external audit function.

As referred to above, the Governance and Audit Committee’s Terms of Reference is split into four main areas referenced A-D. Within tables 1-4 below the Governance and Audit Committee demonstrates how it has met and fulfilled its Terms of Reference by receiving, reviewing, challenging, noting, and accepting the following reports.

**Graphic 1 – Corporate Governance Framework**





**Table 1 – Terms of Reference A**

<b>TOR A: To review the effectiveness of the Authority’s systems of corporate governance, internal control, complaints, performance (self-assessment and peer review) and risk management</b>		
<b>Committee Date</b>	<b>Report Received</b>	<b>Committees Resolution</b>
14/06/2023	Audit Wales review of Commissioning Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board	That Members note the completed and ongoing actions in response to the Audit Wales report.
14/06/2023	Estyn Inspection of Adult Community Learning (ACL) within the North East Wales Adult Community Learning Partnership	That the Committee notes the findings of the Estyn Inspection and is assured by the positive outcomes for adult community learning provision in Flintshire.
14/06/2023	Draft Annual Governance Statement 2022/23	That the Annual Governance Statement 2022/23 be attached to the Statement of Accounts and recommended to Council for adoption.
14/06/2023	Annual audit summary for Flintshire County Council	That the Committee is assured by the content and observations of the Auditor General for Wales’ Annual Audit Summary Report for 2022.
14/06/2023	Risk Management Update	That having been assured that risks have been managed throughout the year, the Committee accepts the report and agrees that the level of information Required is as suggested by the Internal Audit, Performance & Risk Manager.
14/06/2023	Internal Audit Charter	That the updated Internal Audit Charter be approved.
14/06/2023	Internal Audit Annual Report 2022/23	That the report and Internal Audit annual opinion be noted.
14/06/2023	Internal Audit Progress Report	<ul style="list-style-type: none"> <li>• That the report be accepted; and</li> <li>• That the officer responsible for Highways be invited to attend in July 2023 to update the Committee on progress with Amber Red overdue actions identified within the report.</li> </ul>
27/09/2023	School Reserve Balances Year Ending 31 March 2023	That the level of school reserves as at 31 March 2023 and overview of schools’ Current financial position be noted.
27/09/2023	Audit Wales - Flintshire County Council Detailed Audit Plan 2023	That the Audit Wales, Flintshire County Council - Detailed Audit Plan 2023 be approved.
27/09/2023	Corporate Self-Assessment 2022/23	<ul style="list-style-type: none"> <li>• That the findings of the Corporate Self-Assessment 2022/23 be accepted and approved; and</li> </ul>



		<ul style="list-style-type: none"> <li>That the opportunities for improvement identified in the Corporate Self-Assessment 2022/23 be approved.</li> </ul>
27/09/2023	Internal Audit Progress Report	<ul style="list-style-type: none"> <li>That the report be accepted;</li> <li>That the Housing service share a report on progress with outstanding actions from the audit on Maes Gwern Contractual Arrangements; and</li> <li>That an item on the current status of overdue actions under Housing &amp; Communities and Streetscene &amp; Transportation be shared at the next meeting.</li> </ul>
22/11/2023	Asset Disposal and Capital Receipts Generated 2022/23	That the report is noted.
22/11/2023	Public Services Ombudsman for Wales Annual Letter 2022/23 and Complaints made against Flintshire County Council during the First Half of 2023/24	<ul style="list-style-type: none"> <li>That the Committee notes the improving annual performance of the Council in respect of complaints made to the Public Services Ombudsman for Wales during 2022-23;</li> <li>That the Committee notes the half year performance of the Council (2023-24) in respect of complaints made to services in line with the concerns and complaints procedure;</li> <li>That the Committee supports the priorities outlined in paragraph 1.24 to continuously improve complaints handling; and</li> <li>That the Committee notes the lessons learned from the developing complaints procedure.</li> </ul>
22/11/2023	Annual Governance Statement 2022/23 Mid-Year Progress Report	That the Annual Governance Statement 2022/23 Mid-Year Progress update be accepted.
22/11/2023	Audit Outstanding Actions	<ul style="list-style-type: none"> <li>That the report and appendix be accepted; and</li> <li>That a further report be scheduled for January 2024 to update the Committee on progress with outstanding audit actions.</li> </ul>
22/11/2023	Report on the investigation to anonymous allegations Received – under exclusion of the press and public	That the report be accepted.
24/01/2024	Audit Outstanding Actions	That the report and appendix be accepted, and that further updates be reflected as part of the Internal Audit Progress Report.
24/01/2024	Audit Wales report - Social Enterprise	That the Committee supports the proposed response to Audit Wales and the supporting documents.
24/01/2024	Risk Management Update	<ul style="list-style-type: none"> <li>That the Committee approves the revised Risk Management Framework (January 2024); and</li> <li>That the Committee accepts the Council’s Strategic Risk Overview Report.</li> </ul>
24/01/2024	Code of Corporate Governance	<ul style="list-style-type: none"> <li>That the updated Code of Corporate Governance be endorsed for adoption as part of the Council’s Constitution;</li> </ul>

24/01/2024	Internal Audit Progress Report	<ul style="list-style-type: none"> <li>That the report be accepted; and</li> <li>That a report be received at the next meeting relating to the position on the DBS service and urgent actions required to address the problems identified.</li> </ul>
10/04/2024	Audit Wales report: Homelessness Services – Flintshire County council	<ul style="list-style-type: none"> <li>That the Audit Wales report into Homelessness Services at Flintshire County Council be noted; and</li> <li>That the Council’s responses to the recommendations of Audit Wales for future monitoring and oversight purposes be noted.</li> </ul>
10/04/2024	Audit Wales assurance and risk assessment review report 2021-22	That the Committee is assured by the content and observations of the Auditor General for Wales’ Assurance and Risk Assessment Review report.
10/04/2024	Disclosure and barring service (DBS) update	<ul style="list-style-type: none"> <li>That the verbal update be noted; and</li> <li>That the risk identified on DBS checks be reflected on the corporate risk register.</li> </ul>
10/04/2024	External Regulation Assurance 2023/24	That the Committee is assured by the Council’s response to external regulatory reports.
10/04/2024	Internal Audit Strategic Plan	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources given the level of assurance required, the Committee approves the Flintshire Internal Audit Strategic Plan for 2024-2027, subject to the date correction in section 1.1.
10/04/2024	Internal Audit Progress Report	That the report be accepted.
22/11/2023	Updated against anonymous allegations - under exclusion of the press and public (Verbal Update)	No resolution made

**Table 2 – Terms of Reference B**

<b>TOR B:</b>	<b>To Oversee the reporting of the statutory financial statement’s process and review and scrutinise the County Council’s financial affairs</b>	
<b>Committee Date</b>	<b>Report Received</b>	<b>Committees Resolution</b>
26/07/2023	Certification of Grants and Returns 2021/22	That the content of the Grant Claim Certification report for 2021/22 be noted.
26/07/2023	Draft Statement of Accounts 2022/23	<ul style="list-style-type: none"> <li>That the draft Statement of Accounts 2022/23 (which includes the Annual Governance Statement)</li> </ul>

		<p>be noted; and</p> <ul style="list-style-type: none"> <li>That Members note the opportunity to discuss any aspect of the Statement of Accounts with officers or Audit Wales from July to August, prior to the final audited version being brought back to the Committee for final approval on 22 November 2023.</li> </ul>
26/07/2023	Supplementary Financial Information to Draft Statement of Accounts 2022/23	That the report be noted.
26/07/2023	Treasury Management Annual Report 2022/23 and Treasury Management Quarter 1 Update 2023/24	<ul style="list-style-type: none"> <li>That the draft Treasury Management Annual Report 2022/23 be noted, with no matters to be drawn to the attention of Cabinet in September; and</li> <li>That the Treasury Management 2023/24 first quarter update be noted.</li> </ul>
27/09/2023	School Reserves Balances Year End 31 March 2023	That the level of school reserves as at 31 March 2023 and overview of schools' current financial position be noted.
22/11/2023	Treasury Management Mid-Year Review and Quarter 2 Update 2023/24	That the Committee notes the draft Treasury Management Mid-Year Report 2023/24 and confirms there are no matters to be drawn to the attention of Cabinet at its meeting in December.
22/11/2023	Asset Disposal and Capital Receipts Generated 2022/23	That the report is noted.
10/04/2024	Statement of Accounts 2022/23	<ul style="list-style-type: none"> <li>That the Audit Wales report - Audit of the Financial Statements 2022/23 - Flintshire County Council be noted;</li> <li>That the final version of the Statement of Accounts 2022/23 be approved, following consideration of the Audit Wales report; and</li> <li>That the Letter of Representation be approved.</li> </ul>
24/01/2024	Treasury Management Strategy 2024/25 and Quarter 3 Update 2023/24	<ul style="list-style-type: none"> <li>That having reviewed the draft Treasury Management Strategy 2024/25, the Committee has no specific issues to be reported to Cabinet on 20 February 2024; and</li> <li>That the Treasury Management 2023/24 quarterly update be noted.</li> </ul>
10/04/2024	Quarter 4 Treasury Management Update 2023/24	That the Treasury Management 2023/24 quarterly update be endorsed.

**Table 3 – Terms of Reference C**

<b>TOR C: To monitor the performance and effectiveness of the internal and external audit functions</b>		
<b>Committee Date</b>	<b>Report Received</b>	<b>Committees Resolution</b>
14/06/2023	Internal Audit Charter	That the updated Internal Audit Charter be approved.
14/06/2023	Internal Audit Annual Report	That the report and Internal Audit annual opinion be noted.
14/06/2023	Internal Audit Progress Report	That the report is accepted.
27/09/2023	Audit Wales 2023 Audit Plan	That the Audit Wales Flintshire County Council – Detailed Audit Plan 2023 be approved.
27/09/2023	Internal Audit Progress Report	That the report is accepted.
22/11/2023	Audit Actions Outstanding	<ul style="list-style-type: none"> <li>• That the report and appendix be accepted; and</li> <li>• That a further report be scheduled for January 2024 to update the Committee on progress with outstanding audit actions.</li> </ul>
24/01/2024	Audit Actions Outstanding (Update)	That the report and appendix be accepted, and that further updates be reflected as part of the Internal Audit Progress Report.
24/01/2024	Internal Audit Progress Report	<ul style="list-style-type: none"> <li>• That the report is accepted; and</li> <li>• That a report be received at the next meeting relating to the position on the DBS service and urgent actions required to address the problems identified.</li> </ul>
10/04/2024	Public Sector Internal Audit Standards	That the report be noted.
10/04/2024	Internal Audit Strategic Plan 2024-27	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources given the level of assurance required, the Committee approves the Flintshire Internal Audit Strategic Plan for 2024-2027, subject to the date correction in section 1.1.
10/04/2024	Internal Audit Progress Report	That the report be accepted.
10/04/2024	Private meeting between members, Internal Audit Manager and Audit Wales	N/A

**Table 4 – Terms of Reference D**

<b>TOR D:</b>	<b>To report to the Council annually, summarising the Committee’s activities and Recommendations (<i>demonstrating the Committees’ effectiveness</i>)</b>	
<b>Date of Committee</b>	<b>Report Received</b>	<b>Committees Resolution</b>
22/11/2023	Governance and Audit Committee Annual Report	That, subject to the inclusion of a sentence to be agreed with the Chair, the Annual Report for 2022/23 be endorsed prior to its submission to Council for approval on 6 December 2023.
14/06/2023	Governance and Audit Committee Self-Assessment – Action Plan	That the report be accepted
10/04/2024	Governance and Audit Committee Self-Assessment	<ul style="list-style-type: none"> <li>• That half yearly updates on the action plan be scheduled in the Forward Work Programme;</li> <li>• That the Chair and Vice-Chair be invited to meetings with the Overview &amp; Scrutiny Chairs; and</li> <li>• That an informal pre-meeting takes place prior to the next meeting in June.</li> </ul>

Any actions raised by Governance and Audit Committee after reviewing and considering these reports are detailed at Appendix B. The level of review and requests for additional information has continued to significantly increase on previous year (63 actions in 2023/24; 38 actions in 202/23 and 15 actions in 2021/22) demonstrating the increased level of discussion taking place. Where actions remain open (4 out of 63), these are either ongoing or not due at the point of this report.

In many cases following review by the Committee, the Committee accepted the recommendations made in supporting reports. However, this frequently followed extensive exploration of an issue, detailed questioning and agreed actions. As Appendix B shows the increase in actions from the previous year (63 compared to 38); examples of this included ensuring clear arrangements for follow through after Red/Amber Internal Audit reports; requesting follow updates on Red reports, and external regulatory reports and challenging where actions overdue with key officers. The Chair and Vice Chair also attend a Chief Officers Team meeting to discuss how overdue actions can be progressed.

The Committee’s Forward Work programme for 2024/25 is detailed at Appendix C.

### 3 Internal Audit Opinion

The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Governance and Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. In giving that opinion, it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.

The matters reported in the Internal Audit Annual Report are those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement.

There have been no limitations made on the scope of Internal Audit coverage during the year.

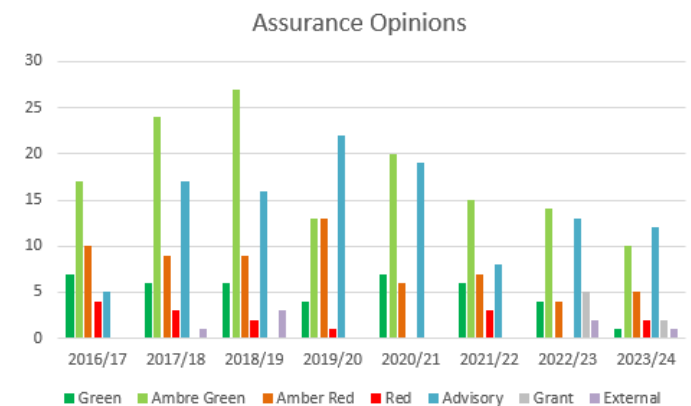
**For the year ending 31 March 2024, based on the work the Internal Audit Service has undertaken my opinion is that Flintshire County Council has, overall, an adequate and effective framework of governance, risk management and internal control.**

During 2023/24 two ‘Red / Limited assurance’ opinions were issued where an urgent system revision was required. The table provides a comparison of the level of individual audit assurances provided.

Whilst the overall assurance opinion remains, it has been noted that there is a reduction in the number of management actions implemented during the financial year to address control weaknesses and risks. This has also been noted in the Governance and Audit Committee’s Annual Report for 2022/23. This is largely due to the available resources.

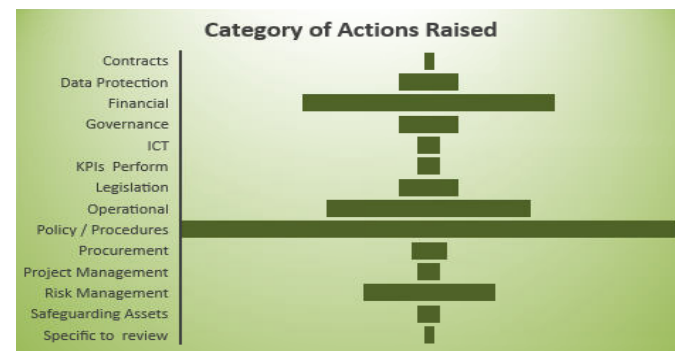
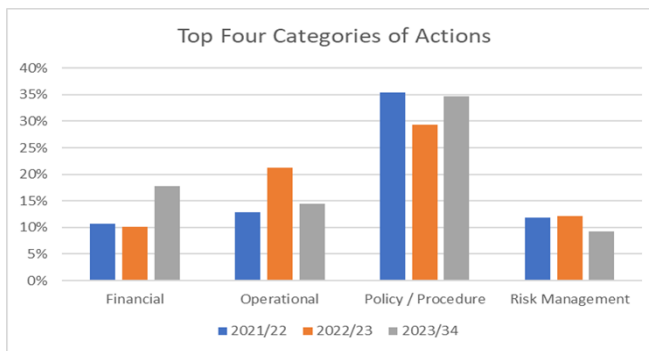
It is important to note that the number of audits completed has reduced to reflect the available resources.

Overall 61% of assurance opinions issued during 2023/24 were either Green or Amber Green providing the Committee assurance that of the audits undertaken this year in the main there are effective arrangements in place for governance, risk management and internal control.



An analysis of the category of actions raised during 2023/24 shows the top four relate to policy / procedures, financial, operational matters, and risk management.

From the graph at the side comparing the last three years, during 2023/34 there has been an increase in financial actions raised whilst there has been a decrease in the number of actions relating to risk management and operational matters and a slight decrease in actions relation to policy procedures. The final chart provides an overview of all categories of actions raised during 2023/24.



In order for the Internal Audit team to be in position to undertake such work and deliver this audit opinion, it has an unfettered high profile role within the Council, and has developed and holds an excellent trusted working relationship with portfolios. The breadth of the work has grown in recent years seeing a significant increase in requests for advisory, consultancy and commissioned work.

#### 4 Governance and Audit Committee Membership and Attendance

For the period of this report, and to comply with Local Government and Elections (Wales) Act 2021 the Council had determined that the membership of its Governance and Audit Committee will consist, from May 2022, of six elected Members and three Independent Lay Members. The Independent Lay Members are usually appointed for a period of five years and Council Members are reappointed annually. The first lay member was appointed in 2017, the second in September 2019 and third in May 2022. To provide some continuity and compliance with the Act it was agreed by Council in May 2023 to further extend the lay members term from May 2023 to 31 May 2026.

The Committee is serviced by Council Officers, principally the Chief Executive, the Chief Officer, Governance (Council’s Monitoring Officer), the Corporate Finance Manager (Section 151 Officer) and the Internal Audit, Performance and Risk Manager. Representatives from Corporate Finance, Performance and Risk, and Audit Wales also attend Audit Committee.

The Governance and Audit Committee met on six separate occasions during 2023/24. For each meeting, the Committee were quorate and there were sufficient Elected Members to generate an informed discussion on the matters raised. The attendance by members of 94.4%, whilst slightly less than previous years, demonstrates their commitment to the Governance and Audit Committee.

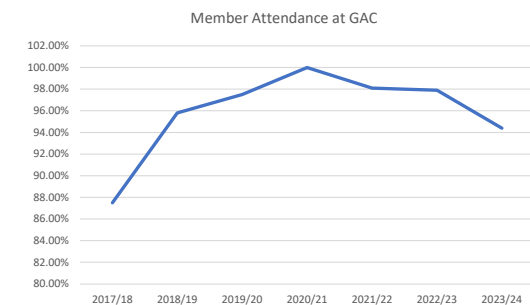
**Table 5 – Governance and Audit Committee Meeting 2023/24**

Members Attendance / Committee Date	14/06/23	26/07/23	27/09/23	22/11/23	24/01/24	10/04/24*	Meetings Attended
A Rainford (Lay Member and Chair)	✓	✓	✓	✓	✓	✓	6
B Harvey (Lay Member and Vice Chair)	✓	✓	✓	✓	✓	✓	6
S Ellis (Lay Member)	✓	✓	✓	✓	✓	✓	6
Cllr B Attridge	✓	✓	✓	✓	✓	✗	5
Cllr G Banks	✓	Apologies	✓	✓	✓	✓	5
Cllr A Marshall	✓	✓	✓	✓	✓	✓	6
Cllr A Parkhurst	✓	✓	✓	✓	✓	✓	6
Cllr L Thomas	✓	✓	✓	✓	Apologies	✓	5
Cllr T Palmer	✓	✗	✗	✓	✓	✓	4
Cllr R McKeown (Sub)	N/A	✓	N/A	N/A	N/A	N/A	1
Cllr G Collett (Sub)	N/A	N/A	N/A	N/A	✓	N/A	1
<b>Total for Committee</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>8</b>	
Other Council Members Present as Observers	3	2	2	2	2	1	

Summary of members attendance at Governance and Audit Committee since 2017/18

\* Due to clashes within the committee schedule the March meeting had to be moved to April.

All members of the Committee, including any substitutes have received the required Governance and Audit Committee training prior to attending their first Governance and Audit Committee meeting. All meetings were held remotely, meetings were recorded, and papers are available on the Council’s website. Officers from the Council’s External Auditors, Audit Wales (AW) were present at most of the meetings





## 5 Self-Assessment, Training and Development

### Governance and Audit Committee Self-Assessment

The last self-assessment was undertaken in February 2023 and considered CIPFA’s guidance for Governance and Audit Committees as part of this assessment. The online self-assessment session was interactive with a positive discussion taking place regarding the delivery of the Committee’s core role and function. Following the self-assessment an action plan was developed and approved and presented to Governance and Audit Committee in April 2024. This will be used to monitor performance.

In October 2019, an All-Wales Chair and Vice Chairs of Governance and Audit Committee Network was established and held in Llandrindod Wells. Since 2020 this has operated remotely. During 2023/24, one session has been held by the Network. Due to a clash in calendar commitments and location (mid Wales) the Chair and Vice Chair of the Governance and Audit Committee were unable to attend.

### Governance and Audit Committee Training and Development

Table 6 - Training courses attended

Topic	Date	Type of Training	Coverage
Governance and Audit Committee Members Training	Not delivered due to no change in membership	Role of Governance and Audit Committee	<ul style="list-style-type: none"> <li>Internal and External Audit</li> <li>Governance - Internal Control, Performance, Risk and Financial Management</li> <li>Local Governance and Elections (Wales) Act 2021</li> <li>Requirements and effectiveness of Governance and Audit Committee</li> </ul>
Statement of Accounts	14/06/2023	Accounts	Presentation and explanation of the Statement of Accounts.
Treasury Management	08/12/2023	Financial	Half day external training session provided on the Council’s approach to Treasury Management.
Chair and Vice Chairs of Audit Committee Network Seminar	Unavailable to attend	Governance; Risk Management and Effectiveness of the Governance and Audit Committee	Half-Day Session covering: <ul style="list-style-type: none"> <li>CIPFA’s Position Statement and guidance</li> <li>Assessing your Committee’s Effectiveness</li> <li>Tricky Areas</li> <li>New requirements for the Governance and Audit Committee from the Local Government and Elections (Wales) Act 2021</li> </ul>
Annual Governance Statement	10/04/2024	Governance	Presentation and explanation of the Annual Governance Statement

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Areas were identified for strengthening the role of the Governance and Audit Committee during the 2023/24 Governance and Audit Committee's self-assessment review. As a means of gathering evidence as to the effectiveness of the Committee and to increase its effectiveness, the Committee approved on 10 April 2024 an action plan which addressed the findings of the previous self-assessment. This will be considered as part of the next self-assessment.

## **6 Future Priorities**

The Committee's Forward Work Programme (Appendix C) will continue to be reviewed to ensure the contribution to governance, risk management, financial management and internal control is maximised.

## Governance and Audit Committee's Terms of Reference

## Appendix A

The Terms of Reference for the Governance and Audit Committee was updated to reflect the name change and the new responsibilities because of the Local Government and Elections (Wales) Act 2021.

### 7.00 Statement of Purpose:

The terms of reference sets out the Governance and Audit Committee's position in the governance structure of the Council.

The Governance and Audit Committee is a key component of Flintshire County Council's (the Council's) corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

### P.01 Role:

The Governance and Audit Committee's role and functions will be to:

- A. Review the effectiveness of the Authority's systems of corporate governance, internal control, complaints, performance (self-assessment and peer review) and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements;
- B. Oversee the reporting of the statutory financial statement's process to ensure the balance, transparency, and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council;  
Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees;
- C. Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context; and
- D. Report to the Council annually, summarising the Committee's activities and recommendations.

**A. Corporate Governance, Internal Control, Complaints, Performance and Risk Management**

1. Evaluate whether Senior Accountable Officers and service teams are setting the appropriate “control culture” by communicating the importance of internal control and risk management.
2. Consider and assure the annual update of the Code of Corporate Governance against the ‘Delivering Good Governance Framework (Wales).’
3. Consider and assure the draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council’s Regulators.
4. Evaluate the overall effective development and operation of the internal control and risk management frameworks and consider whether actions raised by the internal and external auditors have been implemented by Senior Accountable Officers.
5. Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.
6. Monitor progress in addressing risk related issues reported to the Committee.
7. Consider the Council’s framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
8. To review and assess the Council’ ability to effectively handle complaints.
9. To make reports and recommendations in relation to the Council’s ability to handle complaints effectively.
10. To consider the Council’s draft Annual Performance Self-Assessment report and if necessary make any recommendations for changes to the Council.
11. To receive the Council’s finalised Annual Self-Assessment report for the respective financial year as soon as reasonably possible after the end of the financial year.
12. At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report on whether the Council is meeting its performance requirements.
13. To receive and review the Council’s draft response to the report of the independent Panel Performance Assessment and if necessary, make recommendations for changes to the statements made in the draft response to the Council.
14. Keep under review the Council’s Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy and the assessment of fraud risks and potential harm to the Council from Fraud and Corruption.
15. Consider the Council’s arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
16. Receive reports on all fraud identified and any other special investigations, and action taken.

17. Consider how Senior Accountable Officers are held to account for the security of computer systems and applications to protect against computer fraud or misuse.
18. Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
19. Obtain regular updates from Senior Accountable Officers and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.
20. The Chair and Vice Chair of the Governance and Audit Committee together with the Chairs and Vice Chairs of the six Overview and Scrutiny Committees will attend the Chair and Vice Chair Liaison Group with the primary aim to reduce duplication of work, ensure there is a shared coverage of the Council's risk profile and escalate poor performance between respective Committees.

Appendix A of the Audit Charter provides a diagram of the co-ordination of work between the Overview and Scrutiny Committees and Governance and Audit Committee.

## Financial:

### Statutory Financial Statements

1. Receive the draft annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final statement of accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.
2. Understand the controls and processes implemented by Senior Accountable Officers to ensure the financial statements derive from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate review.
3. Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
4. Ensure that significant adjustments, unadjusted differences, disagreements with Senior Accountable Officers and critical accounting policies and practice are discussed with the external auditor.

### Financial Affairs

5. Understand the internal control systems implemented by Senior Accountable Officers and service teams for the approval of transactions and the recording and processing of financial data.

6. Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
7. Keep under review the Council's financial procedure rules and contract procedure rules and all other corporate directions concerning financial control.
8. Review and assure the Treasury Management Strategy and Policy and consider quarterly updates on Treasury Management and make appropriate recommendations / observations to the Cabinet.

### C. Internal and External Audit

1. Keep under review the joint working arrangements of the Council's Internal and External Auditors.

#### Internal Audit

2. Promote the role of internal audit within the Council, as a key element of its control environment.
3. Review and approve the Internal Audit Charter, outlining the role, scope, independence, authority, responsibility and reporting of the department.
4. Keep under review the organisational structure and resource requirements of the Internal Audit Section and consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Internal Audit, Performance and Risk Manager. To approve and periodically review safeguards to limit such impairments.
5. Make appropriate enquiries of both Senior Accountable Officers and the Internal Audit, Performance and Risk Manager to determine if there are any inappropriate scope or resources limitations.
6. Review, approve (but not direct) and monitor the delivery of the risk-based internal audit plan, the approach to using other sources of assurance and any work required to place reliance upon those other sources and ensure the plan considers changes arising from Government, Assembly or Council initiatives.
7. Approve significant interim changes to the risk based internal audit plan and resources requirements.
8. Receive summaries of all internal audit reports issued, highlighting key actions with corporate control implications.
9. Consider reports from the Internal Audit, Performance and Risk Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
  - Updates on the work of internal audit including key findings, issues of concern including monitoring the implementation of agreed actions contained within internal audit reports, receive report on actions not implemented within good timescales and seek explanations from officers where required.

- Regular reports on the results of the Quality Assurance Improvement Programme (QAIP).
  - Reports on instances where the Internal Audit Service does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Governance Advice Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
10. Receive and consider the Internal Audit, Performance and Risk Managers annual report:
    - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
    - The opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement (AGS).
    - Keep performance indicators under review and evaluate, on an annual basis, the performance and effectiveness of internal audit and its compliance with best practice.
  11. Consider summaries of specific internal audit reports as requested.
  12. Receive reports outlining the action taken where the Internal Audit, Performance and Risk Manager has concluded that Senior Accountable Officers and service teams have accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
  13. Contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
  14. Meet separately with the Internal Audit, Performance and Risk Manager to discuss any matters that the Committee or internal auditors believe should be discussed privately.
  15. Should the needs arise, arbitrate in the event of any failure to agree between a Senior Accountable Officers and internal audit.
  16. Discuss with the external auditor the standard of work of internal audit.

### External Audit and External Regulatory Bodies

#### External Audit

17. Support the independence of external audit through consideration of the external auditor’s annual assessment of its independence.
18. Review the external auditors’ proposed audit scope and approach for the current year in the light of the Authority’s present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.

19. Ensure that the annual audit is undertaken in compliance with statutory requirements.
20. Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
21. Consider specific reports as agreed with the external auditor.
22. Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
23. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the Governance and Audit Committee when required.
24. Review, annually, the performance of external audit and co-ordinate any feedback requested from Audit Wales.

#### **External Regulation: Performance**

25. External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies such as the Audit Wales (AW), Estyn and the Care Inspectorate Wales (CIW), plus a number of other external regulatory bodies. To examine how the organisation manages and spends public money including achieving value in delivery. This work is co-ordinated by the Internal Audit, Performance and Risk Management team and a shared protocol for these working arrangements is in place.
26. To gain assurance and confidence of the Council's response to the external regulatory findings the Governance and Audit Committee will:
  - a) Receive periodic reports from external regulators which will include the Council's response to the reports and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
  - b) Receive an annual report collating external regulatory activity on improvement assessment work which is supplemented by local risk based audit work; and
  - c) Receive the Annual Improvement Report from the Auditor General

#### **D. Accountability Arrangements**

1. Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above terms of reference.
2. Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
3. The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the Committee's members require a meeting. Beyond those requirements the Committee can meet whenever it likes.



4. The Governance and Audit Committee will keep the above terms of reference under annual review and propose any amendment to the County Council.
5. Report to full council and publish an annual report on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

### 9.2.3 Composition (As per the Council's Constitution)

1. The Chair and Vice-Chair of the Governance and Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the Governance and Audit Committee will be chosen from amongst the opposition group(s), non-aligned Councillors, or lay member on the Council (that is to say from amongst the group(s) none of whose members are included in the Cabinet). From May 2022 the appointment of the Chair must be from one of the Lay Members appointed to sit on the Committee.
2. The County Council shall appoint two (three from May 2022) people who are neither a serving Councillor nor an officer of the County Council or any other Council to serve as lay members of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual general meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.  
It is the express wish of the Council that there should be continuity of membership of the Governance and Audit Committee so as to build up a body of expertise and maintain a consistency of approach.
4. In recognising the express wish of the Council but observing the requirements of the legislation for political balance, the Governance and Audit Committee will comprise seven (six from May 2022) Members with the seats allocated in accordance with the legislation to the appropriate political groups and one lay member. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the Governance and Audit Committee, at the commencement of its meeting, agrees that good reasons exist for substitution.
5. Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.
6. The business of the Committee shall be conducted apolitically.

Governance and Audit Committee Actions Raised during 2023/24

Appendix B

Ref	Report	Action Required	Action Taken	Status
<b>Carried over from 2022/23</b>				
39.	Risk Management Framework	To share dashboard information with the Committee at the January meeting.	Due to a lack of technical resources within the 'new' team this was moved to November 2023 committee.	Closed
57.	Drury Primary School - Finance Management follow-up	To advise the Committee when the final outstanding action has been completed.	The school has supplied audit with a copy of the signed lease and the action has been marked as implemented and closed. This was the final outstanding action for this audit.	Closed
67.	IA Strategic Plan	To share with the Committee the report on the investigation into the Cabinet meeting in Feb when available	This will be shared once the investigation report has been finalised	Open
<b>14 June 2023</b>				
5.	Minutes	To re-send to Cllr Attridge the email on actions for the Statutory Training audit in SS&T.	The email was resent to Cllr Attridge on 14 <sup>th</sup> June 2023	Closed
6.	AW review of Commissioning Older People's Care Home Placements	To share the latest bed-blocking figures in Flintshire with the Ctte.	This was circulated to members on 23 June 2023.	Closed
6.	AW review of Commissioning Older People's Care Home Placements	To share a follow-up report on progress with actions at a later stage.	This will be provided to members when available	Open
7.	Estyn inspection of ACL	To pass on the Committee's thanks to the team for their work and the positive report.	This has been actioned	Closed
8.	AGS 2022/23	To amend reference to 'lean' in the AGS.	Report amended	Closed
8.	AGS 2022/23	To liaise with Cllr Marshall on his concerns re Contact Centre.	This has been included on the October Forward Work Programme for Corporate Resources Overview & Scrutiny Committee.	Closed
9.	Annual Audit Summary	To review the AW report on 'A Missed Opportunity - Social Enterprises' and liaise with officers with a view to including on the	This was picked up and reviewed at the relevant Portfolio DMT meeting and reported to Governance and Audit Committee in April 2023	Closed

Ref	Report	Action Required	Action Taken	Status
		Audit Plan.		
9.	Annual Audit Summary	That the AW report under the Assurance and Risk Assessment Review heading (p.100 of agenda) be scheduled on the FWP.	AW Assurance and Risk Assessment Report was included within the forward work programme for November 2023	Closed
10.	Risk Management Update	To agree criteria for inviting Chief Officers to address the Committee on their risks as part of the process.	This forms part of the revised RM Framework	Closed
12.	IA Annual Report	To include a note on the assessment of red actions.	This was included for subsequent reports	Closed
13.	IA Progress Report	That the officer responsible for Highways be invited to attend in July 2023 to update the Committee on progress with Amber Red overdue actions identified within the report.	The officer responsible for the Highways actions was invited to the July committee however they were unable to attend. A detailed update was provided to member instead.	Closed
13.	IA Progress Report	To update the Committee on progress with medium overdue actions in Payroll.	This is included within the progress report for actions outstanding.	Closed
13.	IA Progress Report	To invite the responsible officer for Corporate Complaints to the Sept meeting to give an update on progress with actions on the Amber Red report.	The officer responsible for the corporate Complaints actions is unable to attend Septembers committee, however a detailed update has been provided and included within the IA Progress report.	Closed
13.	IA Progress Report	To share a summary of outcomes on investigations 2.1 & 2.2 in closed session on completion of those reviews as requested by Cllr Parkhurst. To share information on completed investigations in private session where requested, i.e. after meetings have ended.	Report provided to Governance and Audit Committee in closed session in November 2023.	Closed
13.	IA Progress Report	To liaise with Planning, Environment & Economy to clarify Cllr Banks' query on how value for money was established when one	Members were provided with a response from the service on 20 September 2023	Closed

Ref	Report	Action Required	Action Taken	Status
		contractor is involved (ref 3379).		
14.	GAC Self-Assessment Action Plan	To share the GAC Terms of Reference with Cllr b T Palmer.	The TOR was shared with Cllr Palmer following the Committee Meeting in June 2023.	Closed
18.	Cyber Resilience	That the item is scheduled for the Corporate Resources Overview & Scrutiny Committee to give assurance on the findings of the Audit Wales report and preparedness of the Council.	This was raised and debated at Corpore Resources Overview and Scrutiny Committee on 14 September 2023.	Closed
<b>26 July 2023</b>				
22.	Draft Statement of Accounts 2022/23	<p>Suggestions for presentation of data in future reports:</p> <ul style="list-style-type: none"> <li>• Extra column to show budget variances for each portfolio on capital programme spend (p.3-5).</li> <li>• Definition of prescribed wording such as 'inalienable assets' (p.25).</li> </ul>	To be included in future versions	Closed
22.	Draft Statement of Accounts 2022/23	<p>To share responses to the Committee on:</p> <ul style="list-style-type: none"> <li>• The difference between the £1.723m rent arrears outturn (p.4) as opposed to the figure on p.31.</li> <li>• Confirmation whether anyone other than NEW Homes has received soft loans (p.60).</li> <li>• Whether the unvalued items in the Archives are covered by insurance and included in the risk register (p.84).</li> <li>• The impact of pension deficits if the Fund disinvested in companies linked to fossil fuels, and any impact on the Council's finances (p.8).</li> </ul>	Responses to the questions raised were circulated to members of the Committee on 19 <sup>th</sup> September 2023	Closed

Ref	Report	Action Required	Action Taken	Status
		<ul style="list-style-type: none"> <li>Explanation on the reduction in receipts from BCUHB and WLGA (p.47).</li> <li>How the interests of senior managers who are directors of companies doing business with the Council are reflected in the accounts - specific example given by Cllr Parkhurst (p.45/46).</li> </ul>		
23.	Supplementary Financial Information to Draft SoA	To include additional columns on tables 1 and 2 for future reports to show spend in the previous year for comparison purposes.	To be included in future versions.	Closed
24.	Treasury Management Annual Report 2022/23 & Q1 Update 2023/24	To clarify the different figures on new debt shown in section 3.02 of the Annual Report - £5.4m in the first table and £5m in the second table.	The £0.4m relates to 'Invest to Save' loans from Welsh Government the Council have received in year relating to specific projects. These are interest free loans and are repaid from the savings generated from the project over an agreed payback period. The £5m is a long-term loan with Council has taken with the PWLB.	Closed
25.	Certification of Grants & Returns 2021/22	To share an update with the Committee on engagement with Civica to resolve the system errors, including any collective approaches with other authorities.	<p>As with any computer system issues do occur from time to time. Each time an issue occurs, a call is raised with Civica. Many of these issues are fixed with support and guidance from Civica, others may require a system update and are then fixed on a future release.</p> <p>In a small number of cases, Civica are unable to provide a fix in the usual way and these are logged as a 'bug'. This is usually the case where we are the only Local Authority to have experienced the issue, and despite investigation Civica are unable to remedy the problem. These are monitored via the bugs list and can take a long time to resolve. We do contact Civica at regular intervals throughout the year, and if the issue occurs again on a</p>	Closed

Ref	Report	Action Required	Action Taken	Status
			different claim, then the issue is escalated.	
26.	Issue from the June meeting	To refer Cllr Marshall's concerns about telephone answering times to the Corporate Resources OSC.	This was raised and debated at Corpore Resources Overview and Scrutiny Committee on 14 September 2023.	Closed
<b>27 September 2023</b>				
31.	Audit Wales Plan 2023	To schedule the recent Audit Wales report on PIs for Nov/Jan following consideration by Cabinet and Climate Change Ctte.	This was included within the Governance and Audit Committee FWP for January 2024	Closed
33.	IA Progress Report	That the Housing service share a report on progress with outstanding actions relating to the audit on Maes Gwern Contractual Arrangements; and	A separate report was presented to Governance and Audit Committee in November 2023.	Closed
33.	IA Progress Report	That an item on the current status of overdue actions under Housing & Communities and Streetscene & Transportation be shared at the next meeting.	A separate report was be presented to Governance and Audit Committee in November 2023.	Closed
33.	IA Progress Report	To clarify reference to developing a homelessness plan under SARTH action ref 3010.	This was be responded to within the separate report to Governance and Audit Committee in November 2023.	Closed
34.	Action Tracking	To share with the Ctte a response to Cllr Parkhurst's query on whether there is a process to identify missing artefacts from the Archives, including financial implications.	A response was emailed to members on 19 <sup>th</sup> September 2023.	Closed
34.	Action Tracking	To arrange a private discussion with Cllr Parkhurst to resolve concerns about transparency of officers' interests.	A meeting took place between officers and Cllr Parkhurst on 11 <sup>th</sup> October 2023	Closed
35.	FWP	Statement of Accounts to be moved to April 2024.	This item has been moved to April within the forward work programme	Closed

Ref	Report	Action Required	Action Taken	Status
		Meeting between the Leader, GAC Chair & Vice-Chair to be arranged.		
<b>22 November 2023</b>				
39.	PSOW Letter and Complaints	To feedback to the officer group that that actions identified from complaints should be fed into the performance & development process and that lessons learned inform preparation of the AGS.	The next Complaints Officer Group meets on 20 March where was raised with the group.	Closed
40.	AGS 2022/23 mid-year progress	To share the Audit Wales report on homeless prevention services at a future meeting.	This was scheduled within the FWP for April 2024 in order to allow this to go through the appropriate reporting procedure.	Closed
40.	AGS 2022/23 mid-year progress	To include an extra column showing target risk scores and for the Risk Management Update to demonstrate how the scoring matrix is helping to show improvements.	This was included in the AGS report presented to committee in July	Closed
40.	AGS 2022/23 mid-year progress	To revise the dashboard overview to show the total number of issues more clearly in the pie chart (p.3).	This was included in the AGS report presented to committee in July	Closed
42.	Asset Disposals & Capital Receipts 2022/23	Further information on the disposals shown in the appendix to be shared with the Committee on a confidential basis.	Members were provided with additional information on Asset Disposal on 22 December 2023.	Closed
43.	Audit Actions outstanding	That a further report be scheduled for January 2024 to update the Committee on progress with outstanding audit actions.	This has been scheduled and will be reported to the Committee in January 2024	Closed
43.	Audit Actions outstanding	To feedback Cllr Banks' concerns at the lack of attendance by officers from SS&T and Cabinet Member representation from both portfolios.	The Chief Executive has spoken with Cllr Banks regarding this matter.	Closed
44.	GAC Annual Report	That, subject to the inclusion of a sentence to be agreed with the Chair, the Annual Report	The Governance and Audit Committees Annual Report was updated with the additional sentence and presented	Closed

Ref	Report	Action Required	Action Taken	Status
		for 2022/23 be endorsed prior to its submission to Council for approval on 6 December 2023.	and approved by County Council on 6 December 2023	
45.	Action Tracking	To share the outcome of discussion with Cllr Parkhurst on officers' interests with the Committee.	An email summarising the discussion with Cllr Parkhurst will be shared with Members	Closed
46.	FWP	Self-assessment workshop date to be arranged with the Chair and shared with the Committee.	This was arranged for Thursday 8 <sup>th</sup> February at 14.00	Closed
47/ 48	Investigation into anonymous allegations	To share with the Committee any information on the scale of grants paid by the Council and those paid by other organisations to the company.	An email was sent to members of the Committee on 16 <sup>th</sup> January 2024.	Closed
<b>24 January 2024</b>				
54.	Audit Wales report - Social Enterprise	To consider including timescales in the action plan in the next review.	This was considered at the next review in December 2024.	Closed
55.	Risk Management Update	<ul style="list-style-type: none"> <li>To consider the inclusion of long term trend information on the dashboard for future reports.</li> <li>To reflect changes from operational to strategic risks in the framework, e.g. the amber red report on DBS checks.</li> <li>To clearly define the primary responsibility of Cabinet on risk management in the framework.</li> <li>To clarify the additional role of Gov &amp; Audit Committee in section 4 of the framework in respect of risk ownership.</li> <li>To develop wording within the framework</li> </ul>	<ul style="list-style-type: none"> <li>This will be considered as part of the future dashboard reports for committee.</li> <li>This has been included within the revised framework within Section 4, Roles and Responsibilities</li> <li>As point 2 above</li> <li>As point 2 above</li> <li>This was already included within the framework and is referred to in Section 1 Introduction, Section 3.2 Risk Appetite, Section 4 Roles and Responsibilities and Section 5 Risk Management Process.</li> </ul>	Closed



Ref	Report	Action Required	Action Taken	Status
		on identifying positive consequences from risk		
55.	Risk Management Update	Request for a future Member workshop arising from WG proposals on Out of County Placements.	This will be action if required	Closed
58.	IA Progress Report	That a report be received at the next meeting relating to the position on the DBS service and urgent actions required to address the problems identified.	An update was provided at the following committee and an interim update provided via email to members 19 <sup>th</sup> March.2024	Closed
58.	IA Progress Report	To remind Chief Officers of their responsibilities in reducing overdue audit actions.	Whilst this takes place at each member this issue was raised again with officers.	Closed
58.	IA Progress Report	To respond to the Committee by email on: <ul style="list-style-type: none"> <li>Progress with arranging contracts with third party organisations in receipt of grant funding (Strategic Core Funding Amber/Red report).</li> <li>Confirming that schools are responsible for their own DBS checks.</li> </ul>	This was shared via email to member on 25 <sup>th</sup> March 2024.  Members were updated via email on the 19 <sup>th</sup> March 2024.	Closed
59.	Action Tracking	That the Internal Audit, Performance & Risk Manager undertake further investigations in respect of the action on anonymous allegations and report back to the next meeting.	This was discussed at the next committee in a closed session in April 2024	Closed
59.	Action Tracking	To share an update with the Ctte on the action from 22/03/23 re outcome of investigations into the Cabinet meeting.	Please refer to action from the 22 <sup>nd</sup> March 2023	-
<b>10 April 2024</b>				

Ref	Report	Action Required	Action Taken	Status
63.	Minutes	To pass Cllr Banks' request for a Member workshop on Out of County Placements to the relevant officer.	Education and Social Services Portfolios are supportive of a members workshop to inform new member and refresh about the context of Looc budget. A members' workshop will be planned in for the autumn prior to setting the Council's budget	Open
64.	Statement of Accounts 2022/23	To share the management response to the Audit Wales recommendations with the Committee.	This was circulated 30 May 2024 to members of the Committee	Closed
65.	Audit Wales Report: Homelessness Services - FCC	To write on behalf of the Committee to the Minister to reinforce the concerns around financial unsustainability.	A letter will be sent to the Minister week commencing 17 <sup>th</sup> June 2024	Closed
65.	Audit Wales Report: Homelessness Services - FCC	To pass on the Committee's thanks to the teams for their work in tackling homelessness.	This has been shared with the team	Closed
67.	DBS Update	That the risk identified on DBS checks be reflected on the corporate risk register.	This risk is now included within the Risk Register for People and Resources	Closed
67.	DBS Update	Presentation slides to be shared with the Committee.	This was circulated to members 18 <sup>th</sup> April 2024	Closed
68.	Q4 Treasury Management Update 2023/24	To review the format of the long-term borrowing spreadsheet so that the information is more clearly visible.	Action will be taken to ensure future reports are clear in relation to longer-term borrowing	Closed
69.	GAC Self-Assessment	That half yearly updates on the action plan be scheduled in the Forward Work Programme;	This is within the Governance and Audit Committee's forward work programme for November 2024	Closed
69.	GAC Self-Assessment	That the Chair and Vice-Chair be invited to meetings with the Overview & Scrutiny Chairs; and	Confirmed that this will commence in January 2024 following the need to cancel the last meeting arranged.	Open
69.	GAC Self-Assessment	That an informal pre-meeting takes place prior to the next meeting in June.	Due to the appointment of a Chair in June, the current Chair and Vice Chair agreed at the AGS workshop that this would commence from July 2024	Closed

Ref	Report	Action Required	Action Taken	Status
71.	External Regulation Assurance 2023/24	To schedule the AW 2022 report ‘Time for Change - Poverty in Wales’ on the FWP.	To address Poverty across the organisation a Poverty board will be created. After establishing its TOR, the first priority will be to review this report. It is planned that GAC will receive this report in April.	Open
71.	External Regulation Assurance 2023/24	To ensure that the CIW Performance Evaluation Report is scheduled for Social & Health Care OSC, Cabinet and GAC in June.	Due to officers’ availability this was presented to committee in July 2024	Closed
72.	IA Strategic Plan	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources given the level of assurance required, the Committee approves the Flintshire Internal Audit Strategic Plan for 2024-2027, subject to the date correction in section 1.1.	The date within the IA Strategic Plan has been corrected	Closed
77.	Update against Anonymous Allegations	To share the Cabinet report with the Committee when available.	Please refer to action update from the 22 <sup>nd</sup> March 2023	-

Governance and Audit Committee Forward Work Programme –2024/25

Appendix C

Area	26 June 2024	24 July 2024	September 2024	November 2024	January 2025	April 2025
<b>Pre-Committee Training</b>	Draft Statement of Accounts					Annual Governance Statement
<b>Audit Wales (AW)</b>	Annual Audit Summary 2022/23	Audit Plan AW 2023				Audit Plan AW 2024
<b>Internal Audit</b>		Internal Audit Annual Report 2023/24				Internal Audit Strategic Plan 2025/26
		Internal Audit Progress Report 2024/25	Internal Audit Progress Report 2024/25		Internal Audit Progress Report 2024/25	Internal Audit Progress Report 2024/25
						Public Sector Internal Audit Standards Self- Assessment
	Internal Audit Charter					Internal Audit Charter
<b>Governance &amp; Risk Management</b>		Draft Annual Governance Statement		Annual Governance Statement Mid-Year review	Code of Corporate Governance	
				Governance and Audit Committee Annual Report	Global IIA Standards – Update	GAC Self-Assessment
				GAC Self-Assessment Action Plan Review	Update on Outstanding Audit Actions	Annual Report on External Inspections 2024-25
			Nominating Members to the Corporate CJC own Governance and Audit Committee			
					Risk Management Update and Framework	
	GAC Action Tracking		GAC Action Tracking	GAC Action Tracking	GAC Action Tracking	GAC Action Tracking
	Forward Work Programme		Forward Work Programme	Forward Work Programme	Forward Work Programme	Forward Work Programme
<b>Performance</b>				Corporate Complaints and Compliments Annual Report 2022/23		
				Public Service Ombudsman for Wales Annual Letter		
			Corporate Self-Assessment Draft Report	Corporate Self-Assessment Update		
<b>Finance</b>		Draft Statement of Accounts 2023/24	School Reserves – Annual Report on School Balances			
		Certification of Grants and Returns Report (AW)		Statement of Accounts 2023/24		Statement of Accounts 2023/24

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		Supp Financial Information to Draft Statement of Accounts 2023/24			Asset Disposals and Capital Receipts	
Treasury Management		Treasury Management Q1 2024/25 Update and Annual Report 2023/24		Treasury Management Q2 2024/25 – Mid Year Report	Treasury Management Q3 2024/25 and 2025/26 Strategy	Treasury Management 2024/25 Q4 Update
Senior Officer Updates (AW Reports, Op Matters / Key Risks / Other)	AW - Together we can - Community resilience and self-reliance Report	CIW - Performance Evaluation Report	AW - Setting of Well Being Objectives	AW- Financial Sustainability	Inspection of Youth Justice Service in Flintshire Report	
	AW - Use of performance information: Service user perspective & outcomes			AW - Unscheduled Care	Deferred Charges Update	
	AW - Equality Impact Assessments					
	AW - Digital Strategy					
Meeting Following GAC						Private Meeting with Committee, Internal and External Audit

Report to be include in the FWP once date finalised with the Service Manager: Partners / Collaborations, Major Projects, Information Security & Health & Safety Control Arrangements

**Matters to be address outside of formal Committee meetings**

<p><b>Governance and Audit Committee</b></p> <ul style="list-style-type: none"> <li>Budget Workshops for members – 2024/2025</li> <li>Treasury Management Training – 5 Dec 2024</li> <li>Annual Self-Assessment Workshop – February 2025</li> <li>AGS / CSA Workshop – April / May 2025</li> <li>Private Meeting (AW and Internal Audit) – April 2025</li> <li>Training and Development sessions - Ongoing</li> </ul>	<p><b>General</b></p> <ul style="list-style-type: none"> <li>Correspondence, updates to actions and reports for information purposes</li> <li>Time sensitive consultation</li> <li>In person / video meetings as and when necessary</li> </ul>
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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday, 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Action Tracking
<b>Report Author</b>	Internal Audit, Performance and Risk Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The report shows the action points from previous Governance and Audit Committee meetings and the progress made in completing them. The majority of the requested actions have been completed, with some still outstanding. They will be reported back to a future meeting.

### RECOMMENDATIONS

1	The Committee is requested to accept the report.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE ACTION TRACKING REPORT</b>
1.01	In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points. This paper summarises those points and provides an update on the actions resulting from them.  Full action tracking details within Appendix A.
<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	Action owners contacted to provide an update on their actions.

<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 A – Action Points.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.



**GOVERNANCE AND AUDIT COMMITTEE – ACTION SHEET**

To be presented to Committee Monday 25 <sup>th</sup> November 2024					
Committee Date	Agenda No.	Report	Action Required	Responsible Officer	Action Taken
22 Mar 2023	67.	IA Strategic Plan	To share with the Committee the report on the investigation into the Cabinet meeting in Feb when available	G Owens	This will be shared once the investigation report has been finalised
14 Jun 2023	6.	AW review of Commissioning Older People's Care Home Placements	To share a follow-up report on progress with actions at a later stage	J Davies	This will be provided to members when available
24 Jan 2024	59.	Action Tracking	To share an update with the Committee on the action from 22/03/23 re outcome of investigations into the Cabinet meeting	G Owens	Please refer to action from the 22.03.2023
10 Apr 2024	71.	External Regulation Assurance 2023/24	To schedule the AW 2022 report 'Time for Change - Poverty in Wales' on the FWP	L Brownbill	To address Poverty across the organisation a Poverty board will be created. After establishing its TOR, the first priority will be to review this report. It is planned that GAC will receive this report in April.
10 Apr 2024	77.	Update against Anonymous Allegations	To share the Cabinet report with the Committee when available	G Owens	Please refer to action update from the 22.03.2023
26 Sep 2024	31.	Corporate Self-Assessment 2023/24	That Members forward any areas for review to the Internal Audit Manager by 11 October 2024 to enable a further report to be brought in November.	L Brownbill	Feedback received from Cllr Parkhurst. An update to be provided to members at November committee.
26 Sep 2024	33.	Nominating Members to the CJC's own GAC	That the Committee nominates Councillor Andrew Parkhurst to serve on the Governance & Audit Committee of the North Wales Corporate Joint Committee and Councillor Ted Palmer to serve as a substitute;	G Owens	Nominations has been submitted for membership of the CJC Governance and Audit Committee.
26 Sep 2024	33.	Nominating Members to the CJC's own GAC	That the Chief Officer (Governance) ascertain whether there is a mandatory training requirement for nominations to the Corporate Joint Committee Governance & Audit Committee.	G Owens	It has been confirmed that whilst training is not mandatory it will be provided.

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**GOVERNANCE AND AUDIT COMMITTEE – ACTION SHEET**

To be presented to Committee Monday 25 <sup>th</sup> November 2024					
Committee Date	Agenda No.	Report	Action Required	Responsible Officer	Action Taken
26 Sep 2024	34	IA Progress Report	That a report be requested from the Chief Executive, summarising his perspective of the main reasons for delayed actions, aside from the lack of resources, and proposals for improving the timeliness and accuracy of fulfilling action plans within the next six months. In addition, that the responsible senior officer and Cabinet Member attend the Committee to provide explanation where there are insufficient reasons for delays with high priority overdue actions.	G Owens / L Brownbill	This has been raised and a report will be brought back to Committee in January 2025 due to scheduling of the Committees forward work programme.
26 Sep 2024	34	IA Progress Report	To review the questions in the client questionnaires to seek an improvement in response rates.	L Brownbill	This will be undertaken and any changes introduced for the new financial year.
26 Sep 2024	35.	Action Tracking	To liaise with Steve Goodrum on meetings between the GAC Chair & Vice-Chair and OSC Chairs.	L Brownbill	It has been confirmed that this will be rearranged for January 2025.



## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Monday, 25 <sup>th</sup> November 2024
<b>Report Subject</b>	Forward Work Programme
<b>Report Author</b>	Internal Audit, Performance and Risk Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The Governance and Audit Committee presents an 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 A 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 Governance and Audit Committee.

### RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend, as necessary.
2	That the Internal Audit, Performance and Risk 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. Many items are standard every quarter, six months or annually, and Members can also suggest topics for review by the Committee. Items can also be referred by the Cabinet, County Council or Chief Officers.

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 governance, risk management or internal control?</li> <li>4. Is it relevant to the financial statements or financial affairs of the Council?</li> <li>5. Is there new government guidance or legislation?</li> <li>6. Is it prompted by the work carried out by Regulators/Internal Audit?</li> </ol>			
1.03	<p>Following the Committee meeting in September there have been some changes to the forward work programme. This is either due to new external regulatory reports being scheduled to be presented to Governance and Audit Committee or at the request of the Governance and Audit Committee to realign the forward work programme.</p>			
	<b>Report Title</b>	<b>Reason for Movement</b>	<b>Original Date</b>	<b>New Report Date</b>
Risk Management Update	Review of forward work programme at the request of GAC	Nov 2024	Jan 2025	
Inspection of Youth Justice Services in Flintshire Report	Review of forward work programme at the request of GAC	Nov 2024	Jan 2025	
Asset Disposals and Capital Receipts	Review of forward work programme at the request of GAC	Nov 2024	Jan 2025	
Corporate Self-Assessment - Update	New report at the request of GAC	N/A	Nov 2024	
Global IIA Standards Update	New Report	N/A	Jan 2025	
Update on Outstanding Audit Actions	New report at the request of GAC	N/A	Jan 2025	
Deferred Charges Update	New report at the request of GAC	N/A	Jan 2025	

<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	Both the Chair and Vice-Chair were consulted prior to the meeting and publication of this report also constitutes consultation.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
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4.01	None as a result of this report.
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	Appendix A - Draft Forward Work Programme.
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill Internal Audit, Performance and Risk Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a></p>
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<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
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7.01	<p><b>Governance</b> - The system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Risk Management</b> - The process of identifying risks, evaluating their potential consequences, and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p><b>Internal Control</b> - Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p> <p><b>Financial Management</b> - The planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p> <p><b>Audit Wales</b> - Works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>
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Area	25 November 2024	22 January 2025	2 April 2025	4 June 2025	23 July 2025	September 2025
Pre-Committee Training 9.30-10.00			Annual Governance Statement	Draft Statement of Accounts		
Audit Wales (AW)	AW Report in conjunction with officer updates		Audit Plan AW 2024	Annual Audit Summary 2023/24		AW Report in conjunction with officer updates
Internal Audit			Internal Audit Strategic Plan 2025/26	Internal Audit Annual Report 2024/25		
		Internal Audit Progress Report 2024/25	Internal Audit Progress Report 2024/25	Internal Audit Progress Report 2025/26		Internal Audit Progress Report 2025/26
			Public Sector Internal Audit Standards Self- Assessment			
			Internal Audit Charter	Internal Audit Charter		
Governance & Risk Management	Annual Governance Statement Mid-Year review	Code of Corporate Governance		Draft Annual Governance Statement		
	Governance and Audit Committee Annual Report	Global IIA Standards - Update	GAC Self-Assessment			
	GAC Self-Assessment Action Plan Review	Update on Outstanding Audit Actions	Annual Report on External Inspections 2024-25			
		Risk Management Update and Framework				
	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme	GAC Action Tracking Forward Work Programme
Performance	Corporate Complaints and Compliments Annual Report 2022/23					
	Public Service Ombudsman for Wales Annual Letter					
	Corporate Self-Assessment Update					Corporate Self-Assessment Draft Report
Finance					Draft Statement of Accounts 2024/25	School Reserves – Annual Report on School Balances
	Statement of Accounts 2023/24		Statement of Accounts 2023/24		Certification of Grants and Returns Report (AW)	
		Asset Disposals and Capital Receipts			Supp Financial Information to Draft Statement of Accounts 2024/25	
Treasury Management	Treasury Management Q2 2024/25 – Mid Year Report	Treasury Management Q3 2024/25 and 2025/26 Strategy	Treasury Management 2024/25 Q4 Update		Treasury Management Q1 2025/26 Update and Annual Report 2024/25	
Senior Officer Updates (AW Reports, Op Matters / Key Risks / Other)		Inspection of Youth Justice Services in Flintshire Report				
	Audit Wales Report: Financial Sustainability	Deferred Charges Update				
	Audit Wales Report : Unscheduled Care					
Meeting Following GAC			Private Meeting with Committee, Internal and External Audit			

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Report to be include in the FWP once date finalised with the Service Manager: Partners / Collaborations, Major Projects, Information Security & Health & Safety Control Arrangements

**Matters to be address outside of formal Committee meetings**

<p><b>Governance and Audit Committee</b></p> <ul style="list-style-type: none"> <li>Budget Workshops for members – 2024/2025</li> <li>Treasury Management Training – 5 Dec 2024</li> <li>Annual Self-Assessment Workshop – February 2025</li> <li>AGS / CSA Workshop – April / May 2025</li> <li>Private Meeting (AW and Internal Audit) – April 2025</li> <li>Training and Development sessions - Ongoing</li> </ul>	<p><b>General</b></p> <ul style="list-style-type: none"> <li>Correspondence, updates to actions and reports for information purposes</li> <li>Time sensitive consultation</li> <li>In person / video meetings as and when necessary</li> </ul>
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