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To: Cllr Richard Jones (Chair)

Councillors: Tina Claydon, David Coggins Cogan, Bill Crease, Alasdair Ibbotson, Gina Maddison, Allan Marshall, Billy Mullin, Vicky Perfect, Jason Shallcross and Arnold Woolley

15 July 2024

Dear Sir/Madam

NOTICE OF HYBRID MEETING
CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
FRIDAY, 19TH JULY, 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 **ACTION TRACKING** (Pages 5 - 8)

Report of Democratic Services Manager -

Purpose: To inform the Committee of progress against actions from previous meetings.

4 **FORWARD WORK PROGRAMME** (Pages 9 - 18)

Report of Democratic Services Manager -

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

5 **MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2025/26** (Pages 19 - 34)

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

Purpose: To present the first estimate for the additional budget requirement for 2025/26 and the developing budget strategy and timeline.

6 **REVENUE BUDGET MONITORING 2023/24 (OUTTURN) AND CAPITAL PROGRAMME 2023/24 (OUTTURN)** (Pages 35 - 90)

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

Purpose: To provide the revenue budget outturn position for the Council Fund and Housing Revenue Account, and the Capital Programme outturn position for 2023/24.

7 **REVENUE BUDGET MONITORING 2024/25 (INTERIM)** (Pages 91 - 104)

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

Purpose: This report provides known key risks and issues to the revenue budget outturn position for 2024/25 for the Council Fund and Housing Revenue Account.

8 GOVERNANCE FOR THE TRANSFORMATION PROGRAMME (Pages 105 - 114)

Report of Chief Officer (Governance) - Cabinet Member for Finance and Social Value

Purpose: To approve the decision making on oversight mechanisms for the proposed programme of transformation reviews. The aim of the transformation programme is to review the way we work in order to make savings to help meet the funding gap in the Medium Term Financial Strategy.

9 DIGITAL STRATEGY – AUDIT WALES REVIEW, RECOMMENDATIONS AND PROPOSED ACTIONS (Pages 115 - 184)

Report of Chief Officer (Governance) - Cabinet Member for Corporate Services

Purpose: To present the outcome of the audit on the Council's Digital Strategy, to gain approval for the proposed action plan in response to recommendations from Audit Wales.

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

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

The report contains details of the business affairs of another organisation and the public interest in withholding those outweighs the interest in disclosing them.

10 THIRD SECTOR GRANT FUNDING (Pages 185 - 200)

Report of Corporate Manager – Capital Programme & Assets - Cabinet Member for Corporate Services

Purpose: To present an update on third sector funding; Community Chest and Strategic Funding. This will include a progress update on implementing the actions stemming from the last review of funding and recommendations for next steps.

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

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CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Friday, 19 July 2024
Report Subject	Action Tracking
Report Author	Democratic Services Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The report shows the action points from previous meetings of the Corporate Resources Overview & Scrutiny Committee and the progress made in completing them. The majority of the requested actions have been completed.

Any outstanding will be reported back to the next monthly meeting.

RECOMMENDATIONS	
1	That the committee notes the progress which has been made.

REPORT DETAILS

1.00	EXPLAINING THE ACTION TRACKING REPORT
1.01	In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points. Following the meeting of the committee in July 2018, it was recognised that there was a need to formalise such reporting back, as 'Matters Arising' is not an item which can feature on an agenda.

| 1.02 | This paper summarises those points and where appropriate provides an update on the actions resulting from them.

The Action Tracking details are attached in appendix A. |
|---|---|

2.00	**RESOURCE IMPLICATIONS**
2.01	The creation of the Action Tracking report increases workflow but should provide greater understanding and efficiency.

3.00	**CONSULTATIONS REQUIRED / CARRIED OUT**
3.01	In some cases, action owners have been contacted to provide an update on their actions.

4.00	**RISK MANAGEMENT**
4.01	Not applicable.

5.00	**APPENDICES**
5.01	Appendix A – CRO&SC Action Points

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	Minutes of previous meetings of the committee as identified in the report.

7.00	**CONTACT OFFICER DETAILS**
7.01	**Contact Officer:** Steven Goodrum, Democratic Services Manager
Telephone: 01352 702320
E-mail: steven.goodrum@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**
8.01	None.

ACTION TRACKING FOR THE CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Meeting Date	Agenda item	Action Required	Action Officer(s)	Action taken	Status
08.02.2024	7. Revenue Budget Monitoring 2023/24 (Month 9) and Capital Programme Monitoring 2023/24 (Month 9)	A question was asked about the carry-forward request for Planning, Environment & Economy: whether the Council could retain its ability to issue local by-laws or enforce previous ones in excess of the standards for Special Procedures.	Strategic Finance Manager	A response was circulated to the Committee on 8 July 2024.	Closed
07.03.2024	9. Revenue Budget Monitoring 2023/24 (Month 10)	The Committee resolved that a letter be sent to the Home Office and Welsh Government to highlight the impact of sparce affordable accommodation in the private rental sector on the finances of local authorities.	Democratic Services Manager	Letter sent 12.06.2024 to Secretary of State for the Home Department (UK Government) and Cabinet Secretary for Housing, Local Government and Planning (Welsh Government)	Closed
13.06.2024	9. Welsh Language Annual Monitoring Report 2023/24	The Committee requested details of Welsh Language courses for Members.	Democratic Services Manager	Information to be circulated to Members w/c 15 July 2024.	Closed
		The Committee requested 'frequently used phrases' that Chairs and Committee members could use to introduce the use of Welsh into meetings.	Democratic Services Manager	Information to be circulated to Members w/c 15 July 2024.	Closed

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CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Friday, 19 July 2024
Report Subject	Forward Work Programme
Report Author	Democratic Services Manager
Type of Report	Operational

EXECUTIVE SUMMARY

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

By reviewing and prioritising the Forward Work Programme Members are able to ensure it is Member-led and includes the right issues.

A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

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

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

REPORT DETAILS

1.00	EXPLAINING THE FORWARD WORK PROGRAMME
1.01	The Forward Work Programme (FWP) is intended to set out the Committee's schedule of work for the coming months. It is a 'working document' that remains under constant review to ensure that the Committee is carrying out the proper level of scrutiny and is focussing on the appropriate areas in accordance with its current Terms of Reference (included as Appendix 2).
1.02	Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council or Chief Officers. Other possible items are identified from the Cabinet Work Programme and the Improvement Plan.
1.03	The Corporate Resources Overview and Scrutiny Committee will assume an oversight role of the 'Transformation Programme' that is currently being developed. It is anticipated that this role will commence from September 2024. Ahead of that, the Committee's Terms of Reference will be reviewed by the Democratic Services Manager in conjunction with the Chair and Vice-Chair of the Committee. This review, along with the 'Transformation Programme' will then inform the Forward Work Programme from September. Dependent on the outcome of the review, a number of 'themed' topics and reports will then be scheduled in the next work cycle from September. These will include: • Corporate Self-assessment 2023/24. • Capital Programme and Assets 'themed' meeting. • Corporate Services 'themed' meeting. • Strategic and Partnership Working 'themed' meeting. • Community Safety Partnership Annual Report. • North Wales Economic Ambition Board. • Organisational Design & Change Programme. • Update on Corporate Joint Committees (CJCs). • Alternative Delivery Models.
1.04	A number of items from previous Committee meetings are still to be scheduled, as listed below. • **Joint Procurement Service Annual Report 2022/23**

	To receive a performance update report on the Joint Procurement Service with Denbighshire County Council.
	• **Council Tax Collections, Discretionary (s13a) Discounts/Write Offs** That a report is brought back to committee following a Cabinet review and the production of a comprehensive policy on s13a discretionary discounts, taking into account the comments raised and consultation with Overview & Scrutiny.
	• **Delivering public services in the 21st century: Shared Services** That officers liaise with the Chairman in order to schedule presentations on various themes at future meetings. ***This may now be included under the 'transformation' element which CROSC is assuming responsibility for.***
	• **Community Asset Transfers** To provide an update on the Community Asset Transfer (CAT) process.
	• **Acquisition of land for Flintshire cemeteries** To provide details of how Flintshire County Council provided value for money in its land acquisition for cemeteries.
	• **Review of Industrial Estates** To review the Council's business/commercial units, further to Paragraph 1.30 of agenda item 7 Capital Programme 2024/25 – 2026/27 from the County Council meeting of 6 December 2023.
	These items will be scheduled over the summer for inclusion on the FWP from September.
1.05	As well as the 'targeted' work items, there are standard, regular reports that follow a 'pattern'. These are included in Appendix 1 under 'Regular Items' and will be scheduled on the FWP accordingly.
1.06	Members are also encouraged to consider and propose items for inclusion on the FWP, noting the guidance at paragraph 1.07. The Committee's 'Terms of Reference' is included as Appendix 2 to help with this. Though this is subject to review – as per paragraph 1.03.
1.07	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: 1. Will the review contribute to the Council's priorities and/or objectives? 2. Is it an area of major change or risk? 3. Are there issues of concern in performance? 4. Is there new Government guidance of legislation? 5. Is it prompted by the work carried out by Regulators/Internal Audit? 6. Is the issue of public or Member concern?
2.00	**RESOURCE IMPLICATIONS**

2.01	None as a result of this report.

3.00	**CONSULTATIONS REQUIRED / CARRIED OUT**
3.01	Publication of this report constitutes consultation.

4.00	**RISK MANAGEMENT**
4.01	None as a result of this report.

5.00	**APPENDICES**
5.01	Appendix 1 – Draft Forward Work Programme Appendix 2 - CROSC 'Terms of Reference'

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	None.

7.00	**CONTACT OFFICER DETAILS**
7.01	**Contact Officer:** Steven Goodrum, Democratic Services Manager **Telephone:** 01352 702320 **E-mail:** steven.goodrum@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**
8.01	**Improvement Plan:** the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.

CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

Current FWP (July 2024)

Date of meeting	Subject	Purpose of Report / Presentation	Responsible / Contact Officer
12th September 2024	**Corporate Self-assessment 2023/24**	To accept and approve the findings of the Corporate Self-Assessment 2023/24 and approve the opportunities for improvement identified in Corporate Self-Assessment 2023/24.	Chief Executive
	Audit Wales report (Setting of the Well-being Objectives)	To review the recommendations for improvement advised by Audit Wales, along with the Council's response.	Chief Executive
	Revenue Budget Monitoring 2024/25 (Month 4) and Capital Programme Monitoring 2024/25 (Month 4)	To provide Members with the Revenue Budget Monitoring 2024/25 (Month 4) Report and the Capital Programme 2024/25 (Month 4) Report and Significant Variances.	Corporate Finance Manager
	Joint Funded Care Packages - Update Report	To provide an update on the latest position regarding outstanding Continuing Health Care invoices raised by the Council for payment by Betsi Cadwaladr University Health Board.	Chief Officer (Social Services)
	Annual Performance Report 2023/24 to incorporate the Council Plan End of Year Performance Report 2023/24	To consider the Annual Performance Report 2023-24, noting the Council Plan (2023-28) end of year performance for 2023-24.	Chief Executive
10th October 2024	**Revenue Budget Monitoring 2024/25 (Month 5)**	To provide the latest revenue budget monitoring position for 2024/25 for the Council Fund and Housing Revenue Account.	Corporate Finance Manager

CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

Date of meeting	Subject	Purpose of Report / Presentation	Responsible / Contact Officer
14th November 2024	**Revenue Budget Monitoring 2024/25 (Month 6) and Capital Programme Monitoring 2024/25 (Month 6)**	To provide the latest revenue budget monitoring position for 2024/25 for the Council Fund and Housing Revenue Account.	Corporate Finance Manager
12th December 2024	**Revenue Budget Monitoring 2024/25 (Month 7)**	To provide the latest revenue budget monitoring position for 2024/25 for the Council Fund and Housing Revenue Account.	Corporate Finance Manager
	Joint Funded Care Packages - Update Report	To provide an update on the latest position regarding outstanding Continuing Health Care invoices raised by the Council for payment by Betsi Cadwaladr University Health Board.	Chief Officer (Social Services)
16th January 2025	**Revenue Budget Monitoring 2024/25 (Month 8)**	To provide the latest revenue budget monitoring position for 2024/25 for the Council Fund and Housing Revenue Account.	Corporate Finance Manager
13th February 2025	**Revenue Budget Monitoring 2024/25 (Month 9) and Capital Programme Monitoring 2024/25 (Month 9**	To provide Members with the Revenue Budget Monitoring 2024/25 (Month 9) Report and the Capital Programme 2024/25 (Month 9) Report and Significant Variances.	Corporate Finance Manage

CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

Date of meeting	Subject	Purpose of Report / Presentation	Responsible / Contact Officer
13th March 2025	**Revenue budget monitoring 2024/25 (month 10)**	To provide the latest revenue budget monitoring position for 2024/25 for the Council Fund and Housing Revenue Account.	Corporate Finance Manager
	Joint Funded Care Packages - Update Report	To provide an update on the latest position regarding outstanding Continuing Health Care invoices raised by the Council for payment by Betsi Cadwaladr University Health Board.	Chief Officer (Social Services)

Regular Items

Month	Subject	Purpose of Report / Presentation	Responsible / Contact Officer
Quarterly / Annual	**Performance Reporting**	To consider performance outturns for improvement targets against directorate indicators.	Chief Executive
Monthly	**Revenue Budget Monitoring**	To provide the latest revenue budget monitoring position for the Council Fund and Housing Revenue Account.	Corporate Finance Manager
Twice-Yearly	**Employment and Workforce Update**	This report covers strategic updates in addition to the quarterly workforce statistics and their analysis.	Corporate Manager, People and Organisational Development

CORPORATE RESOURCES OVERVIEW & SCRUTINY FORWARD WORK PROGRAMME

Month	Subject	Purpose of Report / Presentation	Responsible / Contact Officer
Annually	**Public Services Ombudsman for Wales (PSOW) Annual Letter and Complaints against Flintshire County Council**	To share the Public Services Ombudsman for Wales Annual Letter and Complaints made against Flintshire County Council Services	Chief Officer (Governance)

Corporate Resources Overview & Scrutiny Committee Terms of Reference

Main Contributors

- Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
- Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
- Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
- Chief Executive
- Chief Officer (Governance)
- Corporate Finance Manager

Scope

To fulfil all the functions of an Overview & Scrutiny committee, including Performance, Improvement and Policy Development as they relate to the list below.

Corporate Management and Governance

- Council strategic and improvement planning (Council Plan)
- Council performance and performance systems
- Customer Services and contact
- Finance Strategy
- Revenue and capital strategic planning Revenue and capital budget monitoring

Clwyd Pension Fund

ICT and Digital Strategies

People Strategy

- Organisational Design & Change Programme

Corporate Services

- Corporate Communications
- Financial services
- ICT Services
- Information and Business Services Procurement
- HR Business Partnering
- Occupational Health and Wellbeing Employment Services
- Legal Services
- Democratic Services
- Revenues

Strategic and Partnership Working

- Partnership and collaborative working frameworks

- Public Service Board
- Civil Contingencies
- Emergency Planning

Crime and Disorder

- Community Safety Partnership
- North Wales Fire & Rescue Authority & Service
- North Wales Police & Crime Commissioner North
- Wales Police Service
- North Wales Probation Service

Capital Programme and Assets

- Corporate Property Maintenance Service
- Property and Design Consultancy
- Valuation and Estates Service
- Community Assets
- Community Asset Transfer Programme
- NEWydd

Note. Corporate Resources Overview & Scrutiny is also the designated 'crime & disorder scrutiny' committee.

CYNGOR Sir y Fflint Flintshire COUNTY COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Friday 19th July, 2024
Report Subject	Medium Term Financial Strategy and Budget 2025/26
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager and Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the first stage of developing our budget for 2025/26 following the July Member Budget Briefing.

RECOMMENDATIONS
1	That the committee considers and comments on the Medium Term Financial Strategy and Budget 2025/26 report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.

REPORT DETAILS

1.00	EXPLAINING THE MEDIUM TERM FINANCIAL STRATEGY AND BUDGET POSITION 2025/26
1.01	The Medium Term Financial Strategy and Budget 2025/26 report will be presented to Cabinet on Tuesday 23rd July 2024. A copy of the report is attached as Appendix A to this report.

2.00	**RESOURCE IMPLICATIONS**
2.01	As set out in Appendix A; Medium Term Financial Strategy and Budget 2025/26 report.

3.00	**IMPACT ASSESSMENT AND RISK MANAGEMENT**
3.01	As set out in Appendix A; Medium Term Financial Strategy and Budget 2025/26 report.

4.00	**CONSULTATIONS REQUIRED / CARRIED OUT**
4.01	As set out in Appendix A; Medium Term Financial Strategy and Budget 2025/26 report.

5.00	**APPENDICES**
5.01	Appendix A; Medium Term Financial Strategy and Budget 2025/26.

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	None.

7.00	**CONTACT OFFICER DETAILS**
7.01	**Contact Officer:** Gary Ferguson Corporate Finance Manager **Telephone:** 01352 702271 **E-mail:** gary.ferguson@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**
8.01	As set out in Appendix A.

CABINET

Date of Meeting	Tuesday, 23rd July 2024
Report Subject	Medium Term Financial Strategy and Budget 2025/26
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager and Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

The Council reviews and updates the Medium Term Financial Strategy (MTFS) annually, and in advance of planning the annual budget for the following financial year. The MTFS forecasts the resources the Council will need to meet its ever-changing cost base for the years ahead. Refining our forecast is the first step in planning our budget requirement for the following financial year.

As part of budget setting for 2024/25 an initial additional budget requirement of £28.251m was projected for 2025/26 which was based on broad assumptions for pay, social care commissioning and other known pressures at that time.

Our forecast for the 2025/26 financial year has been updated to take into account the latest national position on public sector pay, the estimated impact of changes to service demand and the ongoing impacts of inflation. The revised forecast shows that, at this early stage, we are likely to have an additional budget requirement of £37.778m for 2025/26.

Appendix A shows the detail of all the cost pressures for 2025/26 as well as early indications of pressures for 2026/27 and 2027/28.

This is the first stage of developing our budget for 2025/26.

The main purpose of this report is to set out in detail the forecast cost pressures for 2025/26 and two budget briefings were held on 9 July to enable members to have a better understanding of the financial position and a further briefing will be scheduled for September as an opportunity to contribute to a developing budget strategy.

To date Welsh Government has provided no indicative figures for our main funding stream – Aggregate External Finance (AEF) for 2025/26. However, independent analysis of the Welsh Government budget advises that only a marginal uplift at best can be expected. Therefore, at this stage it is considered prudent to plan for a cash flat settlement. By way of context each 1% uplift to our AEF would generate £2.585m of funding for the Council's budget.

A cash flat settlement is woefully insufficient to meet current service demand and inflationary impacts – most of which are outside of the Council's control.

The Council clearly has a serious and major budget challenge for the financial year 2025/26 if there is no significant movement on national funding levels.

A detailed budget strategy is being developed with urgency in parallel to contributing to national discussions on the financial outlook across Wales including any options available to increase the overall quantum available for local government.

RECOMMENDATIONS	
1	To receive the update on the additional budget requirement for the 2025/26 financial year.
2	To agree the process and timeline for budget setting for 2025/26.

REPORT DETAILS

1.00	EXPLAINING THE MEDIUM TERM FINANCIAL STRATEGY FORECAST FOR 2024/25
1.01	The Council reviews and updates its Medium Term Financial Strategy (MTFS) annually, and in advance of planning the annual budget for the following financial year.
1.02	The MTFS forecasts the resources the Council will need to meet its ever-changing cost base for the years ahead. Refining our forecast is the first stage in planning our budget requirement for the following financial year. Our forecast for the 2025/26 financial year has been updated and takes into account the latest expectations on public sector pay, the estimated impact of changes to service demand and the ongoing impacts of inflation. The forecast will need to be kept under close review and updated as appropriate throughout the year.
1.03	The updated forecast shows that, at this early stage we are likely to have an additional budget requirement of £37.778m as summarised in the table below:

Table 1: Summary of Cost Pressures 2025/26

Summary of Pressures	£m
Prior Year Decisions / Approvals	1.104
Legislative/Unavoidable Indexation	1.722
National Funding Requirement (Pay Awards)	11.464
Social Care	7.069
Education and Youth	3.304
Out of County Placements	0.500
Planning, Environment and the Economy	0.065
Housing and Communities	9.160
Streetscene and Transportation	2.081
Governance	0.617
Central and Corporate Finance	0.692
Total Pressures	**37.778**

Some cost pressures are still under review due to constantly changing service demands and therefore there is likely to be some refinement to figures over the summer.

1.04	The main purpose of this report is to set out in detail the forecast cost pressures for 2025/26. Two budget briefings were held on 9 July to enable members to have a better understanding of the financial position and a further briefing will be scheduled for September as an opportunity to contribute to the developing budget strategy.
1.05	**Explaining the Cost Pressures** All estimated cost pressures are included in Appendix A with further background provided below:
1.06	Prior Year Decisions/Approvals Some of the cost pressures have been subject to previously approved decisions. These include borrowing requirements for the 21st Century Schools Programme and the annual inflationary uplift in the Minimum Revenue Provision (MRP).
1.07	Impact of National Pay Awards *NJC (Green Book)* The latest pay offer for NJC (Green Book) employees for the current year (2024/25) has been rejected and Trade Union Members are currently being

		balloted for potential industrial action. The offer made is £1,290 (SCP 2-43) and 2.5% on all other salary points.
		If agreed at this level, there would be an in-year benefit to the budget of around £0.850m. However, if not agreed at this level, any final award in excess of the budgeted amount will need to be met from reserves in the current financial year and would also have the impact of increasing the budget requirement for 2025/26.
		No estimated impact from the current pay offer is included in the forecast at this stage and will be refined once the final outcome is known (positive or negative).
		As inflation levels are now much more stable the assumptions for the 2025/26 pay award have been reduced to 4% from the 5% previously included in the forecast.
		Teacher Pay
		Similarly, the September 2024 pay award is still unknown, so no assumptions have been made of the impact of any variation to the budgeted amount. An uplift of 4% has been included for a September 2025 pay award.
		Pay Modelling
		A review of the pay model is continuing with the intention that it will support the recruitment and retention issues that the Council is experiencing. Formal recommendations have not yet been made and it is acknowledged that affordability will be challenging based on the current national funding outlook.
		As this piece of work is deemed a priority for the Council an 'aspirational' amount of £2m has been included in the estimates at this stage but will be subject to review as the project progresses.
1.08		Impact of Inflation / Indexation
		The forecast includes estimated increases in costs for areas such as the coroner service, member allowances, North Wales Fire and Rescue Authority (NWFRA) as well as anticipated inflationary increases for fuel, energy and service contracts with external bodies.
		Portfolio Cost Pressures
1.09		Social Care
		The impact of inflation and increases in service demands continues to be challenging. The cost pressures identified to date include commissioned care, transition to adulthood, Children Services Group Homes and the revenue costs for the Croes Atti care facility.
		Education and Youth
		The forecast includes the reinstatement of £0.750m for School Deficits which was removed from the 2024/25 budget on a temporary basis and the inclusion of £0.462m for free school meals for eligible learners during holiday periods.

	Cost pressures have also been included to address resource and capacity needs such as EOTAS/Specialist Provision (Estyn Inspection and Medical Need) £0.656m, Sustainable Communities for Learning £0.285m, Integrated Youth Provision Grant Funding reduction £0.278m and ALN Reforms £0.135m. Streetscene and Transportation The forecast includes a wide range of service demand cost pressures including School Transport re-procurement increases (£0.350m), Local Bus re-procurement increases (£0.150m), recycling income reductions (£0.150m), drainage costs from severe weather events (£0.150), additional security costs Depot and Greenfield HRC (£0.150m), Winter Maintenance service cost increases (£0.200m) and Recycling Receptacle costs (£0.160m). Housing and Communities The forecast includes an inflationary uplift on the Council Tax Reduction Scheme (CTRS) to reflect the impact of an annual increase in council tax. This is a higher uplift than in previous years as the 2024/25 increase was temporarily met by one-off funding. There continues to be a significant growth in numbers presenting as homeless and needing to be accommodated within temporary accommodation. An additional amount of £2m was included in the 2024/25 budget but this area was still identified as a significant financial risk should demand levels not start to fall. Due to the continued increase in demand, there is a projected overspend of £2.9m for 2024/25 and a potential additional budget requirement for 2025/26 of around £7.5m and this has been included in the forecast. Demand levels in the future and the impact of the mitigations being put in place are difficult to predict so will need to be kept under close review throughout this financial year. Out of County Placements An additional amount of £1.5m was included in the 2024/25 budget. At this early stage this is deemed sufficient to meet current demand levels but due to the volatility of this area will need to be kept under review throughout the financial year. An additional amount of £0.500m has been included for 2025/26 at this early stage to reflect a moderate increase in demand. Digital / Information Technology Cost Pressures have been included to progress our digital ambition requirements and include Digital Officers (£0.060m), Security Licences (£0.038m), VMWare Licencing (£0.055m) and Midland iTrent Maintenance (£0.087m).
	Other Known Risks
1.10	**Homelessness** As referenced earlier in the report the demands on the service are substantial. Whilst an initial pressure of £7.5m has been included in the current forecast the

	potential for demand to be higher is plausible and that risk will be kept under close review throughout the year.
1.11	**Social Care**

There are a number of risks within the service that need to be kept under review, such as on-going recruitment and retention challenges, new statutory responsibilities and the impact of inflationary increases and match funding for projects such as the Regional Integration Fund (RIF).

On-going support from existing grants is an area on which the service depends, so the continuation of these is critical. Any reduction would pose a risk to service delivery. |
| 1.12 | **Streetscene and Transportation**

The review of the Waste Strategy is likely to impact on future costs of the service in relation to the ongoing risk of potential infraction fines for failing to achieve the statutory recycling targets since 2021/22 (estimated to be in the region of £1.2m over three financial years).

There is also a risk that the continuation of the Sustainable Waste Management Grant may be stopped or reduced. This is a revenue grant provided by Welsh Government to support the provision of re-use and recycling services, as well as preventing waste. Any reduction of this grant from the current level could impact on further revisions to the forecast. |
| 1.13 | **Education and Youth**

There has been an increase in the cost of employer teachers' pension contributions from April 2024 and no provision was made in the 2024/25 budget as it is assumed that the additional cost will be met by UK Government.

However, at this stage no confirmation has been received and Welsh Government continue to negotiate a funding settlement with UK Government.

Any overall shortfall would result in additional costs for 2024/25 and 2025/26 which are not currently included in the forecast.

Increases in demand and complexity for Additional Learning Needs, Specialist Provision and Education other than at School (EOTAS) is currently being funded by additional Welsh Government grant. There are a number of risks relating to the continuation of grant funding into 2025/26 which will need to be kept under review.

Further work will be undertaken on demography and the impact of any changes due to school modernisation on the revenue costs for schools. |
| | **Funding Solutions** |
| 1.14 | The local government settlement did not provide an indicative figure for our main funding stream of Aggregate External Finance (AEF) for the 2025/26 financial year and beyond. However, independent analysis of the Welsh Government budget advises that only a marginal uplift at best can be expected. Therefore, at this stage it is considered prudent to plan for a cash |

	flat settlement. By way of context each 1% uplift to our AEF would generate £2.585m of funding for the Council's budget.
1.15	Members will be aware that whilst we are able to identify some cost savings and efficiencies as part of our annual budget setting process, there are no cost savings of any scale remaining following over a decade of underfunding of local government.

In previous years the Council has rightly stood on the principle that it will not reduce the budget for any service to the point where the service is unsafe, or to do so would mean we would fail to meet our statutory duties or our quality standards. The impacts of budget reduction options have been risk-assessed year on year.

Any future options which councillors recommend we explore as a contribution to the budget will need to be risk assessed on this basis. |
| 1.16 | The Council has adopted a comprehensive policy for fees and charges for chargeable services. By applying this policy, we have balanced cost recovery of service provision with affordability and fairness for the payer.

The annual review of the policy is also included on this agenda and shows an estimated additional contribution of £0.035m to the 2025/26 budget. |
| 1.17 | It is too early to make an assumption on council tax levels for 2025/26 as this will be largely dependent on how successful the Council is in identifying portfolio and corporate cost reductions. As in previous years council tax levels will be a key consideration in the final stage of the budget process. |
| 1.18 | **Summary and Conclusions**

The Council clearly has a serious and major budget challenge for the financial year 2025/26 if there is no movement in national funding expectations which is woefully insufficient of the level required to meet current service demand and inflationary impacts – most of which are outside of the Council's control.

A detailed budget strategy is being developed with urgency in parallel to contributing to national discussions on the financial outlook across Wales, including any options available to increase the overall quantum available for local government.

Regular updates will be provided to members in conjunction with the budget timeline detailed in the report. |

1.19 An outline of the budget timeline is set out in the table below:

Table 2: Budget Timeline

Date	Event
July 2024	Report to Cabinet and Corporate Resources Overview and Scrutiny Committee - Initial additional budget requirement 2025/26
9 July 2024	Member Budget Briefing
September 2024	Report to Cabinet and Corporate Resources Overview and Scrutiny Committee - Updated additional budget requirement and emerging budget solutions
September 2024	2nd Member Budget Briefing
October/November 2024	Overview & Scrutiny Committees
December 2024	Report to Cabinet and Corporate Resources Overview and Scrutiny Committee - Budget Update
December 2024	Welsh Government Draft Budget/ Provisional Settlement
January 2025	Report to Cabinet and Corporate Resources Overview and Scrutiny Committee - Initial budget proposals and solutions
February 2025	Report to Cabinet and Council - Final Budget Proposals
February/March 2025	Welsh Government Final Budget/Settlement

2.00	**RESOURCE IMPLICATIONS**
2.01	**Revenue:** the revenue implications for the 2025/26 budget are set out in the report. **Capital:** there are no new implications for the approved capital programme for either the current financial year or for future financial years – the capital programme will be subject to a separate report. **Human Resources:** there are some potential implications for additional capacity as set out in the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	**Ways of Working (Sustainable Development) Principles Impact**

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.

Well-Being Goals Impact

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.
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.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	The Forecast for 2025/26 – 2027/28 will be considered by Overview and Scrutiny Committees during September and October. Member Budget Briefings were held in July and a further briefing will be scheduled for September.

5.00	APPENDICES
5.01	Appendix A. MTFS Forecast 2025/26 – 2027/28

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Gary Ferguson, Corporate Finance Manager **Telephone:** 01352 702271 **E-mail:** gary.ferguson@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	**Medium Term Financial Strategy (MTFS):** 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. **Revenue:** 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. **Budget:** 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.

Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.

Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.

Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.

Financial Year: the period of 12 months commencing on 1 April.

Local Government Funding Formula: The system through which the annual funding needs of each council is assessed at a national level and under which each council's Aggregate External Finance (AEF) is set. The revenue support grant is distributed according to that formula.

Aggregate External Finance (AEF): The support for local revenue spending from the Welsh Government and is made up of formula grant including the revenue support grant and the distributable part of non-domestic rates.

Provisional Local Government Settlement: The Provisional Settlement is the draft budget for local government published by the Welsh Government for consultation. The Final Local Government Settlement is set following the consultation.

Funding Floor: a guaranteed level of funding for councils who come under the all-Wales average change in the annual Settlement. A floor has been a feature of the Settlement for many years.

MTFS - SUMMARY OF PRESSURES			
	2025/26	2026/27	2027/28
Pressure	£m	£m	£m
Prior Year Decisions / Approvals			
Minimum Revenue Provision (MRP) - Existing	0.300	0.300	0.300
21C Schools Band B Borrowing Costs	0.804	0.317	0.117
Total - Prior Years Decisions / Approvals	**1.104**	**0.617**	**0.417**
Legislative / Unavoidable Indexation Pressures			
Fee Increases - Coroners	0.021	0.022	
Members Allowances	0.112	0.112	
North Wales Fire and Rescue Authority	0.545	0.573	
CJC / Growth Deal Inflation	0.019	0.021	
ADM's / CAT's - Service Contract Inflation	0.202	0.328	
ADM's / CAT's - Other Pressures	(0.025)		
Increase to Regional Collaboration Team	0.050		
NDR Transitional Relief	0.111		
Non-Standard Inflation Fuel	0.250	TBC	TBC
Non-Standard Inflation Energy	0.150	TBC	TBC
Mockingbird Loan Repayment	0.287		
Total - Legislative / Unavoid Index'n Pressures	**1.722**	**1.056**	**0.000**
National Funding Requirement			
NJC Pay Award Estimate (Non Schools)	3.952	4.110	4.275
NJC Pay Award Estimate (Schools)	1.517	1.584	1.649
Teachers - Pay Award - April - August	1.831	1.546	1.608
Teachers - Pay Award - Sept - March	2.164	2.251	2.341
Pay Modelling - Potential Pressure	2.000	TBC	
Total - National Funding Requirement	**11.464**	**9.491**	**9.873**
CUMULATIVE TOTAL	**14.289**	**11.163**	**10.290**
Strategic Decisions			
Social Care			
Transition to Adulthood	0.675	0.990	1.020
Social Care Commissioning	3.985	4.258	4.551
Childrens Services Group Homes	0.450	0.250	
Croes Atti Extension - Revenue Costs	1.321		
Social Work Pay Review	0.108	0.055	
Increased Homecare Capacity	0.100		
Partnership Working Cost Increases	0.330		
Additional One Off Efficiency - Grants Maximisation Adults	0.100		
Buckley Extra Care Facility		0.680	
Llys Gwenffrwd Extension - revenue costs			1.500
	7.069	**6.233**	**7.071**
Education and Youth			
Joint Archive Service - Borrowing Costs	0.008	0.111	0.012

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MTFS - SUMMARY OF PRESSURES			
	2025/26	2026/27	2027/28
Pressure	£m	£m	£m
Management of Specialist Foundation Provision - Estyn	0.135		
Resource Provision at Flint High School	0.185	0.020	
EOTAS / Specialist Provision - Estyn Inspection of Plas Derwen *	0.382	0.020	0.021
Specialist Primary - Revenue Costs of 2 Additional Classrooms	0.198	0.141	
EOTAS / Specialist Provision - Medical Need	0.274		
ALN Reforms - Transfer of Post 16 Responsibilities *	0.135	0.007	0.007
Sustainable Communities for Learning Rolling Cap Inv Prog	0.285	0.248	0.464
Inclusion and Progression – Specialist Mobile Classroom Provision	0.119		
Youth Justice Service - Grant Funding Reduction *	0.093		
School Deficits	0.750		
Integrated Youth Provision - Grant Funding Reduction/Loss	0.278		
Elilgible Free School Meals	0.462		
	3.304	**0.547**	**0.504**
Out of County Placements			
Out of County Placements	**0.500**		
Planning, Environment and the Economy			
Specialist Legal Expenses	0.040	0.040	
Empty Homes WG Grant Contribution	0.025		
Additional Licencing Scheme for HMO's		(0.056)	
	0.065	**(0.016)**	**0.000**
Housing and Communities			
Homelessness Demand	7.517	TBC	TBC
Benefits - CTRS	1.643		
	9.160	**0.000**	**0.000**
Streetscene and Transportation			
Public Health Burials	0.020	0.020	0.020
Memorial Safety Programme	0.017		
Hawarden Cemetery Extension - Maintainance Costs	0.015	0.015	0.015
CQ Cemetery Fence Replacement	0.040		
School Transport	0.350	TBC	TBC
Local Bus	0.150	0.150	TBC
Recyling Income	0.150	TBC	TBC
Residual Waste Indexation	0.080	0.080	0.080
Parry and Evans Price Increase	0.019	0.019	0.019
Drainage - Summer Storm Events	0.150	TBC	TBC
Security Costs Depot and Greenfield	0.150	0.180	0.200
Replacement Heavy Plant (Transfer Station)	0.180	0.180	0.180
Potential Reduced Income via NMWTRA	0.100	TBC	TBC
Replacement Ancillary Equipment HRC	0.050	0.050	0.050
Depot Maintenance	0.160	0.160	0.160
Replacement Recycling Recepticals	0.160	TBC	TBC
Winter Maintenance Weather Stations	0.050		
Increased cost of delivering Winter Maintenance Service	0.200	0.100	0.100
Additional Infrastructure (non-commuted sums)	0.010	0.005	0.005
Mayrise Replacement Licences and IT Equipment	0.030	0.030	0.030
Emmisions Trading Scheme			0.050
Soft Plastics Collections 2027/28			0.200
	2.081	**0.989**	**1.109**

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MTFS - SUMMARY OF PRESSURES			
	2025/26	2026/27	2027/28
Pressure	£m	£m	£m
Governance - Digital Strategy			
Schools Information Management System	0.011	0.010	
Digital Delivery - Digital Solutions Technician	0.038		
Digital Officers	0.060		
Corporate GIS Software Reprocurement	0.030	(0.023)	
Corporate LLPG Compliance & Software Reprocurement	0.033	(0.020)	
Digital Business Analyst (0.6 FTE)	0.030		
Microsoft E5 Security Licenses	0.038	0.050	
Network Connected Device Compliance & Assurance Solution	(0.015)		
VMWare Licencing	0.055		
Midland iTrent Maintenance	0.087		
	0.367	**0.017**	**0.000**
Governance - Other			
Single Persons Discount	0.250		
Central and Corporate Finance			
Capital Borrowing Costs 22/23	0.105		
Croes Atti Extension - Borrowing Costs	0.035	0.041	
Children's Residential Care - Borrowing costs	0.028	0.019	0.012
Corporate Loans & Investment Account (CLIA)	0.500		
Replacement Financial Management System (FMS)		0.435	0.049
ADM Resource	0.024		(0.024)
	0.692	**0.495**	**0.037**
Total - Strategic Decisions	**23.489**	**8.266**	**8.721**
CUMULATIVE TOTAL	**37.778**	**19.429**	**19.011**

CYNGOR Sir y Fflint Flintshire COUNTY COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY

Date of Meeting	Friday 19th July, 2024
Report Subject	Revenue Budget Monitoring 2023/24 Final Outturn and Capital Programme 2023/24 Final Outturn
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2023/24 (Final Outturn) and Capital Programme 2023/24 (Final Outturn).

RECOMMENDATIONS	
1	That the committee considers and comments on the Revenue Budget Monitoring 2023/24 (Final Outturn) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.
2	That the committee considers and comments on the Capital Programme 2023/24 (Final Outturn) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2023/24 (FINAL OUTTURN)
1.01	The Revenue Budget Monitoring 2023/24 (Final Outturn) report will be presented to Cabinet on Tuesday 23rd July, 2024. A copy of the report is attached as Appendix A to this report.
1.01	The Capital Programme 2023/24 (Final Outturn) report will be presented to Cabinet on Tuesday 23rd July, 2024. A copy of the report is attached as Appendix B to this report.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in Appendix A; Revenue Budget Monitoring 2023/24 (Final Outturn).
2.02	As set out in Appendix B; Capital Programme 2023/24 (Final Outturn).

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	As set out in Appendix A; Revenue Budget Monitoring 2023/24 (Final Outturn).
3.02	As set out in Appendix B; Capital Programme 2023/24 (Final Outturn).

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	None required.

5.00	APPENDICES
5.01	Appendix A; Revenue Budget Monitoring 2023/24 (Final Outturn).
5.02	Appendix B; Capital Programme 2023/24 (Final Outturn).

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required.

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Dave Ledsham, Finance Manager **Telephone:** 01352 704503 **E-mail:** dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	**Revenue:** 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. **Budget:** 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. **Capital Programme:** The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.

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CABINET	

Date of Meeting	Tuesday 23rd July, 2024
Report Subject	Revenue Budget Monitoring Report 2023/24 (Final Outturn)
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides members with the revenue budget final outturn position for the Council Fund and Housing Revenue Account for the financial year 2023/24 (subject to audit).

The Accounts for 2023/24 are now effectively closed, and the formal Statement of Accounts and supporting notes were submitted to Audit Wales on 25th June which is within the timeframe set by Welsh Government.

As reported previously, a moratorium on non-contractually committed spend was put in place alongside a vacancy management process with the aim of reducing in-year expenditure to 'dampen' the projected overspend at that time. This work made a positive impact on the outturn position.

The final year end position is:

Council Fund

- An operating deficit of £1.466m which is a positive movement of (£0.979m) from the deficit figure of £2.445m reported at Month 10.

- A contingency reserve available balance as at 31 March 2024 of £2.972m (after taking account of previously approved allocations including those approved as part of the 2024/25 Budget).

The operating deficit (£1.466m) equates to 0.4% of the Approved Budget, which is below the target MTFS KPI for a variance against budget of 0.5%.

Housing Revenue Account

- Net in-year revenue expenditure (£0.315m) lower than budget which is a favourable movement of (£0.773m) from the figure reported at Month 10.

	• The closing balance as at 31 March, 2024 is £3.512m

During the financial year, £2.144m of deferred and/or delayed expenditure has been identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue into the next financial year 2024/25, with updates provided in future reports.

RECOMMENDATIONS	
1	To note the overall report and the Council Fund contingency sum available as at 31 March, 2024 (subject to audit)
2	To note the final level of balances on the Housing Revenue Account (HRA) (subject to audit)
3	Approve the carry forward requests as outlined in paragraph 1.13.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2023/24
1.01	The final year end position is as follows: **Council Fund** • An operating deficit of £1.466m which is a positive movement of (£0.979m) from the deficit figure of £2.445m reported at Month 10. • A projected contingency reserve available balance as at 31 March 2024 of £2.972m (after taking account of previously approved allocations including those approved as part of the 2024/25 Budget). **Housing Revenue Account** • Net in-year revenue expenditure was (£0.315m) lower than budget which is a favourable movement of (£0.773m) from the position reported at Month 10. • The projected closing balance as at 31 March, 2024 is £3.512m During the financial year, £2.144m of deferred and/or delayed expenditure was identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue into the next financial year 2024/25, with updates provided in future reports.

1.02	**Table 1. Final Outturn Position by Portfolio**

The table below shows the final outturn position by portfolio:

Portfolio/Service Area	Approved Budget £m	Final Outturn £m	In-Year Over / (Under) spend £m
Social Services	89.306	90.061	0.755
Out of County Placements	17.285	18.570	1.285
Education and Youth (Non-Schools)	10.444	10.105	(0.339)
Schools	114.005	114.189	0.184
Streetscene and Transportation	42.227	43.477	1.250
Planning Env and Economy	7.557	6.775	(0.782)
People and Resources	4.672	4.488	(0.184)
Governance	11.943	11.567	(0.376)
Assets	11.095	10.740	(0.355)
Housing and Communities	15.990	18.547	2.557
Chief Executive	1.672	1.660	(0.012)
Central and Corporate Finance	25.924	23.407	(2.517)
Total	**352.121**	**353.587**	**1.466**

The changes made to the approved budget since Month 10 relate to:

- Transfer of £0.079m from Central and Corporate to Education & Youth to fund the shortfall in pay inflation for Soulbury staff.
- Transfer of £0.038m from Schools to Education and Youth - Secondary and Primary permanent exclusions and managed moves of £0.034m and £0.004m for Fresh Start Provision
- Transfer from Assets to Social Services for £0.001m devolved Repairs and Maintenance budget.

1.03	The reasons for the monthly movements over £0.025m are shown in Appendix 1 and overall projected variances over £0.050m are summarised within Appendix 2 together with a summary of minor variances for each portfolio.
	Significant Movements from Month 10
1.04	**Social Services £0.129m**
	The net adverse movement relates to:
	Older People Services

	- Localities £0.476m - increasing demand for residential care has resulted in additional costs of £0.551m. Homecare costs have reduced by £0.037m and demand seems to have become more manageable. Employee costs reduced by £0.034m due to vacancies. There were minor variances of £0.004m. - Resources & Regulated Services (£0.029m) - In-house homecare costs reduced by £0.078m due to staffing numbers. Residential care costs increased by £0.084m due to increased agency cover. Extra Care costs reduced by £0.040m. Adults of Working Age - Resources & Regulated Services £0.079m – due to net changes to care packages - Professional and Administrative Support (£0.025m) – due to vacancy savings - Supporting People (£0.060m) – additional Supporting People funding received in March. - Residential Placements (£0.040m) – the net reduction to Mental Health care packages - Substance Misuse (£0.026m) – due to vacancies within the team. Children's Services - Family Group Meetings (£0.046m) – due to eligible costs being reallocated to Grant funding. - Family Placement £0.067m – resulting from a high-cost temporary placement. - Legal & Third Party £0.038m – a further increase to legal fees and court costs. - Professional Support (£0.267m) – due to eligible costs being reallocated to grant funding. The grant funding includes the Childrens Community Grant and Revenue Integration Fund. There has also been a decrease in Direct Payment costs. Safeguarding and Commissioning - Commissioning (£0.043m) – due to some employee costs being capitalised. - Management & Support £0.056m – due to an increase in legal costs for Adult Social Services and the central telephone recharge being higher than expected. Minor variances across the Portfolio account for the remainder (£0.051m).
1.05	**Out of County Placements (£0.306m)** The favourable movement relates to: - Childrens Services (£0.145m) – Ended placements and additional income for Unaccompanied Asylum-Seeking children (UASCs) - Education & Youth (£0.161m) – Due to ended placements.
1.06	**Schools (£0.080m)** The favourable movement is as a result of flexible retirement exit costs absorbed by schools (£0.046m), actual Free School Meals up-take less than

	anticipated (£0.029m) and minor variances within specific elements of non-delegated (£0.005m).
1.07	**Streetscene and Transportation (£0.061m)** The favourable movement relates to: • Service Delivery £0.044m – increase in traffic management costs. • Highways Network £0.104m – additional winter maintenance vehicle recharges. • Transportation (£0.196m) – Maximisation of the '20 MPH' Officer Time Grant offsetting Transport Strategy costs Minor variances across the Portfolio account for the remainder (£0.013m).
1.08	**Planning Environment and Economy (£0.084m)** The favourable movement relates to: • Business (£0.028m) - receipt of Supporting People of Grant Income £0.010m • Community £0.061m – carry forward of 3 and 5 year taxi licence fees received in advance and revised fee income levels within Licensing • Development £0.068m – carry forward of Planning Fee Income received in advance during March 2024. • Shared Service £0.034m – accommodation charge from Gwynedd County Council • Regeneration – (£0.172m) maximisation of Grant Income for budgeted staff costs • Management & Strategy – (£0.065m) reduced level of expenditure than previously forecast. Minor movements across the Portfolio account for the remainder £0.018m.
1.09	**People and Resources (£0.062m)** The favourable movement follows the maximisation of grant income within Corporate Finance. Minor variances across the Portfolio account for the remainder (£0.001m).
1.10	**Governance (£0.184m)** The favourable movement relates to: • Internal Audit (£0.034m) – actual postages costs lower than previously anticipated • ICT (£0.082m) – revised expenditure on software packages and staff savings from vacant posts • Customer Services (£0.054m) – backdated 3-year rent increase for Holywell Connects office, Registrar income higher than previously anticipated. Minor movements across the Portfolio account for the remainder (£0.014m).

1.11	**Central and Corporate Finance (£0.403m)** A further review of the Central Loans and Investment Account includes a further improvement on the position due to continued lower levels of borrowing and additional investment income. This is mitigated in part by additional Coroners and Audit Wales costs.
1.12	Cumulative minor variances across the Council of £0.072m account for the remainder of the total monthly movement.
1.13	**Carry Forward Requests** Social Services £0.059m A carry forward of £0.059m is requested from additional income generated for services delivered to meet Welsh Government programmes including Flying Start childcare. As childcare is registered with Care Inspectorate Wales (CIW) there are certain requirements that must be adheres, keeping sufficient reserves/funding aside in relation to staffing and on-costs, redundancies and notice periods, day-to-day running costs, continuity of service provision and meeting unexpected costs. Welsh Government is yet to confirm their longer-term plans for Flying Start 2-year-old childcare and the funding will enable the Council to meet CIW requirements and to take forward an updated operating model for 12 months. Housing & Communities £0.025m A carry forward of £0.025m is requested for property condition surveys at various Industrial Units for works which were not able to be carried out to completion before the end of March 2024.
1.14	**Tracking of In-Year Risks and Emerging Issues** Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.
1.15	**Council Tax Income** In 2023/24, the Council collected 97.4% of Council Tax 'in-year' which is the same as the previous year. Recently published performance statistics across Wales show that we are ranked in 1st place across the North Wales sub-region and 2nd place nationally.
1.16	**Pay Award (Teacher and Non-Teacher)** NJC (Green Book)

	The actual impact of the pay offer for 2023/24 was an additional £2.702m which was met from the Contingency Reserve.
1.17	**Pay Modelling** A review of the Council's pay model which is needed to address the difficulties currently being experienced in recruitment and retention is continuing. It is due to be completed in the 2024/25 financial year so there was no impact on the 2023/24 budget.
1.18	**Waste Recycling Infraction Charge** The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has previously been confirmed. The statutory recycling targets were also not achieved in 2022/23and 2023/24, which means that further infraction fines of £0.356m and £0.184m respectively could be levied. Therefore, the financial risk across all 3 financial years currently totals £1.203m. Further discussions will take place with Welsh Government on all of the above in July 2024.
1.19	**Homelessness** There continues to be a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 and continued to accelerate markedly through 2023/24 resulting in a final overspend of £ 2.546m. The mitigations options approved by Cabinet and Community and Housing Overview and Scrutiny Committee are now being actively progressed by a Housing Options officer working group with a view to increasing the supply of accommodation for Homeless persons as alternatives to the more expensive emergency accommodation. The Council will also continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.
1.20	**Storm Babet** Storm Babet was an intense extratropical cyclone which affected many parts of the County from 19 October through to the end of 21 October 2023. This was followed rapidly by Storm Ciaran, which although saw less impact, still necessitated significant resources in response.

The storm caused severe disruption to travel with many roads closed, railways flooded, schools closed, and properties being affected by flood water. Storm Ciaran also required a priority response and caused some additional costs.

The Council has been incurring the significant additional costs for the emergency response, assessing damage to infrastructure and arranging the necessary remedial works to be carried out in the aftermath. This is currently estimated at £1.527m which will be incurred over both 2023/24 and 2024/25 financial years, by the time final work is completed.

There is an Emergency Financial Assistance Fund (EFAS) that Welsh Government have in place. However, Authorities are expected to make reasonable provision in their budgets to deal with contingencies, so the authority affected is expected to meet all eligible expenditure up to the level of its threshold.

Thresholds are calculated at 0.2% of authority's annual budget requirement and apply to the whole financial year, not to each incident within the financial year and for Flintshire, this amounts to emergency funding being provided at 85% for costs over and above the threshold of £0.711m.

Welsh Government provided confirmation that the Scheme has been activated by the Minister and that our claim will be met in line with the terms and conditions of the scheme.

There is a Severe Weather Earmarked Reserve totalling £0.250m which will also assist in funding some of the costs, which will be drawn down in 2024/25 when full costs have been incurred.

The financial impact of Storms Babet and Ciaran is estimated as follows: -

Description	Costs to 31/03/2024 £m	Projected 2024/25 costs £m	Total Costs £m
Total Projected Costs	0.959	0.668	1.527
Severe Weather Reserve			-0.250
EFAS Funding @ 85%*			-0.671
Projected net cost of storms			0.606

*£1.5m original estimate less £0.711m threshold = £0.789m x 85% = £0.671m

| 1.21 | **Out of County Placements**

The risk includes continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs. An additional amount of £1m was approved in the 2023/24 budget to reflect this.

The final total of overspend for the current cohort of placements is reported as £1.285m. An additional amount of £1.5m has been included in the 2024/25 budget to reflect current demand. |

	The service areas within this pooled budget continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.
1.22	**Streetscene and Transportation** Fleet Contract Renewal The fleet contract, which had been in operation for 7 years, was renewed for a temporary period of 7 months from October 2023. Unfortunately, the fleet contract provider went into administration in May 2024, and it was then necessary to purchase all the vehicles that were required to maintain service delivery at current market value. This means that the Fleet service will now be provided in-house, and all related costs monitored closely through 2024-25. A budget pressure has been allocated within the 2024/25 budget to allow for cost increases. Sustainable Waste Management Grant (SWMG) The Minister for Climate Change has confirmed that the SWMG grant will be retained at the same level for this financial year. However, those local authorities that are not yet meeting the statutory recycling target of 70% will be required to use the grant to reach 70% and be required to demonstrate this. Confirmation from Welsh Government has recently been provided on the SWMG grant levels for 2024/25 at the current grant value of £0.742m per annum. Winter Maintenance Due to the number of gritting callouts, the level of precautionary gritting required and increased demand on vehicles and workforce, there was an increased cost of Winter Maintenance in 2023/24 of £1.205m. It was, therefore, necessary to utilise the Winter Maintenance reserve of £0.250m in full, increasing the risk of an overspend going forward if another above average winter occurs in 2024/25 and beyond.
1.23	**Education and Youth (Non-Schools)** Inclusion and Progression Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire provision. Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.

	The service continues to take steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.
	The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.
	Welsh Government have made additional grants available to support schools and councils. However, there are future risks over reliance on temporary grant funding and its ability to meet demand within existing budgets and available grants.
1.24	**Harpur Trust vs Brazel Case** The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m has provided some funding towards these costs.
1.25	**Achievement of Planned In-Year Efficiencies** The 2023/24 budget contained £9.265m of specific efficiencies which were tracked and monitored throughout the year. The Council has achieved its aim of 99% rate in 2023/24 as reflected in the MTFS KPI's and fully achieved all efficiencies. Further details can be seen in Appendix 3.
1.26	**Unearmarked Reserves** The final level of Council Fund Contingency Reserve brought forward into 2023/24 was £9.508m as detailed in the 2022/23 outturn report (subject to Audit). The brought forward balance on the COVID-19 Hardship Reserve was £3.743m. Internal claims for the year 2023/24 totalled £0.527m for Holywell Leisure Centre, Cambrian Aquatics, Streetscene & Transportation and Free School Meals covering the Christmas holiday period were approved and the remaining balance of £3.216m will be added to our Base Level of Reserves in 2024/25 as approved by Council. After taking into account the outturn and previously approved allocations the final level of Council Fund Contingency Reserve available as at 31 March, 2024 is £2.972m including those approved as part of the 2024/25 budget, and is shown in Appendix 4.

	Council Fund Earmarked Reserves 2023/24		
1.27			

Reserve Type	Balance as at 01/04/23	Balance as at 31/03/24
Service Balances	**6,184,486**	**3,326,381**
Workforce Costs	843,190	843,190
Investment in Organisational Change	1,350,875	972,142
County Elections	74,777	374,693
Local Development Plan (LDP)	115,360	0
Warm Homes Admin Fee	315,985	294,835
Waste Disposal	48,771	0
Design Fees	250,000	238,684
Winter Maintenance	250,000	0
Severe Weather	250,000	250,000
Car Parking	88,059	88,059
Insurance Reserves	2,201,372	2,382,509
School HWB ICT Replacement	526,447	789,670
Free School Meals	30,398	0
Flintshire Trainees	562,948	321,614
Rent Income Shortfall	106,118	131,118
Plas Derwen Wave 4	3,560	5,339
Customer Service Strategy	22,468	7,468
Supervision Fees	48,798	48,798
IT COVID Enquiry	142,301	142,301
ICT Servers Reserve	170,000	0
IT Infrastructure HWB	312,442	139,442
Schools Intervention Reserve	705,836	51,251
Organisational Change/ADM	873,546	600,560
NWEAB	330,927	690,685
Solar Farms	62,416	180,192
20 MPH Scheme	111,186	0
Employment Claims	109,846	109,846
Community Benefit Fund NWRWTP	683,164	913,925
Total	**10,590,790**	**9,576,321**
Schools Balances	6,716,596	3,336,011
Grants & Contributions	7,066,214	6,768,523
TOTAL	**30,558,085**	**23,007,236**

As in previous years a review and challenge of all earmarked reserves will be undertaken over the summer to ensure that they are still relevant and required at the same level.

1.28	**Operating Surplus/(Deficit) and Contingency Reserve position**
	The operating surplus and Contingency Reserve position over the last 5 financial years is as follows:

Final Outturn and Contingency Reserve					
	2023/24	2022/23	2021/22	2020/21	2019/20
	£m	£m	£m	£m	£m
Revenue Outturn Surplus/ (Deficit)	(1.466)	3.013	5.711	2.185	0.439
Contingency Reserve	2.972	9.508	7.098	5.973	2.370

| 1.29 | **Housing Revenue Account**

The 2022/23 Outturn Report to Cabinet on 18th July 2023 showed an un-earmarked closing balance at the end of 2022/23 of £3.786m and a closing balance of earmarked reserves of £2.690m. |
|---|---|
| 1.30 | The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves. |
| 1.31 | The final outturn for the HRA shows an in-year revenue expenditure (£0.315m) lower than budget with a closing un-earmarked balance as at 31st March, 2024 of £3.512m, which at 8.99% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3% - see Appendix 5. |
| 1.32 | The favourable movement of (£0.773m) is as a result of:

Income (£0.198m)
- a further reduction in the requirement to 'top up' the Bad Debt Provision

Capital Financing – Loan Charges (£0.161m)
- Reduction in interest charged to the HRA

Estate Management (£0.089m)
- Vacancy savings (£0.040m)
- Additional allocation of the Housing Support Grant (£0.040m) and minor variances (£0.009m) account for the remainder.

Landlord Service Costs £0.077m
- Increase in expenditure on Utilities £0.060m
- Minor variances £0.017m

Repairs and Maintenance (£0.296m)
- Offset of spend from Transitional Accommodation Capital Funding (TACP)

Management & Support Services (£0.141m) |

	• Staff savings (£0.046m) • Reduction in IT costs (£0.052m) and Minor Variances (£0.044m). Minor variances £0.035m account for the remainder
1.33	The budget contribution towards capital expenditure (CERA) is £12.712m.

2.00	**RESOURCE IMPLICATIONS**
2.01	As set out within the report.

3.00	**IMPACT ASSESSMENT AND RISK MANAGEMENT**
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

4.00	**CONSULTATIONS REQUIRED/CARRIED OUT**
4.01	None specific.

5.00	**APPENDICES**
5.01	Appendix 1: Council Fund – Movement in Variances from Month 10 Appendix 2: Council Fund - Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	Various budget records.
7.00	**CONTACT OFFICER DETAILS**
7.01	**Contact Officer:** Dave Ledsham Strategic Finance Manager **Telephone:** 01352 704503 **E-mail:** dave.ledsham@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**

8.01	**Budget:** 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.
	Council Fund: the fund to which all the Council's revenue expenditure is charged.
	Financial Year: the period of twelve months commencing on 1 April.
	Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
	Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
	Regional Integration Fund (RIF): funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.
	Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
	Revenue: 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.
	Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
	Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

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MONTH 12 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.476	Increasing demand for residential care has resulted in an increase of £0.551m. Homecare costs have reduced by £0.037m and demand seems to have become more manageable. Employee costs reduced by £0.034m due to vacancies. There were minor variances of £0.004m.
Resources & Regulated Services	-0.029	In-house homecare reduced by £0.078m due to staffing numbers. Residential care has increased by £0.084m due to increased agency cover. Extra Care has reduced by £0.040m.
Minor Variances	0.013	
Adults of Working Age		
Resources & Regulated Services	0.079	This was from net changes to care packages
Professional and Administrative Support	-0.025	This was due to vacancy savings
Supporting People	-0.060	Additional Supporting People funding was received
Residential Placements	-0.040	This was the net reduction to Mental Health care packages
Substance Misuse	-0.026	Vacancies have meant there have been further cost reductions
Minor Variances	-0.048	
Children's Services		
Family Group Meetings	-0.046	Some eligible costs were reallocated to grant funding
Family Placement	0.067	The increase was due to a high cost, temporary placement
Legal & Third Party	0.038	There has been an increase to legal fees and court costs
Professional Support	-0.267	Eligible costs have been identified which were reallocated to grant funding. The grant funding includes the Childrens Community Grant and Revenue Integration Fund. There has also been a decrease in Direct Payment costs.
Minor Variances	0.009	
Safeguarding & Commissioning		
Commissioning	-0.043	Some employee costs have been capitalised
Management & Support	0.056	There has been an increase in legal costs for Adult Social Services. In addition the central telephone recharge at year end was higher than projections.
Minor Variances	-0.025	
Total Social Services (excl Out of County)	**0.129**	
Out of County Placements		
Children's Services	-0.145	Ended placements and additional income for Unaccompanied Asylum Seeking children (UASCs)
Education & Youth	-0.161	Due to ended placements
Total Out of County Placements	**-0.306**	
Education & Youth (Non-Schools)		
Integrated Youth Provision	0.061	Additional service contract costs and repairs and maintenance expenditure
School Improvement Systems	-0.064	£21k of movement relates to the School Improvement Service - minor variances across the Welsh In Education Service and Healthy Schools and an £11k movement relating to additional Shared Prosperity Fund income to offset existing manager time. £0.043m relates to additional underspend within Early Entitlement service due to NMS payments demand being lower and other elements of expenditure utilised against committed grants
Minor Variances	0.028	
Total Education & Youth (Non-Schools)	**0.025**	
Schools	**-0.080**	The favourable movement is as a result of flexible retirement exit costs absorbed by schools (£0.046m), actual Free School Meals up-take less than anticipated (£0.029m) and minor variances within specific elements of non-delegated (£0.005m).
Streetscene & Transportation		
Service Delivery	0.044	Traffic Management costs increased
Highways Network	0.104	Winter maintenance Year To Date Recharges Impact on Go Plant Contract Increased
Transportation	-0.196	20 MPH Officer Time Grant release into Transport Strategy
Other Minor Variances	-0.013	
Total Streetscene & Transportation	**-0.061**	
Planning, Environment & Economy		
Business	-0.028	Supporting People Grant £0.010m received; minor variances across the Service
Community	0.061	Carry forward of 3 and 5 year taxi licences; revised levels of fee income in Licensing
Development	0.068	Carry forward of March Fee income as Receipt in Advance; minor movements across the Service

MONTH 12 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Shared Services	0.034	Commitment for accommodation with Gwynedd CC not previously committed for
Regeneration	-0.172	Maximisation of Grant Income against budgeted staff costs
Management & Strategy	-0.065	WaterCo expenditure lower than previously anticipated, various commitments revised and removed
Minor Variances	0.018	
Total Planning, Environment & Economy	**-0.084**	
People & Resources		
HR & OD	0.001	
Corporate Finance	-0.063	Maximisation of Grant Income for budgeted staff costs; minor variances across the Service
Total People & Resources	**-0.062**	
Governance		
Internal Audit	-0.034	Actual postage expenditure lower than previously anticipated
ICT	-0.082	Revised expenditure on some software packages, staff savings from vacant posts
Customer Services	-0.054	Backdated Rent Increase for Holywell Connects; Registrar Income higher than previously anticiapted.
Minor Variances	-0.013	
Total Governance	**-0.184**	
Assets		
Centralised Costs	0.057	Higher than projected utility costs
Minor Variances	0.006	
Total Assets	**0.063**	
Housing and Communities		
Benefits	0.042	Previously understated costs re. Food Poverty
Housing Solutions	-0.097	Reduced cost of hotel payments
Minor Variances	0.015	
Total Housing and Communities	**-0.040**	
Chief Executive's	**0.021**	
Central & Corporate Finance	**-0.375**	Further improvement in the CLIA by (£0.280m) at Month 11 then (£0.170m) at final outturn, one off income from Education Reserve £0.068m and and accounting for the Soft Loan Mitigation (£0.027m), mitigated by additional expenditure on Coroners Fees and Wales Audit Fees
Soft Loan Mitigation	-0.027	IFRS 9 requires that soft loans interest is accrued at the Effective Interest Rate (EIR)
Grand Total	**-0.979**	

Budget Monitoring Report
Council Fund Variances

MONTH 12 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services							
Older People							
Localities	23.279	24.153	0.874	0.398	-0.146	Residential care costs for people over the age of 65 was overspent by £0.931m due to service demand. This amount is net of client income from property recharges and any expected reimbursements for deputyship and assets held in trust. Homecare is £0.183m overspent, and was due to meeting care demand. Locality workforce and professional support budgets were underspent by £0.207m and day care was underspent by £0.022m. The minor adaptations budget was £0.011m underspent.	
Resources & Regulated Services	10.265	9.971	-0.294	-0.265	0.000	In-house residential care overspent by £0.136m due to staff and running costs. Homecare was underspent by £0.363m due to recruitment challenges. The Extra Care budget was overspent by £0.039m from staff costs, day care was underspent by £0.105m.	
Minor Variances	1.360	1.342	-0.019	-0.032	0.000		
Adults of Working Age					0.000		
Resources & Regulated Services	33.762	33.912	0.150	0.071	0.000	The PDSI (physically disabled and sensory impaired) budget was £0.554m overspent due to net costs of care packages. The in-house supported living service was £0.229m overspent due to care hours and agency costs, a £0.400m contribution from reserves offset further costs. The care packages for independently provided care for learning disability services was £0.543m underspent. The learning disability day and work provision was £0.090m underspent.	
Children to Adult Transition Services	1.001	0.748	-0.254	-0.248	0.000	This is the overall cost of care packages for young adults transferring from Children's Services to Adult Social Care. Costs are initially based on estimates and precise costs not known until the service required is confirmed. This leads to variances from the initial estimate.	
Professional and Administrative Support	0.435	0.301	-0.134	-0.109	-0.016	This variance is due to in-year vacancies	
Transition & Disability Services Team	0.856	0.736	-0.120	-0.101	-0.050	Delays in recruiting to posts has resulted in the in-year underspend	
Supporting People	-0.386	-0.442	-0.056	0.004	0.000	Additional Supporting People funding was received	
Residential Placements	2.607	2.798	0.192	0.232	0.000	This is the overall cost of care packages for people with mental ill health. This can be a volatile service and additional needs can be identified throughout the year resulting in changes to costs of care packages	
Professional Support	0.859	0.809	-0.050	-0.055	-0.100	The underspend is due to in-year vacancies	
Substance Misuse	0.385	0.285	-0.099	-0.073	-0.097	During the year there were vacant posts which led to the underspend.	
Minor Variances	2.003	1.935	-0.068	-0.040	0.000		
Children's Services					0.000		
Family Placement	3.175	3.109	-0.066	-0.132	0.000	The underspend was due to annual fostering costs being lower than normal. Costs are dependent upon the number of foster care placements available.	
Legal & Third Party	0.262	0.743	0.481	0.443	0.000	Legal costs were overspent by £0.236m due to the number of cases going through the courts and some use of external professionals. Client support and Section 17 costs were overspent by £0.167m and Direct Payments were overspent by £0.078m due to demand.	

Budget Monitoring Report
Council Fund Variances

MONTH 12 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Residential Placements	1.669	1.368	-0.301	-0.324	0.000	The in-house residential care provision was in receipt of a significant Welsh Government grant which is offsetting costs.	
Professional Support	6.148	6.653	0.505	0.772	-0.227	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies are minimised where possible and additional temporary posts are sometimes required to be able to meet the challenges and demands of Childrens Services. Two managed agency teams were contracted to support the service, reserves were used to mitigate these costs as much as possible, but there was a projected overspend of £0.740m. The Leaving Care budget, which supports young people who are Looked After Children, was overspent by £0.316m due to increased numbers of care leavers which included unaccompanied asylum seeking children. The costs for some external service contracts were £0.096m overspent due to inflationary pressures. Costs of Direct Payments which provide support to children with disabilities were £0.034m overspent from service demand. Aggregate variances, mostly from vacancies, were £0.501m underspent.	
Minor Variances	1.092	1.233	0.140	0.200	0.000		
Safeguarding & Commissioning					0.000		
Business Systems & Financial Assessments	0.988	1.068	0.079	0.089	-0.032	A new social services IT system was implemented which required additional project management and development costs.	
Charging Policy income	-3.385	-3.560	-0.174	-0.158	0.000	This is income from service users who are charged a contribution towards the care received	
Business Support Service	1.304	1.233	-0.070	-0.055	0.000	The underspend was due to cumulative short term vacancy savings	
Commissioning	0.760	0.696	-0.063	-0.021	0.000	The capitalisation of some staff costs resulted in the budget underspending	
Management & Support	-1.645	-1.570	0.076	0.020	0.000	Social Services had to outsource some legal support during the year which resulted in the underspend.	
Minor Variances	2.513	2.539	0.026	0.009	-0.007		
Total Social Services (excl Out of County)	**89.306**	**90.061**	**0.755**	**0.626**	**-0.700**		
Out of County Placements							
Children's Services	12.281	13.597	1.316	1.460	0.000	The service faced continued pressures and high demand with 48 new placements made in the year and cost inflation on provider fee levels	
Education & Youth	5.004	4.973	-0.031	0.130	0.000		
Total Out of County Placements	**17.285**	**18.570**	**1.285**	**1.591**	**0.000**		
Education & Youth (Non-Schools)							
Inclusion & Progression	5.682	5.548	-0.135	-0.137	-0.110	Variance relates to in year savings within the Additional Learning Needs service and Traveller service - identified in Month 8. Previously committed expenditure was offset by Additional Learning Needs grant funding £0.050m and a budget c/fwd of £0.095m from 2022-23 - not being fully spent.	

Budget Monitoring Report
Council Fund Variances

MONTH 12 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.878	1.630	-0.247	-0.183	0.000	Variance relates to unexpected income from several grants - ACL (Adult Community Learning) and the Shared Prosperity Fund to offset manager time. Also secondment work to Estyn for the School Improvement Service. Demand for the Early Entitlement service was less than anticipated due to demography, as well as offsetting core expenditure by utilising grant	
Archives	0.351	0.404	0.054	0.038	0.000	Mainly due to recharges from Denbighshire CC for joint service	
Minor Variances	2.533	2.523	-0.010	-0.083	0.000		
Total Education & Youth (Non-Schools)	**10.444**	**10.105**	**-0.339**	**-0.364**	**-0.140**		
Schools	**114.005**	**114.189**	**0.184**	**0.264**	0.000	The main influences on the overspend relate to the on-going redundancy pressures absorbed by the exit cost budget set-aside, aswell as Newydd meal price increases from October 2023.	
Streetscene & Transportation							
Service Delivery	10.843	11.038	0.195	0.151	-0.077	Service Delivery implemented tight controls to the allocation of PPE, materials and receptacles through the in-house stores. Changes to the security provision in the Alltami Depot, Greenfield transfer station and HRC sites generated savings, following a review of the service needs. Cleaning costs were also reviewed and reduced. The service is subject to increasing inflationary pressures and demand for temporary repairs on the road network, largely due to the reduction in WG funding and reduced investment in the highway network and fluctuating costs of tar and traffic management for repairs. The overall overspend is partly offset by performance of the in-house construction team delivering work such as the 20mph scheme rather than contracting the work externally.	
Highways Network	8.594	10.008	1.414	1.311	0.000	The renewal of the fleet contract through contract extension from October 2023 has resulted in an overspend of £0.658m overall, with £0.532m impacting directly to the centralised Fleet budget. A variance of £0.170m is attributable to increases in costs for both fuel and streetlighting energy, increased insurance premiums, and defective highway network infrastructure repairs. Additional costs of £1.645m in relation to the clean up and reinstatement works required following Storms Babet and Ciaran. Emergency Financial Assistance Funding (EFAS) from WG was claimed alongside utilisation of the Severe Weather Reserve, bringing the net cost down to a projected £0.602m.	
Transportation	11.350	10.911	-0.439	-0.243	-0.225	Vacancies of £0.243m within Transport Strategy and moratorium on recruitment contributied to the overall underspend. Remaining underspend of £0.200m due to 20 MPH Officer time grant released into Transport Strategy.	
Regulatory Services	11.440	11.519	0.079	0.093	-0.120	The overspend variance is due to sustained high volumes of residual black waste collected, together with the reduction in income levels for both recyclable materials and a reducing return on electricity generation from gas and solar at the former landfill sites.	
Total Streetscene & Transportation	**42.227**	**43.477**	**1.250**	**1.311**	**-0.422**		
Planning, Environment & Economy							

Budget Monitoring Report
Council Fund Variances

MONTH 12 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Business	2.168	2.110	-0.058	-0.030	0.000	Staff savings from vacant post; expenditure on contaminated land lower than previously anticipated; minor variances across the Service	
Community	1.023	1.121	0.098	0.037	0.000	Shortfall of licence fee income together with the value of 3 and 5 year taxi licence fees paid in advance confirmed as carried forward into 2024 25	
Development	0.138	-0.138	-0.276	-0.343	-0.021	Over recovery of Planning Fee Income	
Access	1.618	1.731	0.113	0.095	-0.047	Ash Die Back costs and Tree works carried out at various Schools	
Climate Change	0.183	0.113	-0.070	-0.070	-0.007	Staff savings from vacant posts	
Shared Services	0.206	0.206	0.000	-0.034	0.000		
Regeneration	0.813	0.528	-0.286	-0.114	-0.040	Budget savings from Wales Rally GB, Economic Ambition Board and maximisation of Grant Income funding budgeted staff costs	
Management & Strategy	1.409	1.104	-0.305	-0.240	-0.081	Staff savings from vacant posts, reduced expenditure with WaterCo and Welsh Government Flood Risk Management Grant received at higher value than budgeted	
Minor Variances	0.206	0.206	0.000	-0.034	-0.082		
Total Planning, Environment & Economy	**7.557**	**6.775**	**-0.782**	**-0.699**	**-0.278**		
People & Resources							
HR & OD	2.419	2.401	-0.018	-0.019	-0.069		
Corporate Finance	2.252	2.087	-0.165	-0.103	-0.112	Staff savings from vacant posts, reduced expenditure on Feasibility Studies and maximisation of Grant Income and Recharges	
Total People & Resources	**4.672**	**4.488**	**-0.184**	**-0.122**	**-0.181**		
Governance							
Legal Services	0.992	1.177	0.185	0.193	0.000	Additional costs for locum services covering vacant posts	
Internal Audit	1.051	0.948	-0.104	-0.069	-0.053	Staff savings from vacant posts, deferred expenditure on Agency/Consultancy moratorium, postage costs lower than anticipated	
Procurement	0.320	0.271	-0.049	-0.049	-0.027	Contribution to Denbighshire C C for shared service	
ICT	5.328	5.205	-0.123	-0.041	0.000	Staff savings from vacancy posts, deferred expenditure moratorium, some software costs in year lower than previously anticipated	
Customer Services	1.129	1.064	-0.065	-0.011	0.000	Back dated rent increase for Holywell Connects building, Registrar income over recovery	
Revenues	0.655	0.401	-0.253	-0.244	0.000	Council Tax Surplus Fund final outturn	
Minor Variances	2.468	2.501	0.033	0.028	-0.212		
Total Governance	**11.943**	**11.567**	**-0.376**	**-0.192**	**-0.292**		
Assets							
Caretaking & Security	0.284	0.234	-0.050	-0.044	0.000	Due to vacancy savings	
CPM & Design Services	0.587	0.406	-0.181	-0.191	0.000	Due to increased fee income from Corporate Property maintenance and salary savings due to vacancies	
Industrial Units	-1.502	-1.556	-0.054	-0.059	0.000	Due to savings on Repair and Maintenance costs	
Centralised Costs	3.174	3.226	0.052	-0.004	0.000	Higher than projected utility costs	
Minor Variances	8.553	8.430	-0.123	-0.118	-0.049		
Total Assets	**11.095**	**10.740**	**-0.355**	**-0.418**	**-0.049**		
Housing and Communities							

Budget Monitoring Report
Council Fund Variances

MONTH 12 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Housing Solutions	2.334	4.881	2.546	2.643	0.000	The Housing Solutions service reflects a net overspend of £2.546m. This is mainly due to a projected overspend of £3.363m on temporary accommodation within Hotels and Bed and Breakfast provision, which is being offset by additional Housing Benefit income of (£0.477m). There are also other underspends and mitigation impacts within the wider Housing Solutions service amounting to a net figure of £0.340m, including additional internal allocation of HSG to fund salary costs, minor salary savings due to vacancies and use of WG grant income. The service are actively implementing a number of mitigation measures, some of which may have operational impacts on other parts of the wider Housing service, which will be incorporated within an action plan to reduce the current level of projected overspend within the Homelessness service.	
Minor Variances	13.656	13.666	0.010	-0.047	-0.072		
Total Housing and Communities	**15.990**	**18.547**	**2.557**	**2.597**	**-0.072**		
Chief Executive's	**1.672**	**1.660**	**-0.012**	**-0.032**	**-0.010**		
Central & Corporate Finance	**25.924**	**23.433**	**-2.490**	**-2.115**	0.000	The Central Loans and Investment Account (CLIA) reported an over recovery of income of (£2.575m) due to the Council having minmised any new short or long term borrowing and continuing to invest a significant amount of short term cash flow on a day to day basis, which increased gradually through the year. Other net minor variances totalled £0.085m due to additional bank charges and audit fees.	
Soft Loan Mitigation	0.000	-0.027	-0.027	0.000	0.000	IFRS 9 requires that soft loans interest is accrued at the Effective Interest Rate (EIR)	
Grand Total	**352.121**	**353.587**	**1.466**	**2.445**	**-2.144**		

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2023/24 Efficiencies Outturn Tracker - Month 12

	Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
Portfolio			2023/24 £m	2023/24 £m	2023/24 £m			
Corporate								
Reduction In CLIA	Reduction in Pre Payments on Finance Leases / underspend on MRP	Chris Taylor	0.364	0.364	0.000	C		
Actuarial Review	Portfolios	Gary Ferguson	1.874	1.874	(0.000)	C		
NI Reversal	Portfolios	Rachel Parry Jones	0.474	0.474	0.000	C		
Total Corporate Services			**2.712**	**2.712**	**(0.000)**			
Chief Executives / Assets								
Transport Savings	Budget Reductions	Neal Cockerton	0.010	0.010	0.000	C		
Vacancy Savings	Removal of Vacant Post x2	Neal Cockerton	0.048	0.048	0.000	C		
3rd Sector Budget		Neal Cockerton	0.041	0.041	0.000			
Total Chief Executives			**0.099**	**0.099**	**0.000**			
People & Resources								
Modern Appentices HR&OD	Reduction in CoHort by 2 posts	Sharon Carney	0.072	0.072	0.000	C		
Vacancy Savings Corporate Finance	Removal of Vacant Post	Gary Ferguson	0.086	0.086	0.000	C		
Transport and Training Savings Corporate Finance	Budget Reductions	Gary Ferguson	0.016	0.016	0.000	C		
Total People & Resources			**0.174**	**0.174**	**0.000**			
Assets - ADMs								
Newydd	5% efficiency	Rachael Corbelli	0.019	0.019	0.000	C		
Newydd NI	National Insurance reduction	Rachael Corbelli	0.023	0.023	0.000	C		
Total Assets - ADMs			**0.042**	**0.042**	**0.000**			
Housing & Communities								
CTRS Reduction	Budget Reduction	Vicky Clark	0.147	0.147	0.000	C		
Total Housing & Communities			**0.147**	**0.147**	**0.000**			
Governance								
Members Support Budget	Removal of Vacant Post	Gareth Owen	0.016	0.016	0.000	C		
Members Allowances	Budget Reductions	Gareth Owen	0.060	0.060	0.000	C		
Central Despatch	Removal of Vacant Post	Gareth Owen	0.022	0.022	0.000	C		
Mold & Buckley Connects	Reduction of hours to Part Time	Gareth Owen	0.060	0.060	0.000	C		
Total Governance			**0.158**	**0.158**	**0.000**			
Planning, Environment & Economy								
Vacancy Savings	Removal of Vacant Post	Andrew Farrow	0.020	0.020	0.000	C		
Fee Income	Fee Income Target for HDC /Planning	Andrew Farrow	0.180	0.180	0.000	C		
Total Planning, Environment & Economy			**0.200**	**0.200**	**0.000**			
Streetscene & Transportation								
Enhanced Enforcement for Recycling		Katie Wilby	0.046	0.046	0.000	C	Side waste enforcement is already taking place with FPNs being issued, but the next steps for enforcing against those who do not habitually recycle will to take enforcment action if residents place recyclable waste in their black bin. To introduce this will first require a period of education and engagement. Additional x3 recycling officers are currently being recruited and, once appointed, the aim is for these officers to support with door-knocking campaigns and community events in advance of introducing enhanced enforcement	Likely introduction is January 2024.
Part night Street Lighting		Katie Wilby	0.018	0.000	(0.018)	C	Difficult to implement in year due to the consultation required, and the limited opportunity following previous roll-outs. This will also require investment to the equipment to allow the switch-offs	Discussions being held with an update to come how we can achieve this saving.
Review Provision of Public Conveniences		Katie Wilby	0.012	0.000	(0.012)	C	The efficiency is largely reliant on the review of sites following the implementation of the Local Toilet Strategy and capital investment in FY 24/25-26/27.	
Extend, Repair & Reuse Initiatives		Katie Wilby	0.010	0.000	(0.010)	C	When this was put forward, we stated that the initiative would be dependent on investment funding either from WG Circular Economy grant funding or capital programme. We are still awaiting the outcome of our bid to WG, which is now unlikely given the current economic climate. Without the grant funding the initiative cannot be introduced and the efficiency will not be met.	
Waste & Recycling Round Review		Katie Wilby	0.075	0.075	0.000	C		
In House Highways Service		Katie Wilby	0.025	0.025	0.000	C		
Review of Security Arrangements Alltami Depot		Katie Wilby	0.050	0.050	0.000	C		
Apprenticeship Trainee Scheme Reduction		Katie Wilby	0.035	0.035	0.000	C		

	Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
Portfolio			2023/24 £m	2023/24 £m	2023/24 £m			
Increase Car Parking Charges	Income Generation	Katie Wilby	0.187	0.187	0.000	C	Decision approved and new charges will come into effect from October 2023 (original date planned was July 2023). Additional initiatives e.g. Free after Three and extension to parking times will mean that the original efficiency will be difficult to achieve unless the utilisation levels increase beyond current levels.	
Introduce Car Parking Charges on all Council Owned Car Parks	Income Generation	Katie Wilby	0.035	0.000	(0.035)	C	Delays in being implemented.	
Fleet Workshop	Income Generation	Katie Wilby	0.010	0.010	0.000	C		
Training Facility	Income Generation	Katie Wilby	0.010	0.010	0.000	C		
Funeral Services	Income Generation	Katie Wilby	0.010	0.010	0.000	C		
Total Streetscene & Transportation			**0.523**	**0.448**	**(0.075)**			
Social Services								
Contribution to Regional Team	Reduction in Contribution	Neil Ayling	0.050	0.050	0.000	C		
Reduced Contribution to EDT	Contract Costs Reduced	Neil Ayling	0.011	0.011	0.000	C		
Retendering of HFT	Contract Costs Reduced	Neil Ayling	0.040	0.040	0.000	C		
Total Social Services			**0.101**	**0.101**	**0.000**			
Education & Youth								
Central Management Budget	Schools Buildings Insurance / Temp	Claire Homard	0.060	0.060	0.000	C		
ALN Advocacy	Offset costs from LAEG ALN Grant	Claire Homard	0.020	0.020	0.000	C		
ALN Legal	Offset costs from LAEG ALN Grant	Claire Homard	0.010	0.010	0.000	C		
ALN Resource Provisions	Offset costs from LAEG ALN Grant	Claire Homard	0.100	0.100	0.000	C		
Early Years Entitlement	Budget Reductions	Claire Homard	0.095	0.095	0.000	C		
Youth Club Buildings	Building Closure	Claire Homard	0.017	0.017	0.000	C		
Youth Services	Vacant Posts (1 FTE 1 PT)	Claire Homard	0.056	0.056	0.000	C		
Youth Justice	Offset costs from Grant	Claire Homard	0.016	0.016	0.000	C		
Total Education & Youth			**0.374**	**0.374**	**0.000**			
Schools								
3% Reduction in Delegated Funding		Claire Homard	3.103	3.103	0.000	C		
NI Reversal (Schools & Teachers)		Claire Homard	0.857	0.857	0.000	C		
Actuarial Review		Claire Homard	0.776	0.776	0.000	C		
Total Schools			**4.736**	**4.736**	**0.000**			
Total 2023/24 Budget Efficiencies			**9.265**	**9.190**	**(0.075)**			

	%	£
Total 2023/24 Budget Efficiencies	100	9.265
Total Projected 2023/24 Budget Efficiencies Underachieved	-1	(0.075)
Total Projected 2023/24 Budget Efficiencies Achieved	99	9.190
Total 2023/24 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2023/24 Budget Efficiencies Underachieved	0	0.000
Total Projected 2023/24 Budget Efficiencies Achieved	0	0.000

Movements on Council Fund Unearmarked Reserves

	£m	£m		
Total Reserves as at 1 April 2023	19.162			
Less - Base Level	(5.769)			
Total Reserves above base level available for delegation to Cabinet		13.393		
Less - COVID-19 Hardship Funding Allocation		(3.743)	£0.527m used in 2023/24	
Less - Children's Services Legal Costs		(0.142)	Brought Forward	9.508
Add - Transfer to Reserve Budget 2023/24		0.006		
Less - Clwyd Theatr Cymru (Month 2)		(0.100)		
Less - actual impact of the pay award		(2.702)		
Add - Total Balances Released to Reserves (Month 5)		0.648		
Add - Council Tax Balance Released to Reserves (Month 7)		0.250		
Less - Month 12 projected outturn		(1.466)		

Less - Approved "Budget Risk" Reserve 2024/25		(3.000)		
Less - Approved Time Limited Pressures 2024/25		(0.172)		
Total Contingency Reserve available for use		**2.972**		

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(38.829)	(38.775)	0.054	0.252	There is a net pressure relating to void properties of £0.236m. This relates to costs such as void rent loss, council tax charges and service charges and is net of additional income relating to new build properties and voids moving to target rent. We are anticipating a variance of £0.026m on garage rents. Reduction in the requirement to top up the Bad Debt Provision of £(0.366)m. £0.158m reduction in Affordable Housing Grant as a result of delays to SHARP scheme.	
Capital Financing - Loan Charges	7.010	6.848	(0.161)		Reduction in interest to be recharged to the HRA (£0.161m).	
Estate Management	3.125	2.832	(0.293)	(0.204)	Favourable variance of (£0.293m). Vacancy savings of approximately (£0.342m) which is being offset by agency costs of £0.214m. Additional allocation of Housing Support Grant (£0.120m). Other minor variances of (£0.034m).	
Landlord Service Costs	1.617	1.563	(0.053)	(0.131)	Favourable variance of (£0.053m). Vacancy savings of approximately (£0.189m). Increased fleet costs of £0.047m and materials and hire of £0.071m. Reduction in subcontractor spend of (£0.030m). There has been an overspend on utility costs of £0.060m.	
Repairs & Maintenance	12.150	12.357	0.206	0.502	Overspend of £0.206m. Vacancy savings of approximately (£0.309m) . Increased Fleet Contract renewal costs of £0.074m. Increased costs of Hire of equipment £0.071m. Void Sub Contractor spend £2.800 over budget, offset with TACP Grant funding of (£2.323m) and underspends of (£0.168m) in Responsive repairs . £0.062m Minor variances.	
Management & Support Services	2.678	2.570	(0.109)	0.032	Favourable variance of (£0.109m). Vacancy savings of approximately (£0.085m). Insurance Costs (£0.040m). Additional contribution to SARTH £0.021m.	
Capital Expenditure From Revenue (CERA)	12.712	12.752	0.041			
HRA Projects	0.126	0.126	0.000	0.005		
Contribution To / (From) Reserves	(0.589)	(0.589)	0.000		Reduced contribution to reserves to meet CERA requirements in 2024/25.	
Total Housing Revenue Account	**(0.000)**	**(0.315)**	**(0.315)**	**0.458**		

Service	Movement between Periods	Narrative for Movement between Periods greater than £25k
Housing Revenue Account		
Income	(0.198)	Reduction in the Bad Debt, Minor Variances (£0.014m)
Capital Financing - Loan Charges	(0.161)	Reduction in interest to be recharged to the HRA (£0.161m).
Estate Management	(0.089)	Reduction is Salaries (£0.040m), Additional Housing Support Grant (£0.040m), Minor Variances (£0.009m)
Landlord Service Costs	0.077	Increased utility costs £0.060m, Minor variances £0.017m
Repairs & Maintenance	(0.296)	TACP Funding utilised to offset spend
Management & Support Services	(0.141)	Reduction in Salaries(£0.046m), Reduction in IT costs (£0.052m), Minor variances(£0.043m)
Capital Expenditure From Revenue (CERA)	0.041	Revised CERA contribution
HRA Projects	(0.005)	
Total Housing Revenue Account	**(0.773)**	

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CABINET

Date of Meeting	Tuesday, 23rd July 2024
Report Subject	Capital Programme Monitoring 2023/24 (Outturn)
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The report summarises the final outturn position for 2023/24 and changes made to the Capital Programme during the last quarter.

The Capital Programme has seen a net decrease in budget of (£16.834m) during the last quarter which comprises of:-

- Net budget decrease in the programme of (£12.875m) (See Table 2 – Council Fund (CF) (£10.125m), Housing Revenue Account (HRA) (£2.750m);
- Carry Forward to 2024/25 approved at Month 9 of (£1.810m)
- Switch of School Maintenance grant (£0.401m) and Additional Learning Needs grant (£1.575m) (all CF)
- Identified savings at outturn of (£0.173m) (CF)

Actual expenditure for the year was £69.807m (See Table 3).

The final outturn funding surplus from the 2023/24 – 2025/26 Capital Programme is £2.815m which is £0.819m more than the projected £1.996m when the 2024/25 – 2026/27 Capital Programme was approved on the 6th December 2023.

Following receipt of the final local government settlement, the Council will receive a reduced allocation of £0.017m per year compared to the estimated funding when the budget was set.

The final outturn for 2023/24 therefore has the impact of a revised opening funding position surplus of £0.820m (compared to £0.052m when the budget was set), prior to the realisation of additional capital receipts and/or other funding sources.

RECOMMENDATIONS	
	Cabinet are requested to:
1	Approve the overall report.
2	Approve the carry forward adjustments, as set out at 1.15.
3	Approve the additional allocation, as set out in 1.19

REPORT DETAILS

1.00	**EXPLAINING CAPITAL PROGRAMME MONITORING POSITION – OUTTURN 2023/24**
1.01	**Background** Council approved a Council Fund (CF) Capital Programme of £33.041m and a Housing Revenue Account (HRA) Capital Programme of £29.457m for 2023/24 at its meeting on 24 January 2023.
1.02	For presentational purposes the Capital Programme is shown as a whole, with sub-totals for the Council Fund and HRA. The HRA programme is 'ring fenced' and can only be used for HRA purposes.
1.03	**Changes since Budget approval** Table 1 below sets out how the programme has changed during 2023/24. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-

Table 1

REVISED PROGRAMME	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported			Savings - This Period	Changes - This Period	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25	Savings			
	£m	£m	£m	£m	£m	£m	£m	£m
People & Resources	0.350	0.150	(0.136)	0.000	0.000	0.000	0.000	0.364
Governance	0.357	0.294	0.608	(0.188)	(0.055)	(0.098)	0.492	1.410
Education & Youth	3.696	8.462	3.334	(3.747)	(0.120)	0.000	0.039	11.664
Social Services	3.680	0.171	3.179	(1.411)	0.000	(0.010)	(0.538)	5.071
Planning, Environment & Economy	0.040	1.018	1.801	(0.725)	0.000	(0.065)	(0.485)	1.584
Streetscene & Transportation	1.500	5.756	9.396	(0.872)	0.000	0.000	(5.501)	10.279
Housing and Communities	1.660	0.186	0.987	0.000	0.000	0.000	(0.564)	2.269
Capital Programme and Assets	21.758	1.992	0.746	(1.074)	0.000	0.000	(3.568)	19.854
Council Fund Total	33.041	18.029	19.915	(8.017)	(0.175)	(0.173)	(10.125)	52.495
HRA Total	29.457	0.000	(3.177)	0.000	0.000	0.000	(2.750)	23.530
Programme Total	**62.498**	**18.029**	**16.738**	**(8.017)**	**(0.175)**	**(0.173)**	**(12.875)**	**76.025**

1.04	**Carry Forward from 2022/23** Carry forward sums from 2022/23 to 2023/24, totalling £18.029m (all CF), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2022/23.
1.05	**Changes during this period** Funding changes during this period have resulted in a net decrease in the programme total of £12.875m (CF (£10.125m), HRA (£2.750m)). A summary of the changes, detailing major items, is shown in Table 2 below:-

Table 2

CHANGES DURING THIS PERIOD	Para	£m
COUNCIL FUND		
Increases		
Other Aggregate Increases	1.11	1.496
		1.496
Decreases		
Transportation Grants	1.06	(5.280)
Theatr Clwyd	1.07	(3.728)
Affordable Housing	1.08	(0.700)
Other Aggregate Decreases	1.11	(1.913)
		(11.621)
Total		**(10.125)**
HRA		
Increases		
Buy Backs	1.09	1.052
Other Aggregate Increases	1.11	0.020
		1.072
Decreases		
Estate Modernisation	1.10	(2.200)
Other Aggregate Decreases	1.11	(1.622)
		(3.822)
Total		**(2.750)**

1.06	A number of Local Transport Fund grant schemes have been re-profiled to match expenditure across financial years.
1.07	Re-profiling of prudential borrowing and grant funding for in year expenditure in relation to the redevelopment scheme at Theatr Clwyd.
1.08	As part of the Strategic Housing and Regeneration Programme (SHARP), the Council are building and purchasing affordable housing. Re-profiling of prudential borrowing has been carried out due to the purchase of a number of properties identified to be completed in 2024/25.
1.09	Introduction of Transitional Accommodation funding from Welsh Government to purchase existing properties for Homelessness accommodation.
1.10	No schemes have commenced in year. Re-profiling of prudential borrowing for working in 2024/25.
1.11	During the final quarter of the year there have been a number of adjustments made to schemes that are funded from grants, revenue contributions and prudential borrowing, reflecting the need to re-profile funding between financial years to align expenditure incurred with the relevant funding source.

1.12	**Capital Expenditure compared to Budget**
	Outturn expenditure, across the whole of the Capital Programme was £69.807m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.
	This shows that 91.82% of the budget has been spent (CF 88.15%, HRA 100%). Corresponding figures for Outturn 2022/23 were 93.51% (CF 88.72%, HRA 100%).
1.13	The table also shows a projected underspend (pending carry forward and other adjustments) of £6.218m on the Council Fund and a break-even position on the HRA.

Table 3

EXPENDITURE	Revised Budget £m	Outturn Expenditure £m	Percentage Spend v Budget %	Variance Budget v Outturn (Under)/Over £m
People & Resources	0.364	0.000	0.00	(0.364)
Governance	1.410	1.315	93.26	(0.095)
Education & Youth	11.664	10.266	88.01	(1.398)
Social Services	5.071	5.062	99.82	(0.009)
Planning, Environment & Economy	1.584	1.530	96.59	(0.054)
Streetscene & Transportation	10.279	6.530	63.53	(3.749)
Housing & Communities	2.269	2.240	98.72	(0.029)
Capital Programme & Assets	19.854	19.334	97.38	(0.520)
Council Fund Total	52.495	46.277	88.15	(6.218)
Buy Backs	1.052	1.052	100.00	0.000
Disabled Adaptations	1.120	1.120	100.00	0.000
Energy Schemes	4.427	4.427	100.00	0.000
Major Works	2.768	2.768	100.00	0.000
Accelerated Programmes	0.399	0.399	100.00	0.000
WHQS Improvements	12.417	12.417	100.00	0.000
SHARP Programme	1.347	1.347	100.00	0.000
Housing Revenue Account Total	23.530	23.530	100.00	0.000
Programme Total	**76.025**	**69.807**	**91.82**	**(6.218)**

1.14	Details of the variances for individual programme areas are listed in Appendix B, which includes the reasons, and remedial actions which may be required, where those variances exceed +/- 10% of the revised budget. In addition, where carry forward into 2024/25 has been identified, this is also included in the narrative.
1.15	**Carry Forward into 2024/25**
	During the quarter, carry forward requirements of £6.218m (all CF) have been identified which reflects reviewed spending plans across all

		programme areas. These amounts can be split into two areas, those required to meet the cost of programme works and/or retention payments in 2024/25 and Corporate provisions that are allocated as requested and approved.
1.16	The Corporate provisions are as follows:-	
	'Headroom' – A sum set aside for urgent works for which no other funding is available; and - Community Asset Transfers - Community groups have a number of years to draw down their funding once approved. These sums are set aside to ensure that funds are available when called upon.	
1.17	Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:	

Table 4

OUTTURN CARRY FORWARD - ANALYSIS

	£m	£m
Contractually Committed		
Governance	0.095	
Education - General	1.025	
Primary Schools	0.228	
Secondary Schools	0.099	
Special Education	0.044	
Children's Services	0.009	
Engineering	0.027	
Town Centre Regeneration	0.022	
Private Sector Renewal/Improvement	0.005	
Waste Services	3.405	
Highways	0.344	
Play Areas	0.026	
Administrative Buildings	0.457	
Disabled Facilities Grants	0.029	5.815
		5.815
Corporate Allocations		
'Headroom'	0.364	
Community Asset Transfers	0.039	0.403
Total		**6.218**

1.18	An overall amount of £0.111m which had previously been identified as requiring carry forward has now been reversed due to the expenditure being incurred in the 2023/24 financial year. Information relating to each programme area is contained in Appendix B and summarised in Table 5 below:-

Table 5

CARRY FORWARD INTO 2024/25	Month 4 £m	Month 6 £m	Month 9 £m	WG Grant £m	Reversed £m	Sub Total £m	Outturn £m	Total £m
People & Resources	0.000	0.000	0.000	0.000	0.000	0.000	0.364	0.364
Governance	0.143	0.012	0.088	0.000	(0.055)	0.188	0.095	0.283
Education & Youth	0.197	0.330	1.244	1.976	0.000	3.747	1.398	5.145
Social Services	1.337	0.000	0.074	0.000	0.000	1.411	0.009	1.420
Planning, Environment & Economy	0.508	0.217	0.000	0.000	0.000	0.725	0.054	0.779
Streetscene & Transportation	0.046	0.500	0.326	0.000	0.000	0.872	3.749	4.621
Housing & Communities	0.000	0.000	0.000	0.000	0.000	0.000	0.029	0.029
Capital Programme & Assets	0.898	0.154	0.078	0.000	(0.056)	1.074	0.520	1.594
Council Fund	**3.129**	**1.213**	**1.810**	**1.976**	**(0.111)**	**8.017**	**6.218**	**14.235**
TOTAL	**3.129**	**1.213**	**1.810**	**1.976**	**(0.111)**	**8.017**	**6.218**	**14.235**

1.19

Additional Allocations

Additional allocations have been identified in the programme in the final quarter as follows:

- Ysgol Treffynnon - £0.140m. Commercial agreement resulting in contribution towards the replacement of brise soleil and coloured spandrel panels to all elevations, providing an enhanced specification and longevity of future maintenance at the school.

- A550 Tinkersdale - £0.173m. Funding required for urgent structural works to reinstate the road at Tinkersdale, Hawarden which is currently closed.

These can be funded from within the current 'headroom' provision.

1.20

Savings

The following savings have been identified in the programme in the final quarter.

Table 6

IDENTIFIED SAVINGS	Savings £m
Information Technology	0.098
Services to Older People	0.010
Regeneration	0.065
Total	**0.173**

1.21	**Funding of 2023/24 Approved Schemes**
	The funding position at outturn is summarised in Table 7 below for the three year Capital Programme between 2023/24 – 2025/26:-
	Table 7

	£m	£m
FUNDING OF APPROVED SCHEMES 2023/24 - 2025/26		
Balance carried forward from 2022/23		(0.937)
Increases		
Surplus in 2023/24 to 2025/26 Budget	(0.365)	
		(0.365)
Decreases		
Actual In year receipts	(1.165)	
Savings	(0.348)	(1.513)
Funding - (Available)/Shortfall		**(2.815)**

1.22	The final outturn funding surplus from the 2023/24 – 2025/26 Capital Programme is £2.815m which is £0.819m more than the projected £1.996m when the 2024/25 – 2026/27 Capital Programme was approved on the 6th December 2023.
	Following receipt of the final local government settlement, the Council will receive a reduced allocation of £0.017m per year compared to the estimated funding when the budget was set.
	The final outturn for 2023/24 therefore has the impact of a revised opening funding position surplus of £0.820m (compared to £0.052m when the budget was set), prior to the realisation of additional capital receipts and/or other funding sources
1.23	**Investment in County Towns**
	At its meeting on 12th December 2017, the Council approved a Notice of Motion relating to the reporting of investment in county towns. The extent and format of the reporting was agreed at the Corporate Resources Overview and Scrutiny Committee on 14th June 2018.
1.24	Table 8 below shows a summary of the 2022/23 actual expenditure, the 2023/24 revised budget and budgets for future years as approved by Council at its meeting of 6th December, 2023. Further detail can be found in Appendix C, including details of the 2023/24 spend.

Table 8

INVESTMENT IN COUNTY TOWNS	2022/23 Actual £m	2023/24 Revised Budget £m	2024 - 2027 Budget £m
Buckley / Penyffordd	0.745	5.367	9.288
Connah's Quay / Shotton	2.225	1.150	0.000
Flint / Bagillt	2.135	5.452	27.557
Holywell / Caerwys / Mostyn	4.195	1.894	0.000
Mold / Treuddyn / Cilcain	5.713	17.880	40.373
Queensferry / Hawarden / Sealand	0.520	0.582	0.000
Saltney / Broughton / Hope	1.250	0.835	16.000
Unallocated / To Be Confirmed	0.980	1.200	28.490
Total	**17.763**	**34.360**	**121.708**

1.25	The inclusion of actuals for 2022/23 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years prior to 2022/23 has not been included, and the expenditure and budgets reported should be considered in that context.
1.26	There are two significant factors which increase allocations to areas, which are homes developed under SHARP, and new or remodelled schools. The impact of these can be seen in the detail shown in Appendix C.
1.27	Some expenditure cannot yet be allocated to specific towns as schemes are not yet fully developed or are generic in nature and not easily identifiable to one of the seven areas. As such schemes are identified the expenditure will be allocated to the relevant area.
1.28	Information on the split between internal and external funding can be found in Appendix C.
1.29	In addition to the information contained in Appendix C, there is also considerable capital expenditure on the HRA Welsh Housing Quality Standard (WHQS), which was originally outside the scope of this analysis. A summary is provided in Table 9 below, albeit using a slightly different catchment area basis.

Table 9

WHQS Programme	2022/23 Actual £m	2023/24 Budget £m	2023/24 Actual £m
Holywell	3.380	4.210	5.588
Flint	1.450	1.390	1.610
Deeside & Saltney	2.250	1.390	1.410
Buckley	1.060	1.390	1.360
Mold	3.000	3.451	2.289
Connah's Quay & Shotton	1.970	1.390	0.160
Total	**13.110**	**13.221**	**12.417**

1.30	The 2021 Prudential Code introduced a new requirement that monitoring of prudential indicators should be reported quarterly as part of capital monitoring. As per previous years, a separate Prudential Indicators Actuals report has been produced and is reported elsewhere on this agenda.

2.00	**RESOURCE IMPLICATIONS**
2.01	Financial implications - As set out in the report.
2.02	Personnel implications - None directly as a result of this report.

3.00	**IMPACT ASSESSMENT AND RISK MANAGEMENT**
3.01	There are no risks associated with the information contained herein relating to capital outturn.
	Grants received will also to be closely monitored to ensure that expenditure is incurred within the terms and conditions of the grant. The capital team will work with project leads to report potential risks of achieving spend within timescales and assist in liaising with the grant provider.
	The Council has a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are received rather than when it is anticipated the receipt will be received, and this position continues to be the case. In line with current policy no allowance has been made for these receipts in reporting the Council's capital funding position.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	No consultation is required as a direct result of this report.

5.00	APPENDICES
5.01	Appendix A: Capital Programme - Changes during 2023/24
5.02	Appendix B: Variances
5.03	Appendix C: Investment in Towns

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Capital Programme monitoring papers 2023/24.

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Chris Taylor, Strategic Finance Manager **Telephone:** 01352 703309 **E-mail:** christopher.taylor@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	**Budget Re-profiling:** Capital schemes are very dynamic and a number of factors can influence their timing and funding. Budget re-profiling assures that the correct resources are available in the correct accounting period to finance the actual level of expenditure. **Capital Expenditure:** Expenditure on the acquisition of **non-current assets** or expenditure which extends the useful life of an existing asset **Capital Programme:** The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme. **Capital Receipts:** Receipts (in excess of £10,000) realised from the disposal of assets. **Carry Forward:** Carry forward occurs when schemes due to be completed in a given financial year are delayed until a subsequent year. In this case the relevant funding is carried forward to meet the delayed, contractually committed expenditure.

CERA: Capital **E**xpenditure charged to **R**evenue **A**ccount. The Council is allowed to use its revenue resources to fund capital expenditure. However the opposite is not permissible.

Council Fund (CF): The fund to which all the Council's revenue and capital expenditure is charged.

Housing Revenue Account (HRA): The fund to which all the Council's revenue and capital expenditure relating to its housing stock is charged.

MRA: Major Repairs Allowance. A general capital grant from WG for HRA purposes.

Non-current Asset: A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.

Section 106: Monies are received from developers/contractors pursuant to Section 106 of the Town & Country Planning Act 1990. These sums are available for use once the relevant terms of the individual agreement have been met. The monies are most commonly used for educational enhancement, play areas, highways and affordable housing.

Target Hardening: Measures taken to prevent unauthorised access to Council sites.

Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing - Each year Welsh Government provide Councils with a Supported Borrowing allocation. Councils borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.

Unsupported (Prudential) Borrowing: Borrowing administered under the Prudential Code, whereby Authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows Authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.

CAPITAL PROGRAMME - CHANGES DURING 2023/24

	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported			Savings (Current)	Changes (Current)	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25	Savings			
	£m	£m	£m	£m	£m	£m	£m	£m
Council Fund :								
People & Resources								
'Headroom'	0.350	0.150	(0.136)	0.000	0.000	0.000	0.000	0.364
	0.350	**0.150**	**(0.136)**	**0.000**	**0.000**	**0.000**	**0.000**	**0.364**
Governance								
Information Technology	0.357	0.294	0.585	(0.188)	(0.055)	(0.098)	0.492	1.387
Registry Office	0.000	0.000	0.023	0.000	0.000	0.000	0.000	0.023
	0.357	**0.294**	**0.608**	**(0.188)**	**(0.055)**	**(0.098)**	**0.492**	**1.410**
Education & Youth								
Education - General	0.650	6.999	1.766	(2.920)	0.000	0.000	0.192	6.687
Primary Schools	1.000	0.813	0.007	0.000	(0.120)	0.000	0.198	1.898
Schools Modernisation	1.546	0.000	0.094	0.000	0.000	0.000	(0.320)	1.320
Secondary Schools	0.000	0.560	1.467	(0.358)	0.000	0.000	(0.031)	1.638
Special Education	0.500	0.090	0.000	(0.469)	0.000	0.000	0.000	0.121
	3.696	**8.462**	**3.334**	**(3.747)**	**(0.120)**	**0.000**	**0.039**	**11.664**
Social Services								
Services to Older People	1.250	0.097	3.930	(1.337)	0.000	(0.010)	(0.327)	3.603
Learning Disability	2.430	0.000	(1.930)	0.000	0.000	0.000	(0.457)	0.043
Children's Services	0.000	0.074	1.179	(0.074)	0.000	0.000	0.246	1.425
	3.680	**0.171**	**3.179**	**(1.411)**	**0.000**	**(0.010)**	**(0.538)**	**5.071**
Planning, Environment & Economy								
Closed Landfill Sites	0.000	0.250	0.000	(0.250)	0.000	0.000	0.000	0.000
Engineering	0.000	0.383	0.000	(0.356)	0.000	0.000	0.000	0.027
Energy Services	0.000	0.000	0.340	0.000	0.000	0.000	(0.033)	0.307
Ranger Services	0.000	0.035	0.105	0.000	0.000	0.000	(0.026)	0.114
Town Centre Regeneration	0.000	0.320	1.202	0.000	0.000	(0.065)	(0.491)	0.966
Private Sector Renewal/Improv't	0.040	0.030	0.154	(0.119)	0.000	0.000	0.065	0.170
	0.040	**1.018**	**1.801**	**(0.725)**	**0.000**	**(0.065)**	**(0.485)**	**1.584**
Streetscene & Transportation								
Waste Services	0.000	3.805	0.220	0.000	0.000	0.000	(0.217)	3.808
Cemeteries	0.000	0.259	0.000	(0.259)	0.000	0.000	0.000	0.000
Highways	1.500	1.640	0.412	(0.567)	0.000	0.000	(0.004)	2.981
Local Transport Grant	0.000	0.006	8.764	0.000	0.000	0.000	(5.280)	3.490
Solar Farms	0.000	0.046	0.000	(0.046)	0.000	0.000	0.000	0.000
	1.500	**5.756**	**9.396**	**(0.872)**	**0.000**	**0.000**	**(5.501)**	**10.279**

	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported			Savings (Current)	Changes (Current)	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25	Savings			
	£m	£m	£m	£m	£m	£m	£m	£m
Housing & Communities								
Affordable Housing	0.000	0.000	0.700	0.000	0.000	0.000	(0.700)	0.000
Disabled Facilities Grants	1.660	0.186	0.287	0.000	0.000	0.000	0.136	2.269
	1.660	**0.186**	**0.987**	**0.000**	**0.000**	**0.000**	**(0.564)**	**2.269**
Capital Programme & Assets								
Administrative Buildings	0.663	0.325	0.034	(0.052)	0.000	0.000	0.009	0.979
Community Asset Transfers	0.000	0.597	0.227	(0.541)	0.000	0.000	(0.007)	0.276
Leisure Centres & Libraries	0.395	0.419	0.259	(0.245)	0.000	0.000	0.030	0.858
Play Areas	0.200	0.376	0.226	(0.208)	0.000	0.000	0.128	0.722
Theatr Clwyd	20.500	0.275	0.000	(0.028)	0.000	0.000	(3.728)	17.019
	21.758	**1.992**	**0.746**	**(1.074)**	**0.000**	**0.000**	**(3.568)**	**19.854**
Housing Revenue Account :								
Buy Backs	0.000	0.000	0.000	0.000	0.000	0.000	1.052	1.052
Disabled Adaptations	1.100	0.000	0.000	0.000	0.000	0.000	0.020	1.120
Energy Schemes	2.311	0.000	2.924	0.000	0.000	0.000	(0.808)	4.427
Major Works	1.836	0.000	(0.122)	0.000	0.000	0.000	1.054	2.768
Accelerated Programmes	1.121	0.000	(0.526)	0.000	0.000	0.000	(0.196)	0.399
WHQS Improvements	13.221	0.000	0.215	0.000	0.000	0.000	(1.019)	12.417
Modernisation / Improvements	2.200	0.000	0.000	0.000	0.000	0.000	(2.200)	0.000
SHARP Programme	7.668	0.000	(5.668)	0.000	0.000	0.000	(0.653)	1.347
	29.457	**0.000**	**(3.177)**	**0.000**	**0.000**	**0.000**	**(2.750)**	**23.530**
Totals :								
Council Fund	33.041	18.029	19.915	(8.017)	(0.175)	(0.173)	(10.125)	52.495
Housing Revenue Account	29.457	0.000	(3.177)	0.000	0.000	0.000	(2.750)	23.530
Grand Total	**62.498**	**18.029**	**16.738**	**(8.017)**	**(0.175)**	**(0.173)**	**(12.875)**	**76.025**

PEOPLE & RESOURCES

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
'Headroom'	0.364	0.000	(0.364)	-100	0.000	Corporate provision - to be allocated as requested and approved.	**Carry Forward** - Request approval to move funding of **£0.364m** to 2024/25.	
Total	**0.364**	**0.000**	**(0.364)**	**-100**	**0.000**			

GOVERNANCE

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Information Technology	1.387	1.292	(0.095)	-7	(0.088)	£0.014m for Cyber Security and £0.081m for Laptop Replacement works to continue into 2024/25.	**Carry Forward** - Request approval to move funding of **£0.095m** to 2024/25.	Savings identified, £0.098m for Server Replacement and Storage Technology.
Registry Office	0.023	0.023	0.000	0	0.000			
Total	**1.410**	**1.315**	**(0.095)**	**-7**	**(0.088)**			

Variance = Budget v Outturn

EDUCATION & YOUTH

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget	Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
	£m	£m	£m	%	£m			
Education - General	6.687	5.662	(1.025)	-15	(0.747)	Ongoing R&M Programme £0.926m, fire alarm upgrade and health and safety works £0.099m to progress in to 2024/25.	**Carry Forward** - Request approval to move funding of **£1.025m** to 2024/25.	
Primary Schools	1.898	1.670	(0.228)	-12	0.000	£0.090m for Ysgol Penyffordd classroom extensions along with £0.138m for ongoing R&M works.	**Carry Forward** - Request approval to move funding of **£0.228m** to 2024/25.	
Schools Modernisation	1.320	1.320	0.000	0	0.000			
Secondary Schools	1.638	1.538	(0.100)	-6	(0.358)	Ongoing R&M and kitchen ventilation rolling programme works to fall into 2024/25.	**Carry Forward** - Request approval to move funding of **£0.100m** to 2024/25.	
Special Education	0.121	0.076	(0.045)	-37	(0.139)	DDA schemes to be delivered in the 2024/25 financial year.	**Carry Forward** - Request approval to move funding of **£0.045m** to 2024/25.	
Total	**11.664**	**10.266**	**(1.398)**	**-12**	**(1.244)**			

Variance = Budget v Outturn

SOCIAL SERVICES

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Services to Older People	3.603	3.603	0.000	0	0.000			Savings identified, £0.010m for Marleyfield Residential Care Home
Learning Disability Services	0.043	0.043	0.000	0	0.000			
Children's Services	1.425	1.416	(0.009)	-1	(0.074)	£0.009m relating to foster care extensions with works progressing into 2024/25.	**Carry Forward** - Request approval to move funding of **£0.009m** to 2024/25.	
Total	**5.071**	**5.062**	**(0.009)**	**-0**	**(0.074)**			

Variance = Budget v Outturn

PLANNING, ENVIRONMENT & ECONOMY

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Closed Landfill Sites	0.000	0.000	0.000	0	0.000			
Engineering	0.027	0.000	(0.027)	-100	0.000	Works are likely to progress in 2024/25 following the inspection reports now being received.	**Carry Forward** - Request approval to move funding of **£0.027m** to 2024/25.	
Energy Services	0.307	0.307	0.000	0	0.000			
Ranger Services	0.114	0.114	0.000	0	0.000			
Townscape Heritage Initiatives	0.966	0.944	(0.022)	-2	0.000	The Historic Building Repair Grant expenditure is incurred as and when suitable grant applications are received.	**Carry Forward** - Request approval to move funding of **£0.022m** to 2024/25.	Savings identified, £0.065m for residual funding in relation to the Levelling Up Fund and Safer Streets projects.
Private Sector Renewal/Improvement	0.170	0.165	(0.005)	-3	0.000	The capitalised salaries funding will be used in 2024/25 towards the anticipated pay award.	**Carry Forward** - Request approval to move funding of **£0.005m** to 2024/25.	
Total	1.584	1.530	(0.054)	-3	0.000			

Variance = Budget v Outturn

STREETSCENE & TRANSPORTATION

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget	Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
	£m	£m	£m	%	£m			
Waste Services	3.808	0.403	(3.405)	-89	0.000	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.	**Carry Forward** - Request approval to move funding of **£3.405m** to 2024/25.	
Cemeteries	0.000	0.000	0.000		(0.259)			
Highways	2.981	2.637	(0.344)	-12	(0.067)	Funding has been requested to be rolled into 2024/25 to progress works scheduled in relation to the Highways Asset Management Plan.	**Carry Forward** - Request approval to move funding of **£0.344m** to 2024/25.	
Local Transport Grant	3.490	3.490	0.000	0	0.000			
Solar Farms	0.000	0.000	0.000		0.000			
Total	**10.279**	**6.530**	**(3.749)**	**-36**	**(0.326)**			

Variance = Budget v Outturn

HOUSING & COMMUNITIES

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Affordable Housing	0.000	0.000	0.000		0.000			
Disabled Facilities Grants	2.269	2.240	(0.029)	-1	0.000	Residual funding is required to be rolled into 2024/25 to help fund ongoing DFG works.	**Carry Forward** - Request approval to move funding of **£0.029m** to 2024/25.	DFG spend is customer driven and volatile.
Total	**2.269**	**2.240**	**(0.029)**	**-1**	**0.000**			

Variance = Budget v Outturn

CAPITAL PROGRAMME & ASSETS

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Administrative Buildings	0.979	0.522	(0.457)	-47	0.000	Programme of works to progress into 2024/25.	**Carry Forward** - Request approval to move funding of **£0.457m** to 2024/25.	
Community Asset Transfers	0.276	0.237	(0.039)	-14	0.000	Remaining works at Mynydd Isa Community Centre are expected to progress in 2024/25.	**Carry Forward** - Request approval to move funding of **£0.039m** to 2024/25.	
Leisure Centres & Libraries	0.858	0.858	0.000	0	0.000			
Play Areas	0.722	0.697	(0.025)	-3	(0.078)	Continuing programme of works to upgrade play areas	**Carry Forward -** Request approval to move funding of **£0.025m** into 2024/25.	
Theatr Clwyd	17.019	17.019	0.000	0	0.000			
Total	**19.854**	**19.333**	**(0.521)**	**-3**	**(0.078)**			

Variance = Budget v Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget	Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
	£m	£m	£m	%	£m			
Buy Back / Strategic Acquisition	1.052	1.052	(0.000)	-0	0.000	TACP Grant funding from WG secured to purchase existing properties for Homelessness accommodation.		
Disabled Adaptations	1.120	1.120	0.000	0	0.000			
Energy Services	4.427	4.427	0.000	0	0.000			
Major Works	2.768	2.768	0.000	0	0.000			
Accelerated Programmes	0.399	0.399	0.000	0	0.000			
WHQS Improvements	12.417	12.417	0.000	0	0.000	Void rewires and damp proofing works within the Major Works expenditure.		
Modernisation/Improvements	0.000	0.000	0.000		0.000	No schemes identified in year.		
SHARP	1.347	1.347	(0.000)	-0	0.000			
Total	**23.530**	**23.530**	**(0.000)**	**-0**	**0.000**			

Variance = Budget v Outturn

SUMMARY

Capital Budget Monitoring 2023/24 - Outturn

Programme Area	Total Budget £m	Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
People & Resources	0.364	0.000	(0.364)	-100	0.000			
Governance	1.410	1.315	(0.095)	-7	(0.088)			
Education & Youth	11.664	10.266	(1.398)	-12	(1.244)			
Social Services	5.071	5.062	(0.009)	-0	(0.074)			
Planning, Environment & Economy	1.584	1.530	(0.054)	-3	0.000			
Streetscene & Transportation	10.279	6.530	(3.749)	-36	(0.326)			
Housing & Communities	2.269	2.240	(0.029)	-1	0.000			
Capital Programme & Assets	19.854	19.333	(0.521)	-3	(0.078)			
Sub Total - Council Fund	**52.495**	**46.277**	**(6.218)**	**-12**	**(1.810)**			
Housing Revenue Account	23.530	23.530	(0.000)	-0	0.000			
Total	**76.025**	**69.807**	**(6.218)**	**-8**	**(1.810)**			

Variance = Budget v Outturn

TOWN FUNDING	22/23 ACTUAL £000	BUCKLEY Internal £000	External £000	CONNAH'S QUAY Internal £000	External £000	FLINT Internal £000	External £000	HOLYWELL Internal £000	External £000	MOLD Internal £000	External £000	QUEENSFERRY Internal £000	External £000	SALTNEY Internal £000	External £000	UNALLOCATED Internal £000	External £000	TOTALS Internal £000	External £000	Total £000
EXPENDITURE																				
HOUSING - HRA																				
SHARP	4,278	32		402		255		3,456		10		33				90		4,278	0	4,278
EDUCATION & YOUTH																				
Ysgol Glanrafon	428									332	96							332	96	428
Ysgol Croes Atti, Flint	431					128	303											128	303	431
Ysgol Croes Atti, Shotton	556			297	259													297	259	556
SOCIAL SERVICES																				
Ty Nyth, Children's Residential Care	1,408									812	596							812	596	1,408
Croes Atti Newydd Residential Care Home, Flint	913					913												913	0	913
Relocation of Tri-Ffordd Day Service provision	239											239						239	0	239
PLANNING, ENVIRONMENT & ECONOMY																				
Solar PV Farms	759			759														759	0	759
STREETSCENE & TRANSPORTION																				
Improvements to Standard Yard Waste Transfer Station	249		249															0	249	249
Highways Maintenance	2,312	331		309				545		595		286		68		179		2,313	0	2,313
Transport Grant	2,992		133		199	15	521	11	183		75		201	70	873		711	96	2,896	2,992
CAPITAL PROGRAMME & ASSETS																				
Theatr Clwyd - Redevelopment	3,197										3,197							0	3,197	3,197
	17,762	363	382	1,767	458	1,311	824	4,012	183	1,749	3,964	319	201	377	873	269	711	10,167	7,596	17,763
AREA TOTAL		745		2,225		2,135		4,195		5,713		520		1,250		980				

TOWN FUNDING	REVISED BUDGET £000	BUCKLEY Internal £000	BUCKLEY External £000	CONNAH'S QUAY Internal £000	CONNAH'S QUAY External £000	FLINT Internal £000	FLINT External £000	HOLYWELL Internal £000	HOLYWELL External £000	MOLD Internal £000	MOLD External £000	QUEENSFERRY Internal £000	QUEENSFERRY External £000	SALTNEY Internal £000	SALTNEY External £000	UNALLOCATED Internal £000	UNALLOCATED External £000	TOTALS Internal £000	TOTALS External £000	Total £000
EXPENDITURE																				
HOUSING - HRA																				
SHARP / Buy Backs	2,399		273	158	644	131		619	50				99		126	299		1,207	1,192	2,399
EDUCATION & YOUTH																				
Ysgol Croes Atti, Flint	847						847											0	847	847
Ysgol Penyffordd Extension	1,105	762	343															762	343	1,105
SOCIAL SERVICES																				
Croes Atti Newydd Residential Care Home, Flint	3,294						3,294											0	3,294	3,294
Relocation of Tri-Ffordd Day Service provision	43										43							0	43	43
STREETSCENE & TRANSPORTION																				
Improvements to Standard Yard Waste Transfer Station	3,405	3,405																3,405	0	3,405
Highways Maintenance	2,694	395		222		420		343		392		244		243		435		2,694	0	2,694
Transport Grant	3,490		189		126		760	5	877		426		175		466	4	462	9	3,481	3,490
CAPITAL PROGRAMME & ASSETS																				
Theatr Clwyd - Redevelopment	17,019									1,747	15,272							1,747	15,272	17,019
	34,296	4,562	805	380	770	551	4,901	967	927	2,139	15,741	244	274	243	592	738	462	9,824	24,472	34,296

AREA TOTAL	BUCKLEY	CONNAH'S QUAY	FLINT	HOLYWELL	MOLD	QUEENSFERRY	SALTNEY	UNALLOCATED
	5,367	1,150	5,452	1,894	17,880	518	835	1,200

TOWN FUNDING	ACTUAL TO DATE £000	BUCKLEY Internal £000	BUCKLEY External £000	CONNAH'S QUAY Internal £000	CONNAH'S QUAY External £000	FLINT Internal £000	FLINT External £000	HOLYWELL Internal £000	HOLYWELL External £000	MOLD Internal £000	MOLD External £000	QUEENSFERRY Internal £000	QUEENSFERRY External £000	SALTNEY Internal £000	SALTNEY External £000	UNALLOCATED Internal £000	UNALLOCATED External £000	TOTALS Internal £000	TOTALS External £000	Total £000
EXPENDITURE																				
HOUSING - HRA																				
SHARP / Buy Backs	**2,399**		273	158	644	131		619	50				99		126	299		**1,207**	**1,192**	**2,399**
EDUCATION & YOUTH																				
Ysgol Croes Atti, Flint	**847**						847											**0**	**847**	**847**
Ysgol Penyffordd Extension	**1,015**	672	343															**672**	**343**	**1,015**
SOCIAL SERVICES																				
Croes Atti Newydd Residential Care Home, Flint	**3,294**						3,294											**0**	**3,294**	**3,294**
Relocation of Tri-Ffordd Day Service provision	**43**										43							**0**	**43**	**43**
STREETSCENE & TRANSPORTION																				
Highways Maintenance	**2,350**	395		222		420		343		392		244		243		91		**2,350**	**0**	**2,350**
Transport Grant	**3,490**		189		126		760	5	877		426		175		466	4	462	**9**	**3,481**	**3,490**
CAPITAL PROGRAMME & ASSETS																				
Theatr Clwyd - Redevelopment	**17,019**									1,747	15,272							**1,747**	**15,272**	**17,019**
	30,457	**1,067**	**805**	**380**	**770**	**551**	**4,901**	**967**	**927**	**2,139**	**15,741**	**244**	**274**	**243**	**592**	**394**	**462**	**5,985**	**24,472**	**30,457**

AREA TOTAL

	BUCKLEY	CONNAH'S QUAY	FLINT	HOLYWELL	MOLD	QUEENSFERRY	SALTNEY	UNALLOCATED
	1,872	**1,150**	**5,452**	**1,894**	**17,880**	**518**	**835**	**856**

TOWN FUNDING	FUTURE BUDGET £000	BUCKLEY Internal £000	External £000	CONNAH'S QUAY Internal £000	External £000	FLINT Internal £000	External £000	HOLYWELL Internal £000	External £000	MOLD Internal £000	External £000	QUEENSFERRY Internal £000	External £000	SALTNEY Internal £000	External £000	UNALLOCATED Internal £000	External £000	TOTALS Internal £000	External £000	Total £000
EXPENDITURE																				
EDUCATION & YOUTH																				
Joint Archive Facility, FCC and DCC	12,800									3,079	9,721							3,079	9,721	12,800
Ysgol Croes Atti, Flint	12,501					4,672	7,829											4,672	7,829	12,501
Drury County Primary	4,800	1,680	3,120															1,680	3,120	4,800
Elfed High School	4,488	1,571	2,917															1,571	2,917	4,488
Saltney/Broughton Area	16,000													5,600	10,400			5,600	10,400	16,000
SOCIAL SERVICES																				
Croes Atti Newydd Residential Care Home, Flint	15,056					6,050	9,006											6,050	9,006	15,056
Relocation of Tri-Ffordd Day Service provision	4,845									1,885	2,960							1,885	2,960	4,845
STREETSCENE & TRANSPORTION																				
Highways Asset Management Plan	4,980															4,980		4,980	0	4,980
CAPITAL PROGRAMME & ASSETS																				
Theatr Clwyd - Redevelopment	22,728									7,000	15,728							7,000	15,728	22,728
HOUSING & COMMUNITIES																				
Affordable Housing	23,510															23,510		23,510	0	23,510
	121,708	3,251	6,037	0	0	10,722	16,835	0	0	11,964	28,409	0	0	5,600	10,400	28,490	0	60,027	61,681	121,708

AREA TOTAL: Buckley 9,288 | Connah's Quay 0 | Flint 27,557 | Holywell 0 | Mold 40,373 | Queensferry 0 | Saltney 16,000 | Unallocated 28,490

Cyngor
Sir y Fflint
Flintshire
COUNTY COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY

Date of Meeting	Friday 19th July, 2024
Report Subject	Interim Revenue Budget Monitoring Report 2024/25
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2024/25 (Interim).

RECOMMENDATIONS

1	That the committee considers and comments on the Revenue Budget Monitoring 2024/25 (Interim) report. Any specific matters for attention will be noted and reported back to the Cabinet when it considers the report.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2024/25 (INTERIM)
1.01	The Revenue Budget Monitoring 2024/25 (Interim) report will be presented to Cabinet on Tuesday 23rd July, 2024. A copy of the report is attached as Appendix A to this report.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in Appendix A; Interim Revenue Budget Monitoring 2024/25.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	As set out in Appendix A; Interim Revenue Budget Monitoring 2024/25.

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	None required.

5.00	APPENDICES
5.01	Appendix A; Interim Revenue Budget Monitoring 2024/25.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required.

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Dave Ledsham, Finance Manager **Telephone:** 01352 704503 **E-mail:** dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	**Revenue:** 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. **Budget:** 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. **Capital Programme:** The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.

CABINET

Date of Meeting	Tuesday 23rd July, 2024
Report Subject	Interim Revenue Budget Monitoring Report 2024/25
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The report provides the first overview of the budget monitoring position for the 2024/25 financial year. Here we report by exception on potential significant variances which may impact on the financial position in 2024/25.

At this early stage only financial risks have been highlighted within the report.

Our ability to mitigate these risks during the financial year will again centre on review and challenge of delayed and deferred spend, maximising income streams and grant funding. As reported previously, a moratorium on non-contractually committed spend was put in place during 2023/24 alongside a vacancy management process with the aim of reducing in-year expenditure to 'dampen' the projected overspend and this will continue into 2024/25.

The final level of Council Fund Contingency Reserve brought forward into 2024/25 was £2.972m as detailed in the 2023/24 outturn report (subject to audit) elsewhere on this agenda.

The Base Level Reserves have been increased to £8.985m by using the remaining balance of £3.216m of the COVID-19 Hardship Fund Reserve from 2023/24.

In addition, there is an amount of £3m available which was approved as a "Budget Risk" Reserve.

A full detailed monitoring report will be provided in September which will include a projection on the overall financial position for 2024/25.

	RECOMMENDATIONS
1	To note the report and the potential financial risks on the 2024/25 budget.
2	To note the allocations of £0.200m from the Contingency Reserve for Cambrian Aquatics and £0.277m for Free School Meals holiday provision– Paragraph 1.14 refers.

REPORT DETAILS

1.00	**EXPLAINING THE REVENUE BUDGET MONITORING 2024/25**
1.01	The report provides the first overview of the budget monitoring position for the 2024/25 financial year. Here we report by exception on potential significant variances which may impact on the financial position in 2024/25. At this early stage, financial risks only have been highlighted within the report. A full detailed monitoring report will be provided in September which will include a projection on the overall financial position for 2024/25.
1.02	**OVERVIEW OF THE IN-YEAR BUDGET POSITION** The following paragraphs set out the significant potential financial risks identified at this early stage by Portfolios.
1.03	**Social Services – risk of up to £1m overspend** Older People Services There continues to be significant demand within Locality Services for both homecare and residential care for older people and there is a risk of an overspend at this early stage of £0.600m. As recruitment challenges within homecare have eased costs have been steadily increasing as demand is now being met. Within residential care the amount of top up fees the Council are paying are increasing due to the funding gap between the Council's weekly care fees and the fees which some homes charge. The Council's in-house care services for older people are expected to underspend by approximately (£0.200m), although in-year demand could result in increased spend. Adult Social Services, Disability Services and Mental Health The Disability Service, which includes social care support for clients with physical and sensory impairments and clients with learning disabilities, is currently projected to overspend. The in-house Supporting Living service

| | | is projected to overspend by £0.400m due to the number of hours support which are in place for the care settings. This service is going to be reviewed in-year and it is envisaged that much of the overspend will be mitigated.

The child to adult transition budget is experiencing some cost pressures as some care packages have been agreed already and three high-cost placements are significantly greater than initially estimated. With planned changes to the charging policy for college placements and future agreement for joint funding from health is likely that this pressure will be mitigated.

Mental Health service is not expecting a significant pressure on costs and continued vacancies mean that an underspend of (£0.100m) is projected.

There is a risk because some high-cost placements are yet to have inflationary uplifts agreed, and once negotiations have concluded these may have an adverse impact on the financial outturn.

Children's Services

Recruitment and retention of experienced social workers remains challenging within Children's Services. Safeguarding requirements mean that staffing levels must be maintained which results in temporary staffing arrangements above the establishment and use of some agency work. For this reason, there is a risk of an overspend of £0.600m within the Professional Support Service.

Movement of cases through the courts and the expectation of the courts are leading to higher costs than the existing budget with a potential overspend of £0.500m.

Family group meetings are a preventative service and demand is high and a £0.100m overspend is projected.

The above costs will be partially mitigated through a projected underspend on the in-house residential service of £0.300m which is receiving temporary grant funding and a Fostering Service projected underspend of £0.150m.

Overall, within Children's Services there is a projected overspend of £0.750m.

Safeguarding and Commissioning

Historically charging policy income has overachieved the budget target and this is expected to reoccur this year. An underspend of (£0.100m) is projected. |
|---|---|
| 1.04 | **Education and Youth (Non Schools) – risk of up to £0.250m overspend**

Inclusion and Progression |

	The services that the Inclusion and Progression teams provide within Education and Youth portfolio continue to be under significant pressure.
	Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire based provision.
	Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.
	The service is taking steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.
	The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.
	Welsh Government have made additional grants available to support schools and councils. However, there are risks over reliance on temporary grant funding and its ability to meet demand within existing budgets and available grants.
	Home Tuition
	Additional costs of up to £0.250m are projected due to the increase in pupil numbers accessing services. There has been a reliance on grant funding and approved budget carry forwards in previous years. However, these funding streams are not available for the 2024/25 financial year.
1.05	**Schools** Free School Meals Based on current demand levels there is a potential underspend of (£0.114m). However, should the take up levels increase from September 2024, the level of this underspend may be reduced.
1.06	**Assets** Alternative Delivery Model's (ADMS's) A reimbursement of (£0.200m) is due from Aura Leisure and Libraries for previous income loss funding provided to them by the Council, due to the fact that they have now received alternative funding for this income loss.
1.07	**Streetscene and Transportation – risk of up to £1.5m overspend** plus the Waste Recycling Infraction Charge

<u>Service Delivery</u>

There is an expected shortfall in cost reduction targets relating to the charging of DIY Waste Streams and trade waste delays at HRC Sites, totalling circa £0.200m, due to the delayed implementation date.

Increased running costs at Alltami Depot from inflationary rises. Ongoing repairs and cyclical service costs have increased by inflation and the overall budget has previously been absorbing these increases of at least £0.100m.

Highway Maintenance costs are unpredictable due to the need to assess the current condition of the road network and deal with repairs as a priority. Reduced grant funding in recent years for investment has resulted in an increased demand for reactive repairs and maintenance. The service is constantly looking for more efficient ways to deliver the work, whilst inflation, material costs and contractor costs are outside our control. There has also been an increase in the need to provide traffic management more frequently to ensure the safety of staff and contractors. Additional costs could be as much as £0.400m.

Food waste bag costs have increased in line with inflation, and with the increased focus on meeting recycling targets, this has resulted in an increased uptake of the compostable food waste bags. Over the pandemic grant funding period, additional costs for compostable bags were able to be claimed. Additional costs in the region of £0.100m are projected.

<u>Highways</u>

Increases in energy costs for Street Lighting at above inflationary levels are anticipated totalling around £0.100m.

Potential additional vehicle costs, specifically within the Winter Maintenance service, together with all fleet costs being monitored closely as a result of the service coming in-house following the previous fleet contractor going into administration in May 2024.

<u>Transportation</u>
The average cost for education transport provision from 2023/24 to 2024/25 has increased by an estimated £1,294 per day due to increased contractor costs, which equates to £245,860 (190 average school days per year), plus there are additional operational days in 2024/25 to consider due to Easter falling late in April 2025. Therefore, there is a potential pressure anticipated across Transportation of over £0.300m.

<u>Regulatory Services</u>

The Parc Adfer contract specifies the base gate fee price for each tonnage banding built into the contract will be indexed each year, based on RPIX Indexation. Currently the budget allocation is insufficient to absorb the additional increase so this will need to be built into future years pressures and budget considerations.

	Household Recycling Centre disposals - Increased tonnages and subsequent costs for disposal of hazardous waste, mattresses and the sweeper waste potentially totalling in excess of £0.100m per annum. Recycling and Electricity generation income - reduction in income levels for both recyclable materials and a reducing return on electricity generation from gas and solar at the former landfill sites. Depending on how prices fluctuate in-year, this could impact income in excess of £0.200m. Waste Recycling Infraction Charge The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has previously been confirmed for 2021/22. The statutory recycling targets were also not achieved in 2022/23 and 2023/24, which means that further infraction fines of £0.356m and £0.184m respectively could be levied. Therefore, the financial risk across all 3 financial years currently totals £1.203m. Further discussions will take place with Welsh Government on all of the above in July 2024.
1.06	**Planning, Environment and the Economy** Fee Income Fee Income levels for Building Control, Pest Control and Licensing Services are at this early stage projecting a shortfall against target. This is mitigated by part year vacancy savings of up to (£0.200m).
1.07	**Housing and Communities – risk of up to £2.9m overspend** Homelessness Due to sustained growth in the numbers of Homeless people needing to be accommodated within hotels and other temporary accommodation, there is a significant projected overspend which is currently expected to be around £4m. The projection allows for the expected growth in numbers continuing throughout the remainder of the year. There are numerous causes for the continued growth in numbers with the main reasons including private rented sector evictions, relationship breakdowns, families/parents being unable to continue accommodating, mortgage repossessions and prisoner discharges.

	A high proportion of the individuals currently in temporary accommodation are single persons below the age of 55. There is an acute shortage of suitable available properties locally both within the Council's own housing stock and with other Registered Social Landlords (RSL's).

Potential solutions are being actively explored but may take some time to implement and have a positive impact on the level of overspend.

The £4m overspend can be partly mitigated by additional eligible Housing Benefit income being recovered in respect of the people in such accommodation which is currently projected to be around £0.651m in excess of the budgeted sum, together with receipt of the Welsh Government No One Left Out Grant approx. £0.423m, leaving a projected net overspend of £2.9m for Housing Solutions. |
| 1.08 | **Central and Corporate Finance**

Central Loans and Investment Account (CLIA)

During the last financial year, the CLIA had a significant net underspend of £2.680m compared to the budget. This was due to:

1) significant levels of income generated as a result of increasing bank interest rates throughout the year and
2) short- and long-term borrowing being lower than anticipated, resulting in reduced costs.

The 2024/25 budget included an increase to the existing income target for Interest and Investment Income of £1m to account for the previous year underspend and potential reduction in interest rate returns.

The first detailed projection will be reported in September taking into account interest rates, capital programme spending profile and levels of reserves. |
| 1.09 | **Council Tax Income**

In 2023/24, the Council collected 97.4% of Council Tax 'in-year', the same outturn as the previous year. The latest outturn is ranked in 1st place across the North Wales sub-region and 2nd place nationally. Council Tax collections to date in 2024/25 are broadly on track and recovery is progressing in relevant cases. |
| 1.10 | **Pay Awards (Teacher and Non-Teacher)**

Teachers Pay

The 2024/25 budget contained additional funding for a 5% pay award from September 2024. No formal offer has been made at this stage so it is uncertain whether there will be any variation – positive or negative.

Confirmation is still awaited on funding for additional Teacher Pay employer pension costs and negotiations are ongoing between UK Government and Welsh Government– no provision was included in the budget. |

	NJC (Green Book)

The latest pay offer for NJC (Green Book) employees for the current year (2024/25) is currently in negotiation. The offer made with effect from 1 April 2024 is an increase of £1,290 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive. Together with, an increase of 2.5% on all pay points above the maximum of the pay spine but graded below deputy chief officer.

If agreed at this level, there would be an in-year benefit to the budget of around £0.850m. However, if not agreed at this level, any final award in excess of the budgeted amount will need to be met from reserves in the current financial year and would also have the impact of increasing the budget requirement for 2025/26.

Pay Modelling

No figures are currently included for any impact of the pay modelling review which is intended to help address the problems being encountered by the Council in the recruitment and retention of staff. It is due to be completed later this year and an amount of £2m has been included in the initial budget forecast for 2025/26. |
| 1.11 | **Teachers Pensions**

Within the Final Welsh Government Funding Settlement for 2024/25, reference was made to the increase in employer teacher pension costs from April 2024. When setting the budget it was assumed that the additional cost would be funded by UK Government and assurances were being sought by Welsh Government. Confirmation is still to be received on the funding outcome of these negotiations, so it remains a significant financial risk. |
| 1.12 | **Out of County Placements**

As in previous years there is potential for significant numbers of new placements. The service areas within this pooled budget continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures. Expenditure is currently projected to be within the approved budget provision. |
| 1.13 | **Benefits**

Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.778m over budget, although this will be monitored closely throughout the year due to the potential for growth. There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future. |

	Other pressures within the service such as meeting income targets for recovery of overpayments and related bad debt provision increases are also expected to remain. The £0.778m can be fully mitigated by use of the Reserve previously set aside.
1.14	**Harpur Trust vs Brazel Case** The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m has provided some funding towards these costs.
1.15	**Approved allocations from Contingency Reserve** An amount of up to £0.200m to continue temporary support for Cambrian Aquatics was approved at Cabinet in March. An amount of £0.277m for the provision of Free School Meals in the summer holiday period was approved under delegated powers following approval of a Notice of Motion at County Council.
1.16	**Unearmarked Reserves** The Base Level Reserves have increased to £8.985m by transferring the £3.216m balance of the COVID-19 Hardship Fund Reserve from 2023/24. The final level of Council Fund Contingency Reserve brought forward into 2024/25 was £2.972m as detailed in the 2023/24 outturn report (subject to Audit) elsewhere on this agenda. The brought forward figure already took account of £3m approved as a "Budget Risk" Reserve and the time limited pressures of £0.172m which were agreed as part of the 2024/25 budget. This will be reduced by up to £0.477m for the approved allocations in paragraph 1.14 above. However, there is a budgeted transfer to Reserves of £0.437m which was also approved as part of the 2024/25 budget. Taking all of the above into account leaves a projected balance of £2.932m in the contingency reserve (£2.972m + £0.437m - £0.200m - £0.277m). Therefore, the Council has a budget risk reserve of £3m and a contingency reserve of £2.932m available to meet any of the significant costs identified in the report that are unable to be mitigated in full by the end of the financial year. As required by Financial Procedure Rules all Portfolios will be expected to identify solutions in-year to mitigate the risks and potential overspends identified in the report.

1.17	**Housing Revenue Account (HRA)**
	A risk has been identified in respect of loss of rental income on void HRA properties. Void levels are currently 3.52% and if this continues at the same level, we anticipate a net pressure on rental income of approximately £0.285m. There has also been a change of Contractor for grounds maintenance, and a potential pressure of £0.100m has been identified. We will continue to monitor closely and will report on the projected outturn position throughout the year.

2.00	**RESOURCE IMPLICATIONS**
2.01	As set out within the report.

3.00	**IMPACT ASSESSMENT AND RISK MANAGEMENT**
3.01	Financial Risks are set out in the report.

4.00	**CONSULTATIONS REQUIRED/CARRIED OUT**
4.01	None specific.

5.00	**APPENDICES**
5.01	None.

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	Various budget records.

7.00	**CONTACT OFFICER DETAILS**
7.01	**Contact Officer:** Dave Ledsham Strategic Finance Manager **Telephone:** 01352 704503 **E-mail:** dave.ledsham@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**

8.01	**Budget:** 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. **Council Fund:** the fund to which all the Council's revenue expenditure is charged. **Financial Year:** the period of twelve months commencing on 1 April. **Housing Revenue Account:** The Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy. **Projected Outturn:** projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date. **Regional Integration Fund (RIF):** Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing. **Reserves:** these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer. **Revenue:** 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. **Variance:** difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year. **Virement:** the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

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CYNGOR
Sir y Fflint
Flintshire
COUNTY COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Friday, 19th July 2024
Report Subject	Governance for the Transformation Programme
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Chief Officer (Governance)
Type of Report	Strategic

EXECUTIVE SUMMARY

The Council has a duty to set a balanced budget each year. That annual cycle has meant that the Council tends to focus its attention on making savings that can be achieved within a short timescale. There are potential savings that the council could explore which will not deliver inside the usual annual budget cycle. Such savings would typically involve looking at either larger scale projects such as a shared/collaborative service arrangement with another council or would involve redesigning internal working processes (probably sallied to a change of software). Such changes are typically referred to as transformational.

The Council needs to set up a programme to explore such transformational changes if it is to reduce costs without reducing/stopping services. The governance of such a programme can be fitted within existing reporting structures in the Council.

The capacity required to explore and manage a parallel programme of savings does not exist within the council at the present and will need to be recruited, probably temporarily, on an invest to save basis.

RECOMMENDATIONS	
1	That the Committee endorses the proposed governance structure and recommends it to Cabinet.
2	That the Committee adjusts its own work programme to take account of the role it will play in the transformation programme.

REPORT DETAILS

1.00	BACKGROUND
1.01	The Council must set a legal and balanced budget annually, which includes the contribution to be raised via taxation. The Council has previously always set a balanced budget despite increasing pressures over the years caused by: 1) increased demand for statutory services such as adult social care, out of county places and homeless support 2) reducing funding from Welsh Government 3) inflationary increases, which have been particularly acute in recent years
1.02	The Council has a strong history of making savings to help balance the books. It has pared back staffing levels, automated functions, and delivered services via different vehicles (e.g. Double Click and NEWydd). It operates a number of shared/collaborative services with other councils such as the civil contingencies service, minerals planning and procurement, though in recent years the appetite amongst our fellow councils for sharing services has diminished.
1.03	Since 2008 the council has needed to and taken £124.6 million out of the budget.. The Council has a strong track record of delivering the savings included within the budget and has regularly achieved realisation rates of over 90%. 2021/2022 – 100% 2022/2023 – 100% 2023/2024 – 99%
1.04	The Council has hitherto been prudent on the use of its (limited) reserves and since 2019/20 has only used them once as a contribution to balance the budget which was a prudent amount of £0.172m to cover time-limited costs.. Furthermore, reserves have only been used out of necessity to cover nationally negotiated pay awards i.e. sums which we are contractually obliged to pay but over which we have no control and other significant unforeseen costs.
1.05	The challenges facing the Council have not diminished and recent legislation/policy changes (e.g. Additional Learning Needs and homeless support) have only intensified the pressure at a time when Welsh Government's own budgets are also under pressure. Although the Council has had no indication from Welsh Government of future funding settlements, independent analysis suggests that the support received from Welsh Government may be "cash flat" (or worse) for at least the coming year, and when combined with known cost pressures this equates to a budget gap over the next 3 years of 2025/2026 - £37.8m 2026/2027 - £19.4m 2027/2028 - £19.0m

	It is widely recognised that the options to make savings, of the size and nature that have hitherto been achieved, are reducing and that a different approach is needed.
	EXPLAINING THE TRANSFORMATION PROGRAMME
1.06	The financial pressures described above have tended to lead to a focus on savings that can be achieved within the 12-month timeframe of each budget cycle. There are potential savings, typically focussed on internal processes, open to the council which will take longer than 12 months to achieve which have not been fully explored because: 1) They won't deliver within the annual cycle of budget setting; and 2) The council's capacity is only just sufficient to meet its annual savings targets.
1.07	If the Council is to find further savings without continuing to cut services, then it must look at how it delivers services as well as which services it delivers and the level of service provision. It might be possible to reduce the council's costs by looking at so called transformational reviews. In this context, such reviews would be ones which would look for savings from the following list: i) Internal corporate processes which affect the whole council such as procurement ii) Cross cutting ways of delivering services e.g. how we manage additional hours (sick leave, overtime and out of hours) iii) Fundamental changes (principally automation) in the method of delivery by one or more portfolios e.g. the use of assistive technology in social services iv) Collaborative/shared services with other councils/public sector bodies.
1.08	Officers have already identified the following list of potential projects from their own knowledge of the council and available data. This list of projects will need to be assessed (see below) but is split on a preliminary basis into projects where the primary focus will be digital and those where (whilst digital might form part of the solution) the primary focus is not digital. That distinction isn't black and white but will give a useful means of trying to split the very large number of potential projects into manageable work allocations:

	Digital Projects	**Non-Digital Projects**
	a) Assistive technology to meet adult social care needs and reduce the need for costly domiciliary care; b) Chatbots (artificial intelligence) to respond to customer queries on the website/in the contact centre c) Artificial Intelligence should be used to reduce the number of administrative tasks including	1. Both Aura and NEWydd need new contracts which will involve substantial negotiation 2. We need a piece of work on additional hours, overtime etc 3. A thematic review of all portfolios to examine • When the size/establishment of services were last reviewed and

production of minutes, preparation of presentations etc; d) Finance, procurement and purchasing processes in preparation for legislative changes and the replacement of financial systems; e) Continuing work to embed Fast Track and speed up the processing of invoices; f) Rostering and payroll processes; g) Review of processes allied to the digital strategy for capturing savings from the Digital Strategy	- whether there is scope to downsize - Whether there is further scope to combine smaller services into larger functions e.g. training functions 4. Review of HRA Borrowing / Homelessness options 5. School Modernisation 6. Review of industrial estates rents and letting practices

1.09	Councillors may also have ideas for potential transformation projects and there needs to be a mechanism for gathering those suggestions. Each year the council goes through a series of budget workshops and Overview and Scrutiny Committee (OSC) meetings and these would be a good place to capture ideas for new transformation projects. Equally the process doesn't have to be formal, and members can email officers with suggestions.
1.10	Some suggestions will have greater impact than others and some will release savings more quickly. Thus, there needs to be an assessment of potential savings to prioritise quick wins and larger savings. As part of the assessment, it will also be necessary to estimate the level of potential savings that might delivered which can then be taken into account (by Cabinet) in the Medium Term Financial Strategy ("MTFS") to reduce the projected budget shortfall. The Corporate Resources OSC ("CROSC") would appear to be the best body to make such assessments, and to then track the delivery/realisation of those savings in due course.

1.11	Once projects are included within the programme they will need to be led, managed and monitored by staff as well as being overseen by/reporting to councillors. Appendix 1 shows a proposed governance structure with:
	 1. direct management of each project by officers; and
	 2. reporting to Overview and Scrutiny Committees and Cabinet for one or more of the following purposes:
	    i) To seek authority to make changes to service standards or the establishment of services – such reports will be considered by the relevant OSC which will make recommendations/comments to Cabinet for approval (see below);
	    ii) To report on the progress with individual projects to OSC's (oversight);
	    iii) To report to CROSC progress on the transformation programme as a whole towards meeting targets set out in the MTFS (progress checking and accountability)

1.12	At officer level, each project will have a project team to investigate and deliver savings. A chief officer team member will sponsor each project. Individual projects will make recommendations on how to reduce costs and those recommendations may either be within existing delegated authority of officers to implement or may require approval from Cabinet.
1.13	If a proposal needs approval by Cabinet, then it will be reported through the OSC/Cabinet process in the usual way. That reporting process might result in changes to the proposal or a refusal to authorise part or all of the proposal, which would impact on the savings to be achieved.
1.14	CROSC will fulfil a collating role where it brings together the results of such recommendations made by OSCs/decisions by Cabinet to assess their impact on the Council's ability to fulfil its MTFS. It will not be a forum for taking a second look at the detail of proposals which are properly the remit of another OSC ("taking a second bite of the cherry") but will be focussed on the effect or impact of the work of the other OSCs on the overall programme.
1.15	If the governance structure for the proposed transformation programme is approved, then the first reports would be brought forward in the September cycle. CROSC will need to reconsider its work programme in order to accommodate the extra responsibility.

2.00	RESOURCE IMPLICATIONS
2.01	The challenge facing the Council is that identifying and then delivering the annual round of budget savings consumes a large part of its capacity for change. Given the timescales for the projects envisaged within the transformation programme, the programme will in effect need to run in parallel to the annual budget cycle and that will require additional resource.
2.02	To support such a wide ranging and complex programme it is suggested that there should be one post to look after digitisation/automation-based projects and one post to look after projects where the primary solution won't be digital.
2.03	The programme won't need to be fully staffed from the outset. The size of the team will need to grow as projects are initiated. As a first phase, it will be necessary to establish the scope of each project and the scale of potential savings i.e. a very loose form of outline business case. If these are agreed, then projects will be formally initiated, and more detailed business cases drawn up for each – this is the point at which the resource would begin to increase.
2.04	Loose projections are set out below for additional costs (inclusive of on costs) over and above current base budget spending and increasing the 0.6 FTE business process review and 1.6 FTE project management resource already available. They are top of scale so may be less in reality depending upon the person actually appointed. FTE indications assume that the full list of projects progress to initiation. Options may also need to be explored to release capacity at key times in some of the key support

	areas such as Finance – for example rescheduling and re-prioritising financial reporting arangements			

	Resource	24/25	25/26	26/27
	Programme Manager (G10)	79,947	79,947	79,947
	Project Manager (G06) £50,154			
	1 FTE for 6 months	25,077		
	2 FTE for 12 months		100,308	
	2.4 FTE for 12 months			120,370
	Business Process Re-engineer (G06) £50, 154			
	1 FTE for 6 months	25,077		
	1.4 FTE for 12 months		70,216	70,216
	Total*	130,101	250,471	270,533
	*- at 23/24 salary rates			

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The governance structure for the transformation programme does not impact upon the delivery of services to our residents. Provided consultation is undertaken as described below and impact assessments are prepared as needed for each project the overall programme should adequately consider any implications, the wellbeing goals and the ways of working specified within the Well Being of Future Generations Act.
3.02	Each project and the overall transformation programme will have a risk register.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	The governance structure for the transformation programme does not impact upon the delivery of services to our residents. Clearly, specific projects included within the programme may well have an impact on staff or services and consultation will need to be undertaken in relation to specific proposals in due course.

5.00	APPENDICES
5.01	Appendix 1 – diagram showing proposed governance structure.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Gareth Owens **Telephone:** 01352 702344 **E-mail:** Gareth.legal@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	**FTE** – a full-time equivalent (FTE) is a unit of measurement used to figure out the number of full-time hours worked by all employees. For us, 37 hours is a full-time workweek, so an employee working 37 hours per week would have an FTE of 1.0. **Medium Term Financial Strategy (MTFS)** – a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

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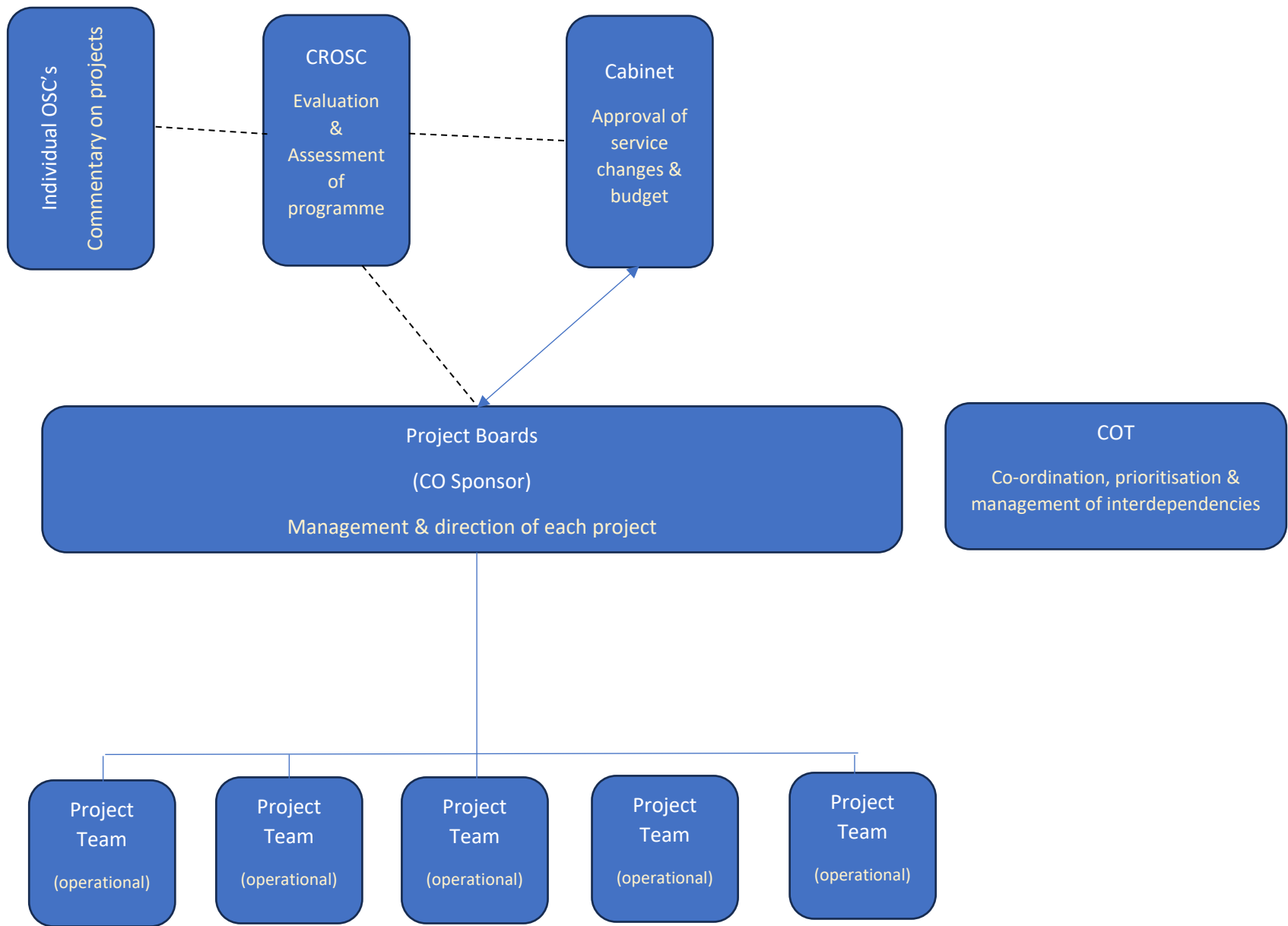
Individual OSC's Commentary on projects

CROSC

Evaluation & Assessment of programme

Cabinet

Approval of service changes & budget

Project Boards

(CO Sponsor)

Management & direction of each project

COT

Co-ordination, prioritisation & management of interdependencies

Project Team

(operational)

Project Team

(operational)

Project Team

(operational)

Project Team

(operational)

Project Team

(operational)

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CYNGOR Sir y Fflint Flintshire COUNTY COUNCIL

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Friday, 19th July 2024
Report Subject	Digital Strategy – Audit Wales Review, Recommendations and Proposed Actions
Cabinet Member	Cabinet Member for Corporate Services
Report Author	Chief Officer (Governance)
Type of Report	Strategic

EXECUTIVE SUMMARY

The current digital strategy (Digital Flintshire 2021-2026) incorporates our learning, experiences, growth and ambition since it was first published in 2016 and the Council has made good progress in delivering the aims set out.

Audit Wales undertook a review of the Council's digital strategy throughout Summer 2023, where auditors reviewed all relevant documentation and interviewed key officers and Cabinet Members.

The primary focus of the audit was the extent to which the Digital Strategy was developed in accordance with the sustainable development principle, thereby ensuring that it will help to secure value for money in the use of the Council's resources.

The Final Report has been returned to the Council with four key recommendations to assist in ensuring it secures value for money. Officers have reviewed these recommendations and have devised proposed actions for approval by Cabinet.

RECOMMENDATIONS

1	That the Committee review the proposed action plan and comment to Cabinet on whether:
	a) if implemented as proposed, it would appear to meet the requirements of the audit recommendations; and
	b) other actions are needed to meet the recommendations

REPORT DETAILS

1.00	**EXPLAINING THE DIGITAL STRATEGY AND AUDIT WALES REPORT**
1.01	**Background:** The Council's Digital Strategy, Digital Flintshire 2021-2026, comprises of 8 main themes • Digital Customer • Digital Workforce • Digital Business and Connectivity • Digital Partnership • Information Management • Digital Delivery • Digital Inclusion • Digital Learning and Culture Each theme is led by a senior manager and is underpinned by a set of core principles and high-level actions which are reflected within the Digital Strategy.
1.02	The Digital Strategy Board (DSB) is chaired by the Chief Officer for Governance and is comprised of theme leads and portfolio representatives from across the Council. It meets bi-monthly to: • Receive theme updates to assess progress and remove barriers; • Review and assess business cases for new projects for inclusion in the Digital Strategy Project Plan, ensuring these meet key criteria for appropriate prioritisation; • Record and assess risks and issues. The Digital Strategy Project Plan contains a list of all projects within the Digital Strategy which are assigned to a theme and reported against.
1.03	**Audit** Audit Wales reviewed the Council's strategic approach to digital in 2023 as part of a national review. The aims were centred around value for money and to: • provide assurance the Digital Strategy helps to deliver well-being objectives and acts in accordance with the sustainable development principle; • explain how the Council uses digital technology to meet the needs of its customers and deliver better outcomes; • share examples of good practice and differing approaches. Key officers and members were interviewed over a period of approximately four months where a number of key questions were explored, including:

	- Is the Council's digital strategy informed by a good understanding of current and future trends? - Does the Council have a clear vision of what it wants to achieve through the use of digital technology? - Is the Council working effectively with the right people and partners to design and deliver its digital strategy? - Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits? - Is the Council monitoring and reviewing progress? - Is the Council learning lessons from how it works?
1.04	**Findings and Recommendations** The final report from Audit Wales was issued to the Council in March 2024. It concluded that the Council: - has ensured that the Digital Strategy is aligned with wider corporate priorities and that it has been informed by a range of sources, including public engagement; - recognises the importance of partnership working and collaborates with a range of partners; - has resourced the digital strategy in the shorter term but needs to identify funding for the medium and / or longer term; - has arrangements for the development and monitoring of digital projects, but that these need to be followed consistently and ensure that evaluation takes place to fully identify and realise benefits and efficiencies alongside the development of better ways of working. The report also contains some recommendations which centre on the finding that, "the Council has a clear and integrated strategic approach to digital but there are weaknesses in arrangements to monitor and evaluate value for money". The areas covered by the recommendations are as follows: R1 - Approach to collaboration R2 – Understanding the resource implications of the Digital Strategy R3 – Identifying and monitoring intended savings R4 – Assessing and monitoring impact
1.05	**Response** In order to meet the recommendations, the Council intends to undertake the key actions outlined in Appendix 4 which have been summarised below and will ensure that we are able to continue to develop and deliver better value for money as part of the delivery of the Digital Strategy. **R1 - Approach to collaboration** *To ensure that it identifies opportunities to improve the value for money of its strategic approach to digital the Council should map out the organisations it could collaborate with in delivering its digital strategy and assess the potential benefits of opportunities it identifies.*

The Strategy itself contains a partnership theme and the Council is working with partners to deliver its aims e.g. the Good Things Foundation to provide free data SIM cards and the work with the Economic Ambition Board to deliver the Local Full Fibre Network. However, there isn't a full list and comprehensive map of partners and where they might be able to help.

Response - The Council will produce a map of current partner organisations as well as detailing other organisations we may be able to partner with to help achieve the aims of the digital strategy. The map will outline key benefits of working with these organisations and will be shared corporately so it can be used across all service areas. We will assess whether working with them may help deliver our objectives and approach them if it might.

R2 – Understanding the resource implications of the Digital Strategy
To help ensure its next digital strategy is deliverable and to be able to monitor the value for money of its strategic approach the Council should identify the medium and long-term resource implications of delivering its strategy.

The Digital Strategy Action Plan identifies which projects are funded and which are not. We reviewed the action plan recently to remove the majority of projects which were unfunded, and 34 out of 43 projects (79%) have confirmed funding. The degree of precision around funding requirements increases as the project gets closer to implementation, conversely medium to long term projects (typically the larger projects) have less detail. Implementing this recommendation will appear to increase the financial pressure on the Council in the short term though in reality this will be merely surfacing pressures that would otherwise have been less visible.

Response - The Council has already made changes to the business case process for DSB to ensure that no new unfunded projects are approved. Those changes will also help it to better identify areas where there are resource implications, whilst ensuring that it reviews all of the information gathered to inform the next iteration of Digital Flintshire.

R3 – Identifying and monitoring intended savings
To help monitor the extent to which digital projects and its overall strategic approach to digital are providing value for money the Council should identify potential savings associated with digital projects and monitor the extent to which these are achieved.

Hitherto, digital projects have primarily been focussed on improving customer experience or access rather than cashable savings e.g the integrated process for applying for school places which also deals with transport and school uniforms which replaced the need for parents to deal with 3 separate services int eh Council. The business case for new projects now requires all projects to identify the savings to be delivered and they will not be approved (except in exceptional circumstances) unless the project does deliver savings. An accountant is allocated to the DSB who will feed data on savings proffered into the pre-existing processes for predicting savings and monitoring their delivery.

Note it was a request from the Governance and Audit Committee (when it considered this report from Audit Wales) that this committee should play a role in monitoring these savings from the Digital Strategy. Savings from the Digital Strategy is included in the transformation programme, and, as such, is something that this committee will monitor (if the recommendations in that report are accepted).

Response – the Council has amended processes at its DSB to ensure there is greater level of challenge around identifying and monitoring savings. The Council has made amendments to key operational documents to ensure that this can be facilitated. The Council will review completed projects, including reports on costs and savings and the sharing of reflections / lessons learned.

R4 – Assessing and monitoring impact
To better understand the overall impact of its digital strategy and monitor value for money, the Council should strengthen arrangements for measuring the effectiveness and impact of digital projects and its overall strategic approach.

We currently have largely anecdotal feedback on the outcomes of projects and reports back to DSB when a project has completed as part of the relevant theme update. For example, the digital blog shows the results of completed projects. That approach needs to be formalised and standardised. It also needs to encompass the savings tracking identified above.

Response – The Council will further develop and implement standardised operational project documentation which will allow it to review and assess impact and effectiveness at a strategic level.

2.00	RESOURCE IMPLICATIONS
2.01	Work is continually ongoing to ensure that the projects and ambitions within the strategy have accurate costings assigned; this will create a funding plan and ensure that any potential funding gaps are identified as early as possible. It is already clear that the level of ambition within the Council and expectation from residents outstrips the available funding and capacity of the IT Service to support new projects alongside day-to-day delivery and necessary renewals of software/hardware (so called "keeping the lights on"). Only those projects which are a clear priority can be taken forward and portfolios will assist in prioritising and managing conflicting priorities.

3.00	**IMPACT ASSESSMENT AND RISK MANAGEMENT**
3.01	**Digital Strategy - Ways of Working (Sustainable Development) Principles Impact**

Long-term	Positive
Prevention	Recognising that our population is aging and becoming more diverse, digital services mean more focus can be given to supporting those more in need of support. Recognising the threat of climate change, more flexible working practices mean less journeys impacting onCo2 emissions and air quality.
Integration	Easy access to information and ability to easily manage day-to-day tasks digitally can help people to be self-reliant and prevent loss of independence.
Collaboration	Consultation results have underpinned the strategy and ongoing programmes of learning from feedback from citizens and users will inform future development.
Involvement	Benefits across the wellbeing goals from improved digital services e.g. an equal Wales. Working with our partners to deliver digital services that enable Health and Social Care Integration e.g. Single Point of Access (SPOA).

Well-being Goals Impact

Prosperous Wales	Improving local infrastructure to support developing businesses. Helping local people gaining relevant skills.
Resilient Wales	Changing working practices and developing skills for more resilient services and communities as the population and climate changes in the long-term.
Healthier Wales	Timely access to information to ensure support can be provided promptly preventing further deterioration, supported by real time information.
More equal Wales	Flexible services, responsive to the needs of the most vulnerable.
Cohesive Wales	Supporting improved internet connectivity so that information is easily and reliably

		available to enable all communities to be well-connected, informed and involved in their local area.
	Vibrant Wales	Ensuring all services and information are provided bilingually.
	Globally responsible Wales	More digital services reduces the need for journeys and resources such as fuel and paper, reducing Co2 emissions and use of resources.

Risks are logged, recorded and monitored by the Digital Strategy Board and included in the Corporate Risk Register where required.

Audit Wales - Ways of Working (Sustainable Development) Principles Impact

Long-term	Audit Wales assess if Public bodies are complying with sustainable development principles and taking steps to meet their well-being objectives.
Prevention	
Integration	
Collaboration	
Involvement	

Well-being Goals Impact

Prosperous Wales	Audit Wales assess if Public bodies are complying with sustainable development principles and taking steps to meet their well-being objectives.
Resilient Wales	
Healthier Wales	
More equal Wales	
Cohesive Wales	
Vibrant Wales	
Globally responsible Wales	

4.00	**CONSULTATIONS REQUIRED/CARRIED OUT**
4.01	Corporate Resources Overview and Scrutiny Committee will receive this report as part of their scrutiny role. It will comment on whether the proposed actions are the right ones to meet the recommendations, whether any more could be done etc. Cabinet will receive this report for approval of the action plan.

5.00	**APPENDICES**
5.01	**Appendix 1** – Digital Flintshire 2021-2026 **Appendix 2** – Digital Flintshire Interactive Document PDF **Appendix 3** – Audit Wales Report **Appendix 4** – Audit Wales Response

6.00	**LIST OF ACCESSIBLE BACKGROUND DOCUMENTS**
6.01	**Digital Strategy for Wales** – publication date 23 March 2021 https://gov.wales/digital-strategy-wales-html **Digital Flintshire Interactive -** https://indd.adobe.com/view/f6f2bbb8-27e8-41a1-a566-32f5a0cddd08 **Digital Flintshire Hub** - https://www.flintshire.gov.uk/en/Resident/Digital-Flintshire/Home.aspx **Flintshire Digital Strategy** - https://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Digital-Strategy.aspx **Audit Wales Publications** - https://www.audit.wales/publications

7.00	**CONTACT OFFICER DETAILS**
7.01	**Contact Officer:** Gareth Owens **Telephone:** 01352 702344 **E-mail:** Gareth.legal@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**
8.01	**Audit Wales:** 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. **DSB:** Digital Strategy Board - chaired by the Chief Officer for Governance and comprised of theme leads and portfolio representatives from across the Council. **Theme Lead:** a senior manager responsible for overseeing and reporting against any projects which are assigned to their strategic theme.

Digital Flintshire

2021 - 2026

CYNGOR
Sir y Fflint
Flintshire
COUNTY COUNCIL

Contents

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Introduction

The Council adopted "Digital Flintshire" in 2017. Since that time much has changed within the Council and the wider world. At the time the strategy marked a change of direction and ownership; from a document being solely about the IT Services' plans to a wider statement of the whole Council's ambitions in the digital arena. As the Council's understanding of what is digitally possible has grown, so too has the acceptance and demand for digital services, particularly following the imposition of different levels of lockdown in response to the coronavirus pandemic. It is now an appropriate time to review and revise the strategy in light of those changes and our experience.

In the four years since adopting the first iteration of Digital Flintshire the Council has made solid progress in delivering the aims and ambitions within that document. For example we have:

- Updated our website and developed our own Customer Relationship Management System (CRM) which has seen us process almost 200,000 electronic forms from customers over the past 3 years, many of which have integrated directly into our business systems providing an end-to-end digital experience

- Developed a customer account to enable customers to securely access services personal to them. These services have included school admissions, planning applications, garden waste schemes and a range of services for council tenants. To date we have in excess of 17,500 customers signed up for this service

- Implemented modern and up to date infrastructures within schools aligned to agreed national digital standards as part of the Welsh Government HWB programme, ensuring they meet the needs of schools and provide a solid foundation for the delivery of the curriculum

Our partners and other public sector bodies have made progress in delivering their ambitions that affect or support our own digital ambitions, for example, the **North Wales Economic Ambition Board** has been successful in securing a government grant to improve broadband connection speeds within the region.

Our delivery of digital services accelerated during and as a result of the physical restrictions imposed to contain the coronavirus pandemic. With an already agile workforce, we were well placed for our employees to work from home wherever possible. The legislation governing Council committee and Cabinet meetings was swiftly amended and all meetings now take place virtually, which has opened up access to meetings that previously were little seen despite being open to the public. The widespread adoption of video conferencing, to complement existing agile technologies, has also had significant benefits in terms of reducing travel

and the consequent carbon emissions whilst improving productivity and work life balance for employees. It has also further supported the Council's Asset Rationalisation Programme.

The demand for digital services has accelerated within the Council and those who use our services. Our experiences of what is now possible and acceptable has lifted our ambition and we have refreshed our long-term ambitions in light of that experience, allocated additional resources to support the delivery of the action plan and recognise that further resourcing will be critical for the success of the strategy moving forward.

The strategic context for digital has developed within Wales. Welsh Government has published its own digital strategy and digital standards which set out expectations for local government on the digital transformation of services. We have built those standards into this document and signed up to the Local Digital Declaration to ensure that the Council keeps pace with other organisations in the public sector.

The Councils own policy context has also changed. The Council Plan has always had a strong emphasis on tackling the effects of poverty and exclusion, but the 2021/22 plan saw the inclusion of a specific theme on tackling digital poverty to ensure that no one is excluded by a lack of skills or access to digital technology. This has carried through into a new wrap-around theme within the digital strategy to ensure that digital inclusion is addressed as a consideration in all projects we undertake.

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Introduction (continued...)

What has changed in the updated strategy?

We have:

- Removed those aspirations or milestones that have been completed and updated its ambitions and long term aims

- For the first time been able to include a clear action plan showing the timescale for project delivery

- Shown how the Digital Strategy delivers the aims and ways of working mandated under the Well-being of Future Generations Act

- Separated out some themes to give them greater clarity and reframed/refocused its aims around education, learning, culture and the arts

- Set out clear digital standards that all projects must meet if they are to be supported and delivered by IT Services

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Digital Strategy for Wales

Since the first iteration of Digital Flintshire, Welsh Government has published its own Digital Strategy for Wales, which sets out its vision for a consistent standard of digital public service. It contains 6 missions below which clearly overlap with the aims in this updated strategy:

Mission 1: Digital Services
Deliver and modernise services so that they are designed around user needs and are simple, secure and convenient

Mission 2: Digital Inclusion
Equip people with the motivation, access, skills and confidence to engage with an increasingly digital world, based on their needs

Mission 3: Digital Skills
Create a workforce that has the digital skills, capability and confidence to excel in the workplace and in everyday life

Mission 4: Digital Economy
Drive economic prosperity and resilience by embracing and exploiting digital innovation.

Mission 5: Digital Connectivity
Services are supported by fast and reliable infrastructure

Mission 6: Data and Collaboration
Services are improved by working together, with data and knowledge being used and shared

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Local Digital Declaration

UK Government has also created a vision for the delivery of digital services called the Local Digital Declaration. Signing the declaration is statement of intent to follow a common approach to delivering digital services, which will facilitate and increase collaboration and connections between different public bodies.

The 5 principles of the Local Digital Declaration are set out below and Flintshire will adopt these as its preferred way of working to deliver the ambitions and projects within Digital Flintshire:

1. We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise citizen and user needs above professional, organisational and technological silos.

2. We will 'fix our plumbing' to break our dependence on inflexible and expensive technology that doesn't join up effectively. This means insisting on modular building blocks for the IT we rely on, and open standards to give a common structure to the data we create.

3. We will design safe, secure and useful ways of sharing information to build trust among our partners and citizens, to better support the most vulnerable members of our communities, and to target our resources more effectively.

4. We will demonstrate digital leadership, creating the conditions for genuine organisational transformation to happen, and challenging all those we work with to embrace this Local Digital Declaration.

5. We will embed an open culture that values, incentivises and expects digital ways of working from every member of our workforce. This means working in the open wherever we can, sharing our plans and experience, working collaboratively with other organisations, and reusing good practice.

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Digital Standards

National digital
standards
serve to
provide a set of
minimum design
principles for
digital services,
specifying
criteria that all
digital services
developed by
public services
must meet.

The Welsh Digital Service Standards "takes inspiration from other digital standards around the world" and targets 14 key criteria across 3 themes to achieve its vision:

1. Meeting users' needs
2. Creating good digital teams
3. Using the right technology

Scotland has published its **Digital First Service Standard,** which sets out 22 different criteria that each project should meet to ensure that it is contributing to the vision created by the Scottish Government. As stated:

"The standard has 3 themes:
• user needs - focus on what your users want to do rather than the organisation's objectives or the mechanics of delivering your service
• technology - how you've built your service
• business capability and capacity - having the right team with enough time to maintain the service

The standard aims to make sure that services in Scotland are continually improving and that users are always the focus."

Learning from these national standards, the Council's overall vision for its digital services is that they will:

1. Be centred on the customer, enabling easy access to information and online service transaction.
2. Allow employees to carry out their duties at any location giving them access to the information and tools they require in a secure manner.
3. Automate currently manual tasks as far as possible.
4. Be cloud hosted in order to alleviate our dependence on fixed geographical locations (i.e. Council premises).

Digital Flintshire contains 12 key maturity standards for consideration which ensure that any project undertaken within the Council will help to achieve the aims and objectives of the overall policy. Any project which fails to meet these standards is unlikely to be capable of helping us achieve our overall vision and will not be taken forward.

The standards are:

Usability and Accessibility
1. Website content and online service
2. Relationship with the Flintshire 'My Account'
3. Omni-channel capabilities
4. Online payments
5. Online bookings
6. eSignatures

Data
7. Reporting – Management Information and Business Information
8 Data strategy links
9. Document management

Technology
10. Hosting requirements– it is expected that software will be cloud hosted
11. Integration requirements
12. Mobile working

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Links with Other Strategies

The links and interdependencies with other strategies are as follows:

• **HR Strategy** – Digital Flintshire contains a specific theme on delivering digital processes for its employees. In turn it relies upon employee development, in accordance with the HR Strategy, to build and recruit digital skills within the workforce

• **Customer Strategy** – the Customer Strategy revolves around providing effective services at the first point of contact and enabling customers to self-serve wherever possible. Close integration between digital services provided on the website and the Council's own Customer Relationship Management (CRM) software enables employees in the Contact Centre to support customers if required

• **Environmental Strategy** – the Council has set the goal of becoming carbon neutral by 2030. Digital services remove the need for officers/residents to travel in order to deliver/access services thereby reducing the Council's carbon footprint. Increased data usage has its own carbon cost which is in turn mitigated by purchasing, or generating our own, green energy

Education
In partnership with schools, we provide a range of services in relation to EdTech (Education Technology) via four primary teams: Communications and Networking, Servers and Storage, Management Information and Business Support.

These services include:
• strategic advice, guidance, support, and training
• high level technical support, including:
• management and support of secure electronic communication and networking infrastructure
• connectivity to PSBA (Public Sector Broadband Aggregation), the Internet and Hwb
• provision of training, support and problem solving in the use of hardware and software
• provision of skills transfer/mentoring for schools' technical staff to enable them to manage school networks and devices. This can be on site, via remote connection or technical documentation
• business support functions including facilitating strategic development, signposting resources, procurement, managing framework contracts for outsourced services, monitoring and reviewing service provision against an agreed set of performance targets etc.

The support and advice required is identified in the following documents which are regularly reviewed with schools:

1. Guidance for Strategic and Operational Use of Digital Technologies within Schools
2. Strategy for Implementing and Supporting use of Digital Technologies within Schools

Digital Flintshire touches upon the work of the whole Council and needs to both influence and be influenced in turn by other corporate strategies if it is to be successfully delivered.

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Future Generations

This strategy will contribute towards progressing the well-being goals. Embracing digital innovation and improving access to faster broadband can lead to greater economic opportunities and the strategy has a theme directed to this end, thereby creating a more prosperous and resilient society. Equipping people with the digital skills they need and designing services around the user will also improve social cohesion, create a healthier and more equal society with well-connected communities and contribute to a thriving Welsh language.

Through supporting remote working, designing public services effectively, using data smartly and modernising the technology we use, we can support our ambition to reduce carbon usage (noting that through purchasing, or even generating our own, "green energy", this can offset the carbon cost of increased data usage).

Achieving real digital transformation of public services provides an opportunity to support the ways of working described in the Well-being of Future Generations Act. Digital services join up and integrate departments for residents so they can seamlessly conclude their request for service in a single process. Good engagement supports the design of user-facing services that prevent inefficiencies and inconsistent experience for the citizen. Designing services in an iterative, agile and user-focused way will ensure services are designed for the long-term.

Some examples of how the strategy is taking forward the Wellbeing of Future Generations Act:

Long term
Recognising that our population is aging and becoming more diverse, digital services mean more focus can be given to supporting those more in need of support. Recognising the threat of climate change, more flexible working practices mean less journeys impacting on CO2 emissions and air quality.

Preventative
Easy access to information and ability to easily manage day-to-day tasks digitally can help people to be self-reliant and prevent loss of independence.

Involvement
Consultation results have underpinned the strategy and ongoing programmes of learning from feedback from citizens and users will inform future development.

Integration
Benefits across the wellbeing goals from improved digital services e.g. an equal Wales. Working with our partners to deliver digital services that enable Health and Social Care Integration e.g. Single Point of Access (SPOA).

Collaboration
Working with schools to ensure children are equipped to thrive in a digital world. Working with partners to help build skills within the community and ensure access to digital services.

A prosperous Wales
Improving local infrastructure to support developing businesses. Helping local people gain relevant skills.

A resilient Wales
Changing working practices and developing skills for more resilient services and communities as the population and climate changes in the long-term.

A healthier Wales
Timely access to information to ensure support can be provided promptly preventing further deterioration, supported by real time information.

A more equal Wales
Flexible services, responsive to the needs of the most vulnerable.

A Wales of Cohesive communities
Supporting improved internet connectivity so that information is easily and reliably available to enable all communities to be well-connected, informed and involved in their local area

A Wales of vibrant culture and thriving language
Ensuring all services and information are provided bilingually.

A globally responsive Wales
More digital services reduces the need for journeys and resources such as fuel and paper, reducing CO2 emissions and use of resources.

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Socio-Economic Duty

The Council recognises that inability to access digital services can disproportionately impact people from lower socio-economic groups, perpetuating or even exacerbating the dis-advantages they face. This revised strategy seeks to tackle these issues through every theme, and also includes a theme aimed at specifically targeting these challenges.
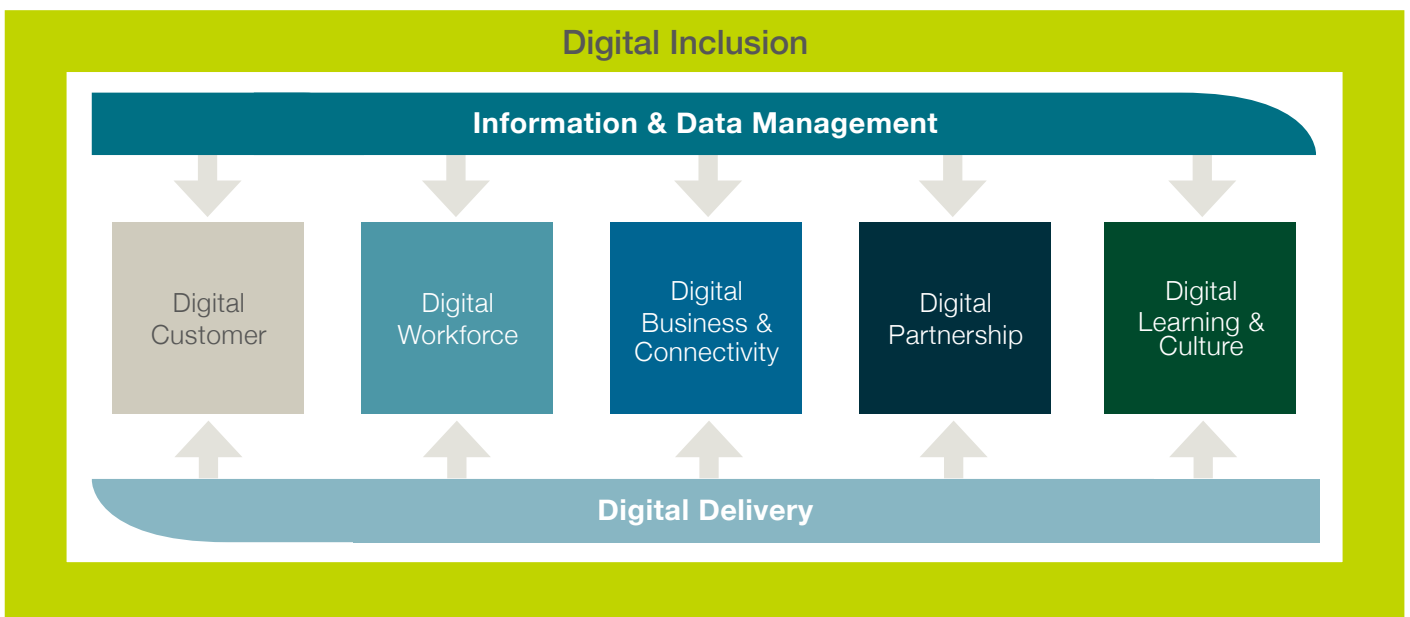
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Digital Flintshire: The Vision

Our digital strategy sets out how we will embrace the opportunities that digital technologies, innovation and information offer us to ensure we deliver modern, efficient public services.

We will do this by adopting the following principles:

- Using technology to offer customers increased flexibility in when and how they access our services

- Ensuring our customers have the access, skills and confidence to engage with an increasingly digital world, based on their needs - no one is left behind

- Providing and promoting accessible and inclusive digital services that are simple, secure and convenient enabling people to use the Welsh Language on a day-to-day basis

- Creation of a workforce which is efficient, informed, and able to interact confidently and effectively in a digital world

- Demonstrating digital leadership, creating conditions for genuine organisational transformation to take place and challenging those we work with to embrace this culture

- Working with and supporting our businesses to maximise and exploit opportunities that digital technology and innovation offers

- Using digital technology to work and collaborate with our partners efficiently and securely, including the effective sharing and use of data

- Treating information as a key corporate asset ensuring it is compliant, accurate, relevant and secure so that we can use it to design and deliver more effective and efficient services

- Delivering a secure, reliable, resilient and cost effective digital infrastructure that is responsive to the needs of the Council and its customers

Digital Inclusion

Information & Data Management

| Digital Customer | Digital Workforce | Digital Business & Connectivity | Digital Partnership | Digital Learning & Culture |

Digital Delivery

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Digital Customer

"Empowering customers to use digital channels to access information, engage and complete a transaction."

Principles:

- Our services will be modern, efficient and streamlined to meet the needs of customers

- Digital services will be simple, secure and convenient

- Our residents will be able to access high quality services in Welsh and English because they are designed bilingually from the outset

- Our services will have a consistent user experience and design

- Services that can be online will be available online and other channels will be available where they are needed

- People will choose to use digital services, increasing self-service interactions between customers and services

- No person is left behind as we embrace digital services, keeping digital inclusion at the heart of all we do

High Level Actions to Support Delivery:

No.	Action
1	Continue to develop modern, efficient and secure digital services
2	Ensure bilingual user experience in service design and delivery
3	Modernise online payment facilities
4	Create a Digital Hub for information, resources and support to help people to use digital services
5	Develop the use of social media as a channel to support service delivery
6	No person is left behind as we embrace digital services, keeping digital inclusion at the heart of all we do

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Digital Workforce

Principles:

- We will ensure our employees have the digital tools and skills required to deliver services effectively and efficiently

- We will support changes in working practices that enable employees to work more transparently and flexibly

- We will unify our offline and online communications by keeping employees connected through their mobile devices to provide anywhere, anytime access to business tools and information

- Continue to support virtual work environments that allow employees to stay connected in virtual workplaces whilst balancing business needs and operational risks

- We will help to minimize spending and enhance productivity by providing employees with the right tools and right information at the right time

- We will support our employees to adopt digital change

- Ensuring we are able to design better processes and services, transforming and accelerating the move to digital delivery where this provides a better experience for our residents, businesses and visitors

"Equipping our workforce with the digital skills, capability and confidence required to deliver better, simpler services."

High Level Actions to Support Delivery:

No.	Action
1	Continued implementation and development of agile and mobile technologies to enable employees to access business systems and information from any location
2	Development of our mobile working capabilities to support service delivery
3	Implementation of collaboration and document management technologies
4	Appropriate workforce training to support use of digital technologies and systems
5	Undertake a Digital Workforce Skills Assessment for all existing and new employees
6	Extended provision of wireless in Council buildings
7	Development of e-learning modules to support workforce development in use of new and existing technologies and to promote compliance with information management legislation
8	Implementation of a new intranet with ability for whole workforce access
9	Continued development and rollout of self-service systems across workforce and schools e.g. HR and Payroll

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Digital Business & Connectivity

"Working with and supporting our businesses to maximize and exploit opportunities that digital technology and innovation offers."

Principles:

- We will promote and deliver projects that increase ultra-fast broadband and mobile coverage, enabling;

  - Our businesses to access new markets

  - Our residents to access employment, education and services

- We will promote and deliver projects that facilitate Internet of Things (IoT) deployment by public services and businesses

High Level Actions to Support Delivery:

No.	Action
1	Participate in the North Wales Growth Deal project to create a 5G infrastructure along strategic transport corridors and at key employment sites
2	Contribute to the development of a more streamlined policy framework for North Wales that makes it more cost effective for telecoms infrastructure companies to make investments
3	Participate in the North Wales Growth Deal project to expand rural broadband coverage
4	Complete installation of fibre connectivity to public buildings through the **Local Full Fibre Network (LFFN) project**
5	Provide officer resource to support rural households in identifying solutions to connectivity issues and to promote community broadband projects
6	Develop projects to improve connectivity at community facilities
7	Develop monitoring infrastructure in town centres to provide data to inform management and investment
8	Compile IoT (Internet of Things) use cases for public sector and businesses

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Digital Partnership

"Digital technology will enable people and organisations to work together to design and deliver improved services."

Principles:

- Digital technology will enable partners to deliver better, seamless, services and outcomes

- Appropriate data and knowledge will be shared and used by partners to develop and improve services

- There will be open and agile ways of working across partnerships, enabling co-located services

- We will maximise technologies which support and enable collaborative service delivery such as cloud and open systems

- We will work with partners to develop and procure established technology ensuring best value for money

- We will explore opportunities for alternative service delivery models with other public, private and third sector organisations
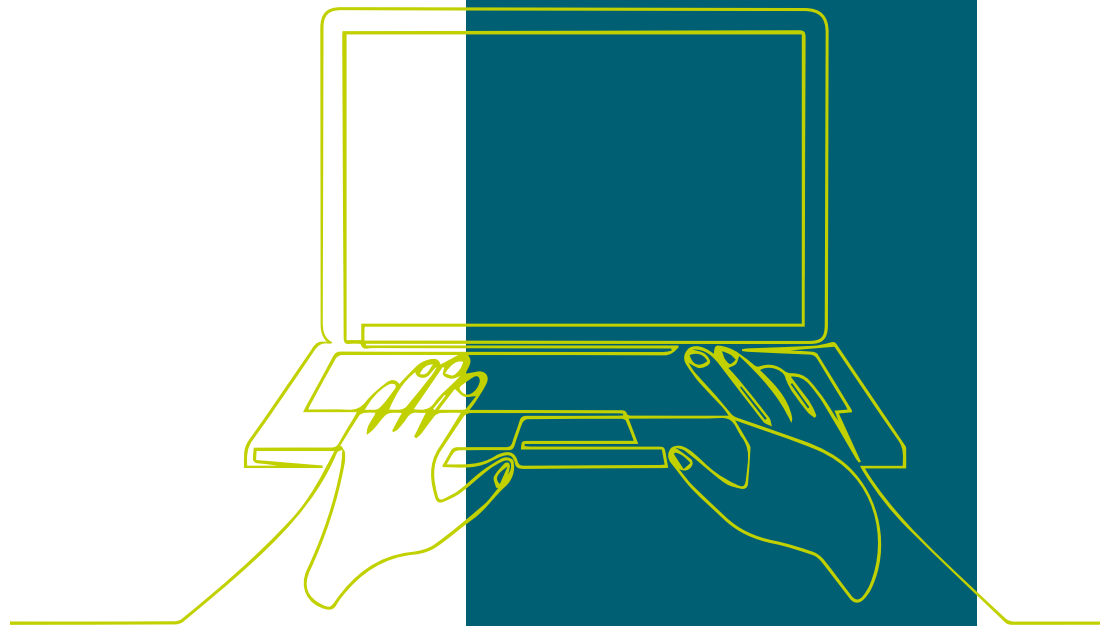
High Level Actions to Support Delivery:

No.	Action
1	Establish a set of 'digital commitments' with our key partners to align our strategic direction, timelines and capacity, improving outcomes. Our ambition will include: • the NHS and North Wales Police • schools and higher and further education organisations • Newydd and Aura (Alternative Delivery Models)
2	Identify opportunities to work together on digital initiatives to get the most out of our data: • develop consistency by agreeing and adopting common data and architecture standards and using platforms that will support the re-use of data and collaboration more generally • work with partners to identify data sources that can help create a rich and inclusive picture of society to inform service development and commissioning intentions
3	Explore how SharePoint, or other technology, can be effectively deployed to support partnership working and outcomes whilst ensuring compliance to data and information governance standards
4	Develop a Blueprint for co-located services, and the associated infrastructure (e.g. telephony), to facilitate partnership working and seamless services for citizens. This will include co-location with Health, Police and 3rd sector organisations
5	Promotion and collaboration on regional and national projects including: • Phase 2 of All Wales Library Management System • Replacement of social care client and finance systems • Work to move to digital solutions for court work • Replacement system for schools • Procurement

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Information & Data Management

Principles:

- People and organisations will have full confidence that their data is being treated responsibly, securely and ethically, in line with appropriate Information and Records Management legislation and by following industry best practice around Information Management and Security

- We will deliver better, seamless, services with improved outcomes due to data being used effectively and innovatively

- We will limit the amount of times citizens need to provide the same information by developing improved data mapping across the Council to support easy and secure use and reuse of data to deliver joined-up services

- We will make our data available so that it can be accessed by people and organisations that need it, when they need it, in a format that is easy to use

- We will design safe, secure and useful ways of sharing information to build trust among our partners and citizens, to better support the most vulnerable members of our communities, and to target our resources more effectively

- We will treat information as a key corporate asset to support improved decision making and best use of resources

"We can improve the services provided to the public by working together and ensuring that our information and data is used effectively, well-organised, protected and gets to where it needs to go."

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Information & Data Management

High Level Actions to Support Delivery:

No.	Action
1	Develop an Information and Data Management Strategy that considers the needs of our citizens, demands of the business, industry best practice and changes in technology and legislation
2	Ensure that we meet our legislative and ethical obligations in the way that we manage our information, building the trust of our citizens and partners e.g.: • Data Protection Legislation • Freedom of Information Act 2000 • Environmental Information Regulations 2004 • Public Services Network (PSN) Accreditation • Cyber Essentials Accreditation
3	Reduce both the physical and financial burden of information and data storage on the council whilst maintaining compliance: • Contracts review for storage and destruction • Review of corporate fileshare as part of O365 migration • Maximise opportunities for the re-use of information • Reduce duplication of information
4	Use of technology to enable more efficient management and information sharing within the Council and with its partners: • Implementation of SharePoint and associated technologies to support improved records management and information sharing • Develop a strategic framework for information sharing
5	Maximise the potential that improved Information Management offers in terms of improving business efficiency, resource planning and reduction of failure demand: • Improved data standards • System consolidation and integration • Wider use of data mapping to reduce duplication • Review of information lifecycles from collection through to destruction or archive • Use of business intelligence technologies to support improved decision making and resource planning • Continued development of single view of customer
6	Ensure that the Council's leadership team, members and officers understand both their legal obligations and opportunities for improving service delivery through improved Information Management: • Policy review, promotion and awareness • Targeted training and further development of e-learning

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Digital Delivery

> *"Digital Delivery enables the provision of resilient, robust and cost effective IT infrastructure and systems to underpin service delivery and facilitate organisational change."*

Principles:

- We will deliver reliable, secure and resilient IT infrastructure and systems to ensure continuity of service provision
- Ensuring that our investment in technology is aligned with the priorities for the organisation
- Achieving best value from investments made in existing infrastructure by ensuring compliance with industry best practice
- We will harness new and emerging technologies where they can deliver increased efficiency and improved service delivery
- Working to reduce the number of business systems and improving integration in order to standardise and simplify business processes

High Level Actions to Support Delivery:

No.	Action
1	Develop and maintain Cloud and Datacentre strategies to define the Council's "Cloud First" policy and inform the Council's Asset Rationalisation Plan
2	Undertake infrastructure upgrades to ensure there is sufficient capacity to support service provision
3	Ensure infrastructure software is up-to-date to ensure licensing compliance, provision of a secure infrastructure and platforms capable of running the latest business applications
4	Implementation of cloud technologies • Microsoft Office 365 • Microsoft Teams • Microsoft SharePoint
5	Support the implementation of new or upgraded business systems
6	Consolidation of Business Systems • Review business systems to ensure we are getting best value from investments in 3rd party software • Rationalisation of systems to see if we can reduce the number of business systems with the potential to make efficiencies from license reduction and system management overheads
7	To ensure that we have a clear picture of all the corporate IT assets, their value, relevant contract and license information, warranty and replacement schedules; this will assist with financial asset management planning
8	Support the Councils Asset Rationalisation Programme
9	Facilitate the use of Welsh Language through the use of technology
10	Support the delivery of projects within other workstreams in the Digital Strategy through the provision of technology, systems and resources

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Digital Inclusion

"To bring the Council closer to residents by equipping people with the motivation, access, skills and confidence to engage with an increasingly digital world, based on their needs."

Principles:

- We will promote, introduce and develop digital for people in a way that benefits them; helping them do things they care about and can only do online

- Make it easier for our residents to stay safe online by providing simple and straightforward advice and tools

- Working with our partners to maximise expertise, experience and resources to better meet user needs.

- Supporting people with access to appropriate connectivity and equipment to enable access to digital services

- We will identify wider outcomes that can be delivered by helping people become independently confident online

High Level Actions to Support Delivery:

No.	Action
1	Work with our partners to develop and promote a volunteer programme to support people to get online
2	Support and enable access to the internet and devices to ensure people are not excluded form a digital world
3	Develop digital services that are accessible and responsive
4	Continue to work with 3rd sector and other partners to identify opportunities to improve digital literacy within communities and small businesses
5	Promote initiatives to help people to use digital technology both now and in the future
6	Highlight initiatives that support people's health and wellbeing through participation in digital activities

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Digital Learning & Culture

Principles:

- We will work with other organisations to promote and develop inclusive opportunities for digital accessibility, participation and culture growing sustainable communities

- Provide the most effective digital infrastructure and services for education and youth providers, embedding technology in the classroom

- Continue to explore and develop digital channels to provide learning opportunities throughout Flintshire

- Enhance the digital capability and skills of learners of all ages by:

  - Working with schools, partners and the workforce to ensure they are equipped to deliver digital opportunities for learners as part of the curriculum for Wales

  - Supporting the evolving digital requirements of adult learning as part of Digital 2030

"We want learners of all ages to be able to engage with what it means to be a conscientious digital citizen who engages with and contributes positively to the digital world around them."

High Level Actions to Support Delivery:

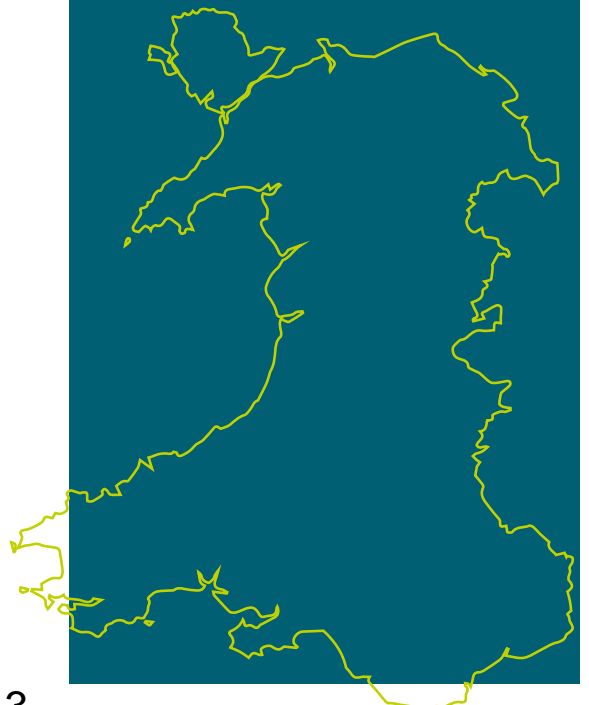| No.	Action
1	Continued provision of digital services and support to schools through the Council's service delivery model for Schools IT support
2	Work in partnership with the Regional School Improvement Service (GwE) to provide training and support for schools in delivering the Digital Competency Framework and embedding this within Curriculum Wales 2022
3	Work with Welsh Government to deliver and develop school IT infrastructure to align with agreed digital standards and design
4	Support schools and the workforce to maximise the use of HWB, a bilingual platform hosting a national collection of tools and resources to support education in Wales
5	Work with the adult learning partnership (North East Wales) to identify opportunities to improve digital literacy within communities
6	Provide ongoing professional development for Education and Youth Services to ensure that they are able to take full advantage of modern communication channels and emerging technology to communicate and work with young people
7	Create a cultural hub via NEWA (North East Wales Archives) improving accessibility and engagement with all sectors of the community

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Governance Arrangements

The Digital Strategy Board is responsible for overseeing and ensuring the effective delivery of the Council's Digital Strategy. It will provide a mechanism to monitor and evaluate progress and resolve any resource, capacity and prioritisation issues which could occur across the range of priorities and actions to be delivered.

- The Digital Strategy will be included in the Improvement Plan for the Council and the Board will therefore be required to report on progress through the appropriate channels

- Any bids for resources to deliver actions which support the delivery of the strategy need to be approved and ranked by the relevant Senior Management Team prior to the development of a business case for submission to the Board

- The Board will utilise a set of defined criteria for assessing and prioritising business cases, ensuring that these are aligned with the Council's Digital Strategy priorities and ambitions

- The Board are responsible for highlighting and securing organisational acceptance of the risks associated with each selected priority, ensuring that they are managed appropriately through identified mitigation

Delivery

- The Board is made up of a number of representatives to include all areas within the organisation.

- Each priority theme within the Digital Strategy is led by a Senior Manager who will sit on the Board in order to report progress against their particular theme.

- Lead officers will be responsible for assisting in prioritising work and will be supported by officers and partners with the appropriate knowledge and skills throughout the organisation.

- The Council will publish a roadmap for the Digital Strategy, updating this periodically as instructed by Theme Leads to reflect progress and achievements against its' aims

- The **Digital Strategy** pages of the website and the **Council's Digital Blog** will be used to help inform and update on projects and initiatives after each Board Meeting

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Digital Customer	Digital Workforce	Digital Business & Connectivity	Digital Partnership	Digital Information & Data Management	Digital Delivery	Digital Inclusion	Digital Learning & Culture

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Digital **Partnership**

Digital **Information & Data Management**

Digital **Delivery**

Digital **Inclusion**

Digital **Learning & Culture**
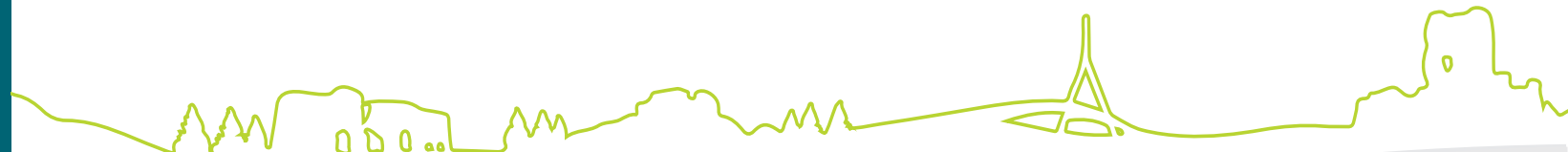
What Is Digital Flintshire?

Digital Flintshire is an ambitious plan which sets out how we will improve and simplify our services.

It's not just about making more services available online, it's about changing the way we deliver our services to provide the best experience for everyone.

It tells you:

- **What we will do**
- **How we will do it**

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Supporting Flintshire in a Digital World

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Why Is This Important?

By having an ambitious plan for the county we can:

- improve the services we provide

- create services that are more accessible, easy to use and meet the needs of the people who use them

- help residents and businesses to get connected to faster, more reliable broadband

- support people without the internet or devices to get online

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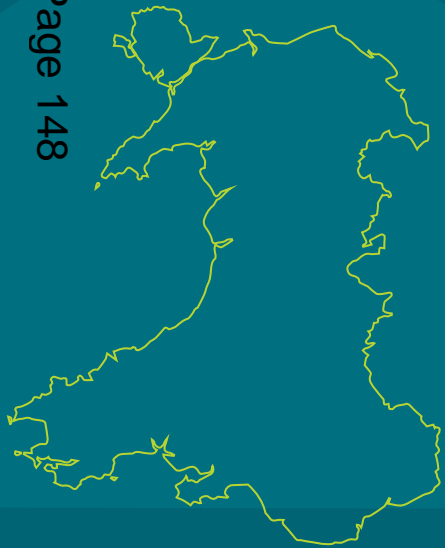
Why Is This Important?

By having an ambitious plan for the county we can:

- support people of all ages to learn and develop their digital skills and build the confidence to use them

- provide our schools with the infrastructure they need to deliver 21st century education

- support local businesses to connect with markets all across the world – growing our economy and providing local jobs for local people

- develop the skills of our workforce and provide them with the tools they need to deliver the services we provide

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How Will We Do It?

The plan has eight main themes:

- **Digital Customer**
- **Digital Workforce**
- **Digital Business and Connectivity**
- **Digital Partnership**
- **Digital Information and Data Management**
- **Digital Delivery**
- **Digital Inclusion**
- **Digital Learning and Culture**

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Digital Customer

We will continue to introduce and improve our digital services, including payments, so that they can be:

- **easily and securely accessed by everyone**
- **completed at first point of contact**
- **on any device – mobile phone, laptop or computer**
- **any time of day or night**
- **anywhere – from home, or on the go**

Where people struggle to use digital services, our Contact Centre and Connects Centres will continue to help during office hours.

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Digital **Learning & Culture**

Digital Workforce

We will create a digital culture and develop a workplace that gives all of our employees:

- the right knowledge, skills and digital tools
- access to business systems – anywhere, anytime
- access to flexible and agile working spaces
- the confidence to deliver high quality digital services to our customers
- support to change and adapt to new, better ways of working

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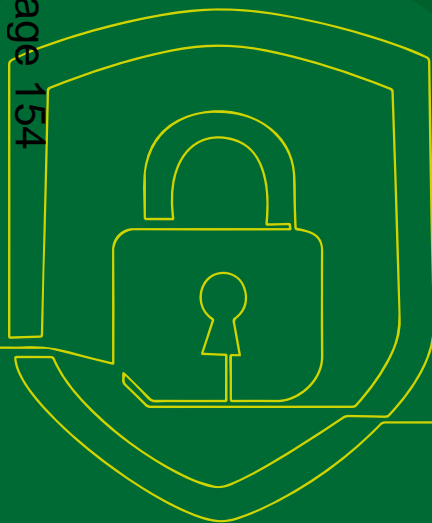
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Workforce

Digital
**Business &
Connectivity**

Digital
Partnership

Digital
**Information
& Data
Management**

Digital
Delivery

Digital
Inclusion

Digital
**Learning
& Culture**

Digital Business & Connectivity

We will work with partners, businesses and communities to introduce digital infrastructure and technologies, such as ultra-fast broadband and mobile coverage.

This will support:

- **our businesses to be competitive and access new markets**
- **our residents to engage with the digital world and access employment, education and services**

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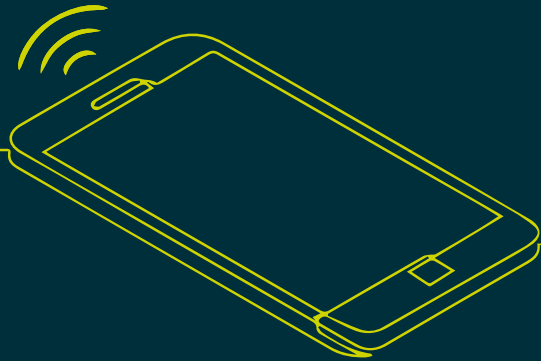
Digital Partnership

We will improve and develop digital systems and technologies that will connect people and places. This will support:

- the delivery of more convenient services
- information sharing across organisations
- better value for money
- new, better ways of working

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Digital Information & Data Management

We will develop and maintain our systems so that the data we collect:

- is protected and secure
- is used for the right purpose, in the right way, at the right time
- helps to inform what future services should look like

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Digital Delivery

We will introduce the right IT infrastructure and systems to:

- **improve and support the delivery of all our services**
- **provide better value for money**
- **make 'Digital Flintshire' happen**

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Digital Inclusion

We will do all that we can to make sure no one is left behind, providing equal opportunities for everyone to:

- access support and training
- access the internet, devices and online services
- promote independence and confidence
- improve health and well-being
- open up new opportunities

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Digital Learning & Culture

We will work with other organisations to provide the infrastructure and systems needed to support:

- digital lifelong learning – in the classroom and out in our communities

- learners of all ages to positively engage with the digital world around them

- communities to become digitally aware and self-sufficient

- people to access the digital services they need to improve their health and wellbeing, education and employment opportunities

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Our Success So Far

- Updating our website providing more on-line applications and services

- 'My Account' a private and secure area on our website for customers to keep track of their service requests and applications. My Account also enables our tenants to access online information about their tenancy.

- Digital Flintshire Hub - an online resource to help people to discover digital technology, and build confidence in digital skills.

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Our Success So Far

- Working with partners to **improve broadband connection speeds** across Flintshire and North Wales.

- **Changing the way we work** in response to COVID-19 such as home working, online meetings and video conferencing.

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Our Next Steps

We will continue to develop and implement a range of digital projects such as:

● making more Council services available through 'My Account'

● Implementing the 'Local Full Fibre Network Project'

● Moving our digital infrastructure over to the cloud

● Working with our partners such as Betsi Cadwaladr University Health Board and North Wales Police to develop a set of digital commitments to provide residents with responsive, joined up services.

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We will continue to develop and implement a range of digital projects such as:

- Developing our 'Information and Data Management Strategy'
- Developing and improving the information on offer through the Digital Flintshire Hub
- Working with partners such as GwE to support schools deliver the Digital Competency Framework and Curriculum Wales.

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Have Your Say

We would really like to hear what you think about our digital plan.

You can do this by completing our online survey

https://www.smartsurvey.co.uk/s/FCC-Digital/

The closing date for your feedback is **Monday 31 January 2022**.

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Digital Strategy Review – Flintshire County Council

Audit year: 2022-23

Date issued: February 2024

Document reference: 4112A2024

Contents

Report summary

Report summary

Exhibit 1: report summary

The exhibit below summarises the reason we undertook this audit, our key findings and recommendations for the Council.

Why a strategic approach to digital is important

1   Digital technology is key to delivering a wide range of council services in a more economic, efficient and effective way. It is also an important means of councils delivering their wellbeing objectives and carrying out sustainable development.

2   Having a clearly articulated strategic approach to digital can bring several benefits such as:

- establishing a common vision for use of digital and the intended outcomes for local communities linked to the Council's strategic objectives;

- helping to ensure that councils' use of digital technology is aligned with their key strategic objectives and other plans and strategies and is informed by a good understanding of current and future trends;

- reducing the risk of duplication both within councils and with partners;

- consideration of resourcing digital over the short, medium and longer term together; and

- providing a framework against which to monitoring progress over the short, medium and long term.

The focus of our audit

3   We looked at the extent to which the Council's strategic approach to digital has been developed in accordance with the sustainable development principle and that it will help to secure value for money in the use of the Council's resources.

Our key findings

4   The Council has a clear digital strategy that links well with partners and is informed by a range of internal and external evidence.

5   The Council has funded delivering of its strategy over the short term but has not yet identified funding for the medium or longer term.

6   The Council's arrangements for monitoring and evaluating digital projects are not consistently implemented. This also makes it difficult for the Council to monitor the value for money of its strategic approach.

Our recommendations for the Council

Approach to collaboration

R1   To ensure that it identifies opportunities to improve the value for money of its strategic approach to digital, the Council should map out the organisations it could collaborate with in delivering its digital strategy and assess the potential benefits of opportunities it identifies.

Understanding the resource implications of its digital strategy

R2   To help ensure its next digital strategy is deliverable and to be able to monitor the value for money of its strategic approach, the Council should identify the medium and long-term resource implications of delivering its strategy.

Identifying and monitoring intended savings

R3   To help monitor the extent to which digital projects and its overall strategic approach to digital are providing value for money, the Council should identify potential savings associated with digital projects and monitor the extent to which these are achieved.

Assessing and monitoring impact

R4   To better understand the overall impact of its digital strategy and monitor value for money, the Council should strengthen arrangements for measuring the effectiveness and impact of digital projects and its overall strategic approach.

Detailed report

What we looked at and why – the scope of this audit

1   We reviewed the Council's strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources.

2   Our findings are based on document reviews and interviews with a sample of Cabinet Members and senior officers. The evidence we have used to inform our findings is limited to these sources. We undertook this work between March and July 2023.

3   We set out to answer the question, **'In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?'** We did this by exploring the following questions:

- Is the Council's digital strategy informed by a good understanding of current and future trends?

- Does the Council have a clear vision of what it wants to achieve through the use of digital technology?

- Is the Council working effectively with the right people and partners to design and deliver its digital strategy?

- Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?

- Is the Council monitoring and reviewing progress?

- Is the Council learning lessons from how it works?

4   **Appendix 1** contains the detailed questions we set out to answer along with the audit criteria we used to arrive at our findings.

Why we undertook this audit

5   This audit was undertaken to help fulfil the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.

6   We sought to:

- provide assurance that councils' digital strategies will help to deliver well-being objectives in a way that secures value for money in the use of resources;

- provide assurance that councils are acting in accordance with the sustainable development principle in the design of their digital strategies;

- explain how councils are using/planning to use digital technology to meet people's needs and deliver better outcomes; and

- inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

The Council's digital strategy

7   The current digital strategy, 'Digital Flintshire', runs from 2021 to 2026. The strategy outlines progress made during the previous strategy and the changes included in the updated strategy.

8   The Council's vision for digital is based around a number of principles and identifies five main areas of focus: Digital Customer, Digital Workforce, Digital Business and Connectivity, Digital Partnership, and Digital Learning and Culture.

What we found: The Council has a clear and integrated strategic approach to digital but there are weaknesses in arrangements to monitor and evaluate value for money

The Council's digital strategy is aligned with wider corporate priorities and was informed by a range of evidence sources including public engagement

9   The Council's current digital strategy, 'Digital Flintshire', explains how it will support its wider corporate aims and how it links with other internal strategies such as the Asset Strategy and Workforce Development.

10   The Council drew on a range of evidence sources to inform its digital strategy. Internal evidence sources included a review of service area work plans and their digital requirements, and workshops for officers and Members. Externally, the Council reviewed the Welsh Government Digital Standards and Futures Trends report, the Scottish Government's Digital First Service Standard and the PSB Well-being assessment.

11   The Council also conducted a public consultation exercise, which provided residents with the opportunity to comment on the draft strategy. This received 179 responses, which were used to inform the strategy.

12   The consultation was made available to the public via contact centres and libraries, and the Council targeted external partners such as Town and Community Councils and the third sector, as well as established networks representing harder to reach groups such as older people, the North Wales Regional Equality Network, Traveller groups and disabled residents.

The Council is working with a range of partners but has not assured itself that it has identified all opportunities to work collaboratively

13   The Council recognises the importance of partnership working but has not identified and engaged with all partners who may have an interest in the development of its digital strategy.

14   'Digital Partnerships' is one of the five themes within its digital strategy, and this outlines how the Council intends to establish 'digital commitments' with partners. The Council is working with a range of external partners, including the University Health Board to develop health-related digital projects and neighbouring councils, Customer Focus Wales, Digital Communities Wales, and the North Wales Economic Ambition Forum.

15   The Digital Strategy Board, which has responsibility for the delivery of the digital strategy, includes in its Terms of Reference the importance of digital projects engaging with all relevant internal and external partners during the development phase.

16   However, the Council has not completed any formal analysis of which partners it needs to work with, or what its current partnership arrangements are achieving. Mapping out who and how the Council needs to work with would provide assurance that it identified all opportunities for partnership working. Not doing so could lead to the Council missing opportunities to pool resources or expertise with partners to deliver improved value for money.

The Council has resourced its digital strategy over the short term but has not identified funding for the medium or longer term

17   The Council has processes in place to understand the funding situation for its digital activity. The Council's digital strategy is supported by its Digital Strategy Board Plan, which lists all planned digital activity for the 2023-24 financial year. Projects are listed by the most appropriate theme and include a priority rating, timeline, and funding status. This document also provides an overview of planned activity for the financial years beyond 2023-24.

18   The funding status assigns one of the following categories to each project:

- funded;
- MTFS bid placed;
- ambition item or no business case; and
- unclear where funding is coming from (implementation and/or ongoing).

19   The Board Plan shows that 42 of the 68 planned activities had funding to support them. Of the remaining 26 projects, four were yet to include a business case, six had Medium Term Financial Strategy bids submitted to support them, and for the remaining 16 projects it was unclear where finding would come from. Updates on the funding status of all projects are provided to each Digital Strategy Board meeting.

20   By not identifying the resources required to fund all of the activity set out in its digital strategy, the Council risks designing an approach that it will be unable to deliver.

The Council does not routinely apply its monitoring and evaluation arrangements and does not have an adopted methodology for identifying potential savings from digital projects

21   The Council has arrangements for the development and monitoring of digital projects but these are not always followed. There is also no agreed methodology to identify potential savings when developing new digital activity.

22   IT Business Partners work with service areas to support the implementation of the digital strategy, and to support the development of digital projects. The Digital Strategy Board overseas the development of digital projects and the order in which they are approved. The governance arrangements of the Digital Strategy Board are included in the digital strategy.

23   Part of the process of developing digital projects is the writing of a business case. This includes a requirement for service areas to identify potential savings that could be achieved through the implementation of the digital project. However, this activity is not always completed for every project and the Council does not have a recognised process to support the calculation of potential savings. Additionally, where the Council does identify potential efficiencies from digital projects, it does not routinely evaluate if these have been subsequently realised.

24   This means, for some projects, the Council does not identify potential efficiency savings, which makes it difficult for it to subsequently monitor the value for money of projects and therefore its strategy overall. As a consequence, the Council cannot quantify the potential or accrued savings from its digital activity, and so does not understand the full impact of its digital activity or the overall digital strategy.

The Council has arrangements to share lessons learned but there are weaknesses in arrangements for reviewing the effectiveness of its strategic approach

25   The Council identifies lessons learned from its digital activity and shares these with partners. The Council conducted a review of the previous digital strategy and how digital technology influenced its response to COVID. Many of the lessons learned from COVID have been incorporated in current strategies around developing flexible working practices and increasing the range of services available to residents online.

26   The Digital Strategy Board also has a standing agenda item to identify successes in digital activity, which are published on the Council's external digital hub and the gov.delivery website.

27   However, as noted above, evaluation arrangements for digital projects are not implemented consistently. This makes it difficult for the Council to understand and review the effectiveness of its overall digital strategy. This means the Council may miss opportunities to improve the impact and value for money of its strategic approach to digital.

Appendix 1

Audit questions and audit criteria

Below are the questions we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Main audit question: **In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 2: audit questions and audit criteria

Level 2 questions	Level 3 questions	Criteria
1. Is the Council's digital strategy informed by a good understanding of current and future trends?	1.1 Is there is a thorough understanding of the 'as is' (i.e. current demand/issues to be addressed) and the reasons why/underlying causes?	• The Council has drawn on a broad range of information from internal and external sources to develop a thorough understanding of the 'as is' and how it is likely to change. This includes information (including data) relating to: – service sustainability/resilience and resourcing challenges.

Level 2 questions	Level 3 questions	Criteria
	1.2 Is there a thorough understanding of the long-term factors that will impact and the challenges and opportunities that may result (e.g. risks and opportunities)?	– the needs of citizens and communities. – the underlying causes of current demand/issues to be addressed. – analysis of future trends and how they might impact, e.g., social, economic/political, environmental, cultural or technological. They might include known trends e.g., ageing population, depleting natural resources and particularly technological advances. They might also include those with a higher level of uncertainty e.g., jobs and skills needed in the future. • The analysis of the 'as is' and how it is likely to change is well informed by involvement activity, as appropriate, that reflects recognised good practice (eg National Principles for Public Engagement in Wales, Future Generations Commissioner for Wales advice and guidance). • The Council uses its evidence base effectively to: – identify actions in its strategic approach to digital that are likely to be most effective and why, including how they could address the root causes of problems; – inform decisions around its use of digital technology that seek to balance the need to meet short and longer-term objectives.

Level 2 questions	Level 3 questions	Criteria
2. Does the Council have a clear vision of what it wants to achieve through the use of digital technology?	2.1 Is the Council planning over an appropriate timescale?	• The Council has considered what long term means in planning its approach to digital – ie how far ahead it can/should plan and why (at least ten years with consideration of longer-term trends as appropriate). • The Council has considered how actions can deliver the best impact over that timeframe in terms of outcomes and most effective use of resources. This could include consideration of appropriate intervention points linked to the Commissioner's definition of prevention. (More details can be found in: <u>Taking account of the Well-being of Future Generations Act in the budget process – The Future Generations Commissioner for Wales</u>). • The Council has set out measures for its digital strategy that reflect short and long-term impacts and value for money, with milestones that reflect progress as appropriate. • The Council has set out how its digital strategy will be resourced over the longer term as far as is practical (see also criteria relating to integration).

Level 2 questions	Level 3 questions	Criteria
	2.2 Has the Council thought about the wider impacts its digital strategy could have, including: • how could it contribute to each of the seven national well-being goals? • how delivery will impact on the other things it is trying to achieve (ie its well-being objectives and wider priorities)? • how delivery will impact on other what other public bodies are trying to achieve (ie their well-being objectives)?	• The Council has considered how its digital strategy can make a contribution across the well-being goals. • Staff developing the digital strategy understand what colleagues and partners do and how their work relates and have sought to integrate their work with that of their colleagues from across the Council and with partner organisations. • Integration is evident in the alignment of the digital strategy with other key corporate strategies and service plans. For example medium-term financial plan, workforce plan, asset management strategies, well-being statement and carbon reduction plans. • The digital strategy is aligned with other strategic intents such as: – customer experience; – management of demand/reductions in demand failure and prevention; and – design and implementation of new service delivery models. • The Council's digital strategy aligns with the plans/strategies of local and national partners including the Welsh Government's Digital Strategy for Wales Digital strategy and well-being plans.
	2.3 Is there a wide and common understanding of what the Council is trying to achieve?	• Councillors and senior officers responsible for implementing the digital strategy have a common and clear understanding of what the Council is trying to achieve and the intended impact on service delivery. • The Council's digital strategy is clearly communicated to staff and partners who may help deliver it.

Level 2 questions	Level 3 questions	Criteria
3. Is the Council working effectively with the right people and partners to design and deliver its digital strategy	3.1 Has the Council identified who it needs to involve?	• The Council has a good understanding of who will be directly and indirectly affected by its digital strategy and who it needs to involve. • The Council has effectively involved the full diversity of views in developing its digital strategy, including from non-traditional sources and from those it may have previously failed to reach.
	3.2 Is the Council effectively involving the full diversity of people affected by its digital strategy?	• The Council has provided genuine opportunities for people to influence the design and delivery of its digital strategy from an early stage, including representatives of groups who share protected characteristics. • The Council has used the results of involvement to shape the design and delivery of its digital strategy.
	3.3 Is the Council collaborating effectively with the right partners?	• The Council is collaborating to ensure it delivers better outcomes and value for money through its digital strategy and has put appropriate arrangements in place to support this, for example for: – sharing or pooling expertise and resources; – sharing information; – ensuring effective monitoring, evaluation and accountability including consideration of value for money.

Level 2 questions	Level 3 questions	Criteria
4. Has the Council resourced delivery of its digital strategy so it can deliver long-term/ preventative benefits?	4.1 Does the Council understand long-term resource implications?	• The Council has assessed the costs and benefits of using digital technology to invest in long-term, preventative approaches and the cost (both financial and in terms of outcomes) of not doing so. • The Council has thought about the resources it will need to deliver its digital strategy over the medium and longer term (whole life costs) and how it could manage risks/meet those costs including, for example, planned 'invest to save' initiatives and managed reductions in technical debt. • The Council has calculated and set out any savings it intends to make through implementing its digital strategy.

	4.2 Does the Council allocate resources to deliver better outcomes over the long-term?	• Action (including preventative action) that is likely to contribute to better outcomes and/or use of resources over the longer term is promoted and supported, even:
		  – where this may limit the ability to meet some short-term needs;
		  – where the benefits are likely to be accrued by or attributed to another organisation.

5. Is the Council monitoring and reviewing progress?	5.1 Is the Council monitoring and reviewing progress towards, short, medium and longer-term objectives?	• The Council monitors the costs and benefits of delivering its digital strategy from a value for money perspective. • The Council is measuring the wider contribution the digital strategy is making across its own/partnership objectives. • Progress is measured against short, medium and long-term objectives.

Level 2 questions	Level 3 questions	Criteria

6. Is the Council learning lessons from how it works?	6.1 Does the Council review the effectiveness of its digital strategy?	• The Council regularly reviews the effectiveness of its digital strategy including:
		  – effectiveness of its collaborative activity;
		  – effectiveness of its involvement activity, including the impact of the strategy on service users including those who are digitally excluded;
		  – the impact of the strategy on those who share protected characteristics;
		  – the economy, efficiency and effectiveness of the digital strategy overall in helping the Council to achieve its strategic objectives.
		• The Council has reviewed lessons learned from its response to the pandemic and is applying this learning to its digital strategy.

	6.2 Does the Council share lessons learned from its approach to its digital strategy?	• The Council shares and applies any lessons learned from the development and delivery of its digital strategy widely across the organisation, and with partners where relevant.

Organisational response

Report title: Digital Strategy Review – Flintshire County Council

Completion date: February 2024

Document reference: To be issued by Publishing Team

Ref	Recommendation	Organisational 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 officer (title)

R1	**Approach to collaboration** To ensure that it identifies opportunities to improve the value for money of its strategic approach to digital the Council should map out the organisations it could collaborate with in delivering its digital strategy and assess the potential benefits of opportunities it identifies	**ACTION -** The Council will produce a map of current partner organisations as well as detailing other organisations we may be able to partner with to help achieve the aims of the digital strategy. The map will outline key benefits of working with these organisations and will be shared corporately so it can be used across all service areas. We will assess whether working with them may help deliver our objectives and approach them if it might.	November 2024	Theme Lead for Partnerships
R2	**Understanding the resource implications of its digital strategy** To help ensure its next digital strategy is deliverable and to be able to monitor the value for money of its strategic approach the Council should identify the medium and long-term resource implications of delivering its strategy.	ACTION – The Council has already made changes to the business case process for DSB to ensure that no new unfunded projects are approved. ACTION – The Council will undertake a review of the information gathered in recommendations two, three and four to inform the next iteration of the Council's Digital Strategy in 2026.	August 2024 April 2026	IT Business Partnerships, Digital Strategy Project Manager Digital Strategy Theme Leads

R3	**Identifying and monitoring intended savings** To help monitor the extent to which digital projects and its overall strategic approach to digital are providing value for money the Council should identify potential savings associated with digital projects and monitor the extent to which these are achieved.	ACTION – Greater level of challenge around identifying intended savings at the Digital Strategy Board. ACTION – The Council has amended processes at its DSB to ensure there is greater level of challenge around identifying and monitoring savings. The Council has made amendments to the current Digital Strategy Business Case template to facilitate this. ACTION – Monitoring which is undertaken throughout projects in relation to value for money and savings will be reported to the Digital Strategy Board. Documents and report templates will be amended to include the ability to report on both performance targets and savings targets. ACTION – The Council will review completed projects at Digital Strategy Board using a closure report template which outlines lessons learned.	August 2024 August 2024 August 2024 September 2024	Digital Strategy Board Digital Strategy Board, IT Business Partnerships, Digital Strategy Project Manager IT Business Partnerships, Digital Strategy Theme Leads, Digital Strategy Project Manager Project Sponsor
R4	**Assessing and monitoring impact** To better understand the overall impact of its digital strategy and monitor value for money, the Council should strengthen arrangements for measuring the effectiveness and impact of digital projects and its overall strategic approach.	ACTION – The Council will devise and implement standardised project planning / objective documentation in addition to review and closure report documents to be used across all Digital Strategy projects. Report documents will assess budget, savings, customer satisfaction, impact and performance.	September 2024	IT Business Partnerships, Digital Strategy Project Manager

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