

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

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

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

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

**1.00**    **PURPOSE OF REPORT**

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

**2.00**    **BACKGROUND**

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

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

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

28<sup>th</sup> January – Environment

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

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

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

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

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

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

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

### **3.00 CONSIDERATIONS**

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

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

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

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

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

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

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

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

## **Closing the Budget Gap**

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

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

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

### MATRIX – Agency Rebates

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

### Flintshire Futures Programme – Assets Review

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

### Specific Grants Adjustment

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

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

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

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

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

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

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

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

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

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

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

## **Risk Assessment and Assurance**

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

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

### **Schools Budget**

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

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

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

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

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

## **Workforce Efficiencies**

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

## **4.00 FINAL BUDGET PROPOSALS**

### **Proposed Budget**

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

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

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

### **Income**

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

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

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

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

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

## **Expenditure**

### **Inflation**

- 4.04 Pay and Price Inflation of £2.425m is included in the budget proposals as detailed in Appendix 2. The proposals include pay inflation of £1.316m which assumes a 1% increase for non-schools staff from April 2014.
- 4.05 Price inflation of £0.590m has been included which represents a targeted 1% to 3% increase for all services as required. In addition to the standard level of price inflation outlined above, non-standard inflation of £0.670m has been included, as detailed in Appendix 2, to reflect the increasing costs of energy, fuel, business rates and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Contingency Reserve**

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

### **Council Fund Earmarked Reserves**

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

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

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

## **6.00 INVESTMENT STRATEGY**

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

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

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

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

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

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

### **Affordability**

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

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

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

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

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

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

## **8.00 CHIEF EXECUTIVE REPORT**

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

## **9.00 RECOMMENDATIONS**

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

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

## **10.00 FINANCIAL IMPLICATIONS**

10.01 As set out throughout the report.

## **11.00 ANTI POVERTY IMPACT**

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

## **12.00 ENVIRONMENTAL IMPACT**

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

**13.00 EQUALITIES IMPACT**

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

**14.00 PERSONNEL IMPLICATIONS**

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

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

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

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

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

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

**15.00 CONSULTATION REQUIRED**

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

**16.00 CONSULTATION UNDERTAKEN**

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

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

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

**17.00 APPENDICES**

- 17.01 As set out in the report.

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

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