

APPENDIX 4

Priority: Modern and Efficient Council
Sub-Priority: Achieving Efficiency Targets
Impact: Protecting local frontline public services through the best use of our resources

What we said we would do in 2013/14: -

1. Agree a four year organisational change & efficiency programme

Progress Status	Progress RAG	A	Outcome RAG	A
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What we did in 2013/14 –
 Initial 4 year plan published within MTFP.
 Corporate Finance worked collectively with Officer and Members across the Council to develop the Organisational Change Strategy which identified £12m of efficiencies to balance the budget for 2014/15.
 The Medium Term Financial Plan (MTFP) was revised twice during the year providing the financial forecast against which the organisational change plan and its efficiency targets were planned. Finance officers engaged fully with Directors and Heads of Service to support them in identifying efficiencies to meet the budget gap and provide resources to invest in priorities.

What went well –

- Development of an initial 4 year plan published within the MTFP.
- Two updates to the MTFP which incorporated latest estimates of funding levels and investment needs for 2014/15 and future years. This provided the budget gap to be met through the organisational change and efficiency programme.

What did not go so well –

- The level of funding expected to be received for 2014/15 was particularly difficult to predict due to the uncertainty around the level of Revenue Support Grant (RSG) to be received from Welsh Government.

Achievement will be measured through:

- Producing a sustainable four year financial plan which meets the funding gap and supports investment needs.

Achievement Milestones for strategy and action plans: (Lead Officer – Head of Finance / Chief Executive)
 Production and agreement of a sustainable 4 year plan – February 2014.

2. Agree a specific saving and efficiencies programme for 2014/15				
Progress Status	Progress RAG	G	Outcome RAG	A
<p>What we did in 2013/14 – Specific Savings and Efficiencies Programme for 2014/15 - The Council agreed it's 2014/15 Council Fund Budget on 18th February 2014 and has a balanced budget for the year. The initial indication for 2014/15 was a funding shortfall of £16.5m to be met from efficiencies. This was reduced by £3.1m by a thorough review of expenditure assumptions and projections and the removal of £1.5m as a contribution to investment costs which was not required from the base budget in 2014/15. Through its Organisational Change and Redesign Plan, the Council has identified recurring efficiencies of £13.4m. £11.950m will be achieved in 2014/15, with the remaining £1.450m being met in year from the Investment Strategy put in place to deliver the planned efficiencies.</p>				
<p>What went well –</p> <ul style="list-style-type: none"> The 2014/15 Council Fund Budget was agreed and balanced. Substantial recurring efficiencies of £13.4m were identified. 				
<p>What did not go so well –</p> <ul style="list-style-type: none"> The uncertainty around the level of funding to be received for 2014/15, and the worsening position that emerged through last summer meant that the time available to deal with an ever increasing budget gap was significantly less than required. The achievement of such cumulative targets throughout the year is an ongoing challenge. 				
<p>Achievement will be measured through:</p> <ul style="list-style-type: none"> Producing an annual plan for 2014/15 within the larger four year financial plan. 				
<p>Achievement Milestones for strategy and action plans: (Lead Officer – Head of Finance) A balanced annual budget is approved by the Council each year which will include a savings and efficiencies programme to be achieved in 2014/15 – February 2014.</p>				

3. Agree the value for money strategy to support them

Progress Status	Progress RAG	A	Outcome RAG	A
<p>What we did in 2013/14 – The development of a value for money (VFM) model at the corporate and service levels to identify and drive efficiency and change. The majority of savings in the 2014-15 budget are derived from this model. Given the breadth and number of VFM savings the programme is complex to manage and deliver.</p>				
<p>What went well –</p> <ul style="list-style-type: none"> The development of a value for money (VFM) model. 				
<p>What did not go so well –</p> <ul style="list-style-type: none"> The progress for some of the value for money reviews has not been as fast paced as originally planned. 				
<p>Achievement will be measured through:</p> <ul style="list-style-type: none"> Developing a value for money strategy to generate the efficiencies from 2013/14 to assist the funding of services for 2014/15 and onwards <p>Achievement Milestones for strategy and action plans: (Lead Officer – Chief Executive) Development of a value for money strategy to generate efficiencies for 2014/15 and onwards – by February 2014</p>				

4. Achieving our targeted efficiencies for 2013/14				
Progress Status	Progress RAG	A	Outcome RAG	G
<p>What we did in 2013/14 – The 2013/14 budget contained £5.331m of specific efficiencies. In order to bring the budget for the year in on, or better than target, this level of efficiencies needed to be achieved. Monitoring of the in-year position is done through the monthly budget monitoring report to Cabinet and Corporate Resources Scrutiny. The latest detailed report (as at Month 11) was in May 2014 where the value of the projected efficiencies was £4.270m. The main reason for the underachievement reported relates to delays in the Flintshire Futures Assets Programme where a full review of ‘hard’ and ‘soft’ facilities management across the Council is on-going and efficiencies in the Customer Programme will not be realised until the project has advanced and the wider network of Flintshire Connects sites are in place. The green outcome performance reflects that the Council will take measures to achieve at least the level of efficiencies included in the 2013/14 budget in order to bring in year spending in at or under budget.</p>				
<p>What went well –</p> <ul style="list-style-type: none"> The overall projected year end position (as at Month 11) is an underspend against budget of £2.215m, which demonstrates that alternative efficiencies have been identified which exceed the under achievement of some of the planned efficiencies by £1.154m. 				
<p>What did not go so well –</p> <ul style="list-style-type: none"> The Council's agreed efficiencies included within the 2013/14 budget did not meet its 85% achievement target; however the ability to identify signs of slippage at the earliest opportunity and to then respond to this helped the total efficiency target to be exceeded. The overachievement of the alternative efficiency target may have meant a greater value of efficiencies could have been included within the 2013/14 budget with foresight. 				
<p>Achievement will be measured through:</p> <ul style="list-style-type: none"> Meeting 85% or more of our pre-agreed efficiency targets. 				

Achievement Measures	Lead Officer	2012/13 Baseline Data	2013/14 Target	2016/17 Aspirational Target	Year End Outturn	Performance RAG	Trend
Achieve 85% or more of the agreed efficiencies included within the 2013/14 budget.	Head of Finance	146%	85%	85%	80%	A	Downturned
Seek alternative efficiencies for the remaining 15% (or more) to bring the budget outturn in within budget.	Head of Finance	N/A	15%	15%	61%	G	N/A

Risk to be managed – How we can fund the delivery of our priorities if the national financial position worsens.

This is shown as green RAG status at present as plans are on track and the Council has agreed a balanced budget for 2014/15 when WG funding was reduced by 4% in cash terms and over 6% in real terms. The target RAG status is shown as red as the risk can never be fully mitigated. Achievement is reliant on the level of funding received from WG.

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	H	R	<ul style="list-style-type: none"> Resources for 2013/14 priorities included within the budget. 2014/15 budget agreed Monitoring of budget to ensure resources remain sufficient to deliver 	L	L	G	<ul style="list-style-type: none"> For future years ensure that the revenue and capital funding needs to deliver priorities are clearly identified within the MTFP and annual budget proposals for member consideration. Maximise resources available through creative models. Seek to influence WG to maximise the local discretion available over available resources so that they can be allocated to local priorities. 	Chief Executive Head of Finance	↔	M	H	R

Risk to be managed – Gaining Council Agreement of the Financial Plan

This is shown as a current Amber RAG status as this is a continuous process to ongoing work to develop the financial plan to deliver Council priorities and change programmes in the light of anticipated future funding levels. The target RAG status is shown as amber as the risks can never be fully mitigated. There will be a need for on-going and greater engagement and commitment as the Council works through challenging choices and opportunities to successfully deliver priorities, and reshape service delivery in the light of significantly less resource than has been available in the past i.e. doing more with less.

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	H	R	<ul style="list-style-type: none"> Revisions to the MTFP were produced formally as at end May and end September 2013. Both were discussed with and supported by members at Cabinet and Scrutiny Significant discussion with members in informal and formal settings during the budget process for 2014/15 has focused on the gravity of the national financial position and its impacts on the Council which will require challenging decisions to be made. This has led to wide understanding and acknowledgement of the position and the short and medium term actions needed to address it. Ongoing detailed working with Leadership and Cabinet Members 	M	M	A	<ul style="list-style-type: none"> Ongoing detailed working with Leadership and Cabinet Members Ongoing member briefing and engagement 	Chief Executive and Head of Finance	↔	M	M	A

Risk to be managed – Ensuring the organisation responds positively to the financial plan and that it has the capability and capacity to make it happen

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Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	H	R	<ul style="list-style-type: none"> Revisions to the MTFP were produced formally as at end May and end September 2013. Both revision and updates through the 2014/15 budget process have been extensively discussed within CMT and communicated to the wider Leadership Team and through DMT briefings Discussion with senior 	M	M	A	<ul style="list-style-type: none"> Ongoing detailed working with Leadership Team and Senior Managers. Agreement with Leadership on priorities for 2014/15 and the focus needed on making change happen to achieve the MTFP. Directors and Heads of Service to identify capacity and skills gaps and solutions to manage these. 	<p>Chief Executive</p> <p>Head of Finance</p>	↔	M	M	A

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Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)				(L)	(I)	(LxI)
			<p>officers has focused on the gravity of the national financial position and its impacts on the Council which will require challenging decisions to be made.</p> <ul style="list-style-type: none"> Ongoing detailed working with Senior Managers and Staff Peer Challenge built into VFM model as an integral part of the programme 				<ul style="list-style-type: none"> Peer challenge built into VFM model as an integral part of the programme 					