

APPENDIX 3

Priority: Modern and Efficient Council
Sub-Priority: Financial Strategy
Impact: Protecting local frontline public services and delivering Council priorities through the best use of our resources

What we said we would do in 2014/15: -

1. Develop a longer term financial plan.

Progress Comment	Progress RAG	A	Outcome RAG	A
<p>The MTFP has been updated to reflect anticipated funding and costs.</p> <p>A refreshed approach to business and financial planning is being scoped in readiness for the new Chief Officer Team to deliver and implement focussing on a longer term and solutions based approach.</p>				
<p>Achievement will be measured through:</p> <ul style="list-style-type: none"> ▪ A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies ▪ The effectiveness of the plan as an aid to strategic decision making ▪ Producing a sustainable four year plan which meets the funding gap and supports investment needs <p>Achievement Milestones for strategy and action plans:</p> <ul style="list-style-type: none"> ▪ A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies by February 2015 ▪ Alignment of specified resources to Council priorities by February 2015 ▪ Producing a sustainable four year plan which meets the funding gap and supports investment needs by February 2015 				

2. Agreement of the capital and revenue resources to deliver the priorities within the Improvement Plan.

Progress Status	Progress RAG	G	Outcome RAG	G
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The revenue and capital resources required to deliver the priorities within the Improvement Plan are included within the approved 2014/15 budget.

Achievement will be measured through:

- Resources being available to fund each priority and reflected in the medium term financial plan

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target	Current Outturn	Performance RAG	Outcome Performance Predictive RAG
IPME2M1 - Resources in place to fund 2014/15 priorities	Chief Officer - People & Resources	100%	100% for 2015/16 budget	100%	25%	G	G

3. Deliver on the four programmes of the organisational change and efficiency programme:

- **Corporate Efficiency:** assets, customer, finance and procurement.
- **Organisational Design:** operating model, functional and structural design, alternative delivery models.
- **Workforce Scaling:** workforce planning, workforce reduction, vacancy management, costs of employment.
- **Functional Efficiency:** value for money in all service and support functions.

Progress Status	Progress RAG	A	Outcome RAG	A
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An update on the progress made against the efficiencies included in the 2014/15 budget was reported to Cabinet and Corporate Resources Overview and Scrutiny Committee in July.

The Corporate and Functional Efficiency workstreams are broadly on track and are being tracked on a risk based approach.

As a result of the voluntary redundancy programme approximately 40% of the Workforce Efficiency target have been achieved. Further work is underway to consider and action the release of a number of deferred VR applications from the earlier programme, to develop proposals for the next phase of the Management Review and to run a further phase of the Voluntary Redundancy Programme.

Achievement will be measured through:

- Achieving the financial target efficiencies for each of the four programmes set for 2014/15
- Identifying further efficiency measures for 2015/16 and beyond to meet the projected funding gaps in each year
- Agreement of a corporate approach to the setting of fees and charges

Achievement Milestones for strategy and action plans:

- Identifying further efficiency measures for 2015/16 and beyond to meet the projected funding gaps in each year by February 2015
- Agreement of a corporate approach to the setting of fees and charges by April 2015

Achievement Measures	Lead Officer	2013/14 Baseline Data	2014/15 Target	2016/17 Aspirational Target	Current Outturn	Performance RAG	Outcome Performance Predictive RAG
Achieve 85% or more of the agreed efficiencies for Corporate Efficiency included within the 2014/15 budget.	Chief Officer - People & Resources	N/A – new measure	85%	100%	25%	A	A

**Improvement Plan Progress
August 2014**

Achieve 80% or more of the agreed efficiencies for Organisational Design included within the 2014/15 budget.		N/A – new measure	80%	100%	25%	A	A
Achieve 80% or more of the agreed efficiencies for Workforce Scaling included within the 2014/15 budget.		N/A – new measure	80%	100%	42%	A	A
Achieve 85% or more of the agreed efficiencies for Functional Efficiency included within 2014/15 budget.		N/A – new measure	85%	100%	25%	A	A
Seek alternative efficiencies for the remaining 15% (or more) for the Corporate Efficiency included within the 2014/15 budget to bring the outturn within budget.		N/A – new measure	15%	0%	TBC Greater detail to be provided at Q2	N/A	A
Seek alternative efficiencies for the remaining 20% (or more) for the Organisational Design efficiency included within the 2014/15 budget to bring the outturn within budget.		N/A – new measure	20%	0%	TBC Greater detail to be provided at Q2	N/A	A
Seek alternative efficiencies for the remaining 20% (or more) for the Workforce Scaling efficiencies included within the 2014/15 budget to bring the outturn within budget.		N/A – new measure	20%	0%	TBC Greater detail to be provided at Q2	N/A	A
Seek alternative efficiencies for the remaining 15% (or more) for the Functional Efficiency efficiencies included within 2014/15 budget to bring the outturn within budget.		N/A – new measure	15%	0%	TBC Greater detail to be provided at Q2	N/A	A

Risk to be managed – Ensuring that capital and revenue resources are sufficient to operate effectively

Current uncertainty of the budget gap going forward, predicted reduction of 1.5% - 4.5% for 2015/16, which could mean a gap of £12m - £18m leading to this risk being assessed as high 'red'.

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	<p>Resources for 2014/15 priorities included in the budget.</p> <p>Monitoring of budget to ensure resources are sufficient to enable effective operation.</p> <p>Continue to lobby WG for earlier and more timely indications of indicative settlements to enable effective financial planning to be undertaken.</p>	M	H	R	<p>For future years develop business plans that identify revenue and capital needs which are also clearly identified in the MTFP and annual budget proposals for member consideration.</p> <p>Maximise resources available through the use of creative delivery models.</p> <p>Seek to influence WG to maximise the local discretion available over available resources so that they can be allocated to local priorities and enable effective operation.</p>	Chief Executive & Corporate Finance Manager	↑	M	H	R

Risk to be managed – Uncertainty in the level of Welsh Government Funding which represents 80% of the funding of council services

Current uncertainty of the budget gap going forward, predicted reduction of 1.5% - 4.5% for 2015/16, which could mean a gap of £12m - £18m leading to this risk being assessed as high 'red'.

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	<p>Resources for 2014/15 priorities included in the budget.</p> <p>Monitoring of budget to ensure resources are sufficient to enable effective operation.</p> <p>Continue to lobby WG for earlier and more timely indications of indicative settlements to enable effective financial planning to be undertaken.</p>	M	H	R	<p>For future years develop business plans that identify revenue and capital needs which are also clearly identified in the MTFP and annual budget proposals for member consideration.</p> <p>Maximise resources available through the use of creative delivery models.</p> <p>Seek to influence WG to maximise the local discretion available over available resources so that they can be allocated to local priorities and enable effective operation.</p>	Chief Executive & Corporate Finance Manager	↑	M	H	R

Risk to be managed – Gaining Agreement to the financial strategy

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	<p>Significant discussion with members in informal and formal settings.</p> <p>Ensure understanding of the national financial position and the impact locally.</p> <p>Ongoing detailed working with the Leadership and Cabinet.</p> <p>Public engagement arrangements.</p>	M	M	A	<p>Ongoing detailed working with the Leadership and Cabinet.</p> <p>Ongoing member briefing and engagement.</p> <p>Ongoing public engagement and consultation regarding future service provision.</p>	Chief Executive & Corporate Finance Manager	↔	M	M	A

Risk to be managed – Delivery of the 2014/15 efficiency savings in full

An update on the progress made against the efficiencies included in the 2014/15 budget was reported to Cabinet and Corporate Resources Overview and Scrutiny Committee in July, highlighting 2 areas where there is concern in achieving planned efficiencies: -

- 1) Delegation of teaching assistant support to schools
- 2) Workforce efficiencies

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	Detailed ongoing monitoring and reporting of progress on all efficiencies included in the budget.	M	M	A	The Month 3 report will include a detailed appendix on all efficiencies which will provide information on specific areas in relation to their full or partial achievement.	Corporate Finance Manager	↔	M	M	A

Risk to be managed – Gaining agreement to further efficiency measures from 2015/16 onwards

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	Work is on-going to develop a full range of possible options including the introduction of alternative service delivery models, review of standards and levels of service delivery and performance and income generation.	M	M	A	Ensure that the full impact of the proposals are available to members to consider and agree as part of a longer term business and financial plan. Ongoing public engagement and consultation regarding future service provision.	Chief Executive & Corporate Finance Manager	↔	M	M	A

Risk to be managed – Gaining agreement to a new corporate approach for fees and charges

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	Planned during 2014/15	H	H	R	Develop Corporate Fees and Charges policy. Cabinet and Scrutiny consideration. Fees and Charges increases in targeted areas as part of 2015/16 and beyond budget.	Corporate Finance Manager	↔	M	M	A