

**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><b>Achievement will be measured through:</b></p> <ul style="list-style-type: none"> <li>▪ A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies</li> <li>▪ The effectiveness of the plan as an aid to strategic decision making</li> <li>▪ Producing a sustainable four year plan which meets the funding gap and supports investment needs</li> </ul> <p><b>Achievement Milestones for strategy and action plans:</b></p> <ul style="list-style-type: none"> <li>▪ A medium term financial plan which is fully reflective of anticipated funding, costs and efficiencies by February 2015</li> <li>▪ Alignment of specified resources to Council priorities by February 2015</li> <li>▪ Producing a sustainable four year plan which meets the funding gap and supports investment needs by February 2015</li> </ul>				

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

<b>Progress Status</b>	<b>Progress RAG</b>	<b>G</b>	<b>Outcome RAG</b>	<b>G</b>
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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%	<b>G</b>	<b>G</b>

**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.**

<b>Progress Status</b>	<b>Progress RAG</b>	<b>A</b>	<b>Outcome RAG</b>	<b>A</b>
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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%	<b>A</b>	<b>A</b>

**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%	<b>A</b>	<b>A</b>
Achieve 80% or more of the agreed efficiencies for Workforce Scaling included within the 2014/15 budget.		N/A – new measure	80%	100%	42%	<b>A</b>	<b>A</b>
Achieve 85% or more of the agreed efficiencies for Functional Efficiency included within 2014/15 budget.		N/A – new measure	85%	100%	25%	<b>A</b>	<b>A</b>
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	<b>N/A</b>	<b>A</b>
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	<b>N/A</b>	<b>A</b>
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	<b>N/A</b>	<b>A</b>
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	<b>N/A</b>	<b>A</b>

**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