

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
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An updated Medium Term Financial Plan (MTFP) is scheduled to be finalised and published in the early part of 2015 and will complement the 2015/16 budget process. The MTFP is continuously monitored to reflect current information and aligned to the budget process.

Achievement will be measured through:

- 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

Achievement Milestones for strategy and action plans:

- 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. Progress is in line with business planning and the 2015/16 budget process.

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%	50%	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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Progress on the achievement of efficiencies is included in the monthly budget monitoring report to Cabinet and Corporate Resources Overview and Scrutiny Committee.

In relation to Corporate and Functional efficiencies it is currently projected that £8.627m will be achieved from the £8.840m included in the budget which equates to 98%. However, there is still a significant element of the Corporate Administration related efficiencies still to be identified in-year which is likely to impact on this.

In relation to Workforce Efficiencies there is currently an amount of £1.7m still to be identified in-year from the £3.1m included in the budget.

The second phase of a voluntary redundancy programme and a review of vacancies held being undertaken in conjunction with work on rebasing staffing budgets is expected to contribute to reducing these current shortfalls. The voluntary redundancy is in progress with a release of some posts in December; further voluntary redundancies will align to the business planning process.

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%	50%	A	A
Achieve 80% or more of the agreed efficiencies for Organisational Design included within the 2014/15 budget.		N/A – new measure	80%	100%	50%	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%	50%	A	A
Achieve 85% or more of the agreed efficiencies for Functional Efficiency included within 2014/15 budget.		N/A – new measure	85%	100%	50%	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 - part of Business Planning Process	N/A	N/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 - part of Business Planning Process	N/A	N/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 - part of Business Planning Process	N/A	N/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 - part of Business Planning Process	N/A	N/A

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

Provisional settlement from Welsh Government for 15/16 is 3.4% reduction, £16m budget gap. Final settlement due in December. The risk remains high.

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	Target Date
(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 timelier 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. 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	Jun 2014

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

Provisional settlement from Welsh Government for 15/16 is 3.4% reduction, £16m budget gap. Final settlement due in December. The risk remains high.

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	Target Date
(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 timelier 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. 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	June 2014

Risk to be managed – Gaining Agreement to the financial strategy

Provisional settlement from Welsh Government for 15/16 is 3.4% reduction, £16m budget gap. Final settlement due in December. The risk remains high.

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	Target Date
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)		
H	H	R	<p>Member workshops took place in Oct/Nov to consider budget position and options</p> <p>Ongoing detailed working with the Leadership and Cabinet.</p> <p>Public engagement arrangements.</p>	M	H	R	<p>Initial budget proposals to Cabinet in December followed by Scrutiny consideration</p> <p>Ongoing public engagement and consultation regarding future service provision.</p>	Chief Executive & Corporate Finance Manager	↑	M	H	R	Oct '14

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

Progress is monitored and reported to Cabinet and Corporate Resources Overview and Scrutiny Committee monthly in the Budget Monitoring reports. It is currently projected that £0.213m of efficiencies are unlikely to be achieved, although there are risk associated with Workforce efficiencies, including Corporate Administration.

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	Target Date
(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 are reported to Members monthly in Budget Monitoring reports	M	M	A	The budget monitoring reports 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	June 2014

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	Target Date
(L)	(I)	(LxI)		(L)	(I)	(LxI)				(L)	(I)	(LxI)	
H	H	R	<p>Detailed ongoing monitoring and reporting of progress on all efficiencies included in the budget are reported to Members monthly in Budget Monitoring reports</p> <p>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.</p>	M	M	A	<p>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.</p> <p>Ongoing public engagement and consultation regarding future service provision.</p>	Chief Executive & Corporate Finance Manager	↓	M	M	A	June 2014

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	Target Date
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)		
H	H	R	Planned during 2014/15	M	M	A	<p>Develop Corporate Fees and Charges policy.</p> <p>Fees and Charges are being challenged in Business Planning process.</p> <p>Cabinet and Scrutiny consideration.</p> <p>Fees and Charges increases in targeted areas as part of 2015/16 and beyond budget.</p>	Corporate Finance Manager	↓	M	M	A	Oct 2014