

**Mid-Year Chief Officer Report**

**Report Author:** Chief Officer – People & Resources  
**Report Date:** November 2014  
**Report Period:** April to September 2014

**Introduction**

The Chief Officer report is produced on a half yearly basis and provided to Cabinet Members for review and assurance focusing on the 'business as usual'. The reports are provided for Overview and Scrutiny Committees as part of their Forward Work Programmes. Chief Officer reports compliment the Improvement Plan monitoring reports.

Chief Officer reports are exception reports which summarise the key information Members should be aware of, including both good and poor performance. Emerging issues / operational risks are also detailed. The reports are split into three distinct sections: -

**1. Performance Overview** - this section is used to give an overview of the progress being made towards delivery of key plans for the services which include those Improvement Priorities which do not have an in year focus i.e. these are not reported within the quarterly Improvement Plan monitoring. It is also used to highlight good news and key issues (including operational risks) arising. In addition, summary progress is given for key projects and collaborative areas of work.

**2. Internal and External Regulatory Reports** - this section summarises regulatory work reported in the half year and its outcomes and intended actions arising from recommendations.

**3. Corporate Reporting** - this section summarises the performance in relation to corporate issues i.e. Sickness absence, Complaints

Plus supporting appendices: -

**Appendix 1- Performance Indicators** - summary table of the key performance indicators used to manage the services. In addition, any NSI and PAM (statutory PIs) reported by the services are included.

**Appendix 2 - High level (red) operational risk detail** - completed full risk templates for those risks currently assessed as high (red).

## **Section 1 - Performance Overview**

This report covers the following functional areas:

- Corporate Finance
- Pensions Administration
- Pensions Investment
- Human Resources and Organisational Design

### **Areas of Positive Performance**

#### **Corporate Finance**

- Statement of accounts approved by statutory deadline with an unqualified audit report and positive comments from auditors regarding the improvements made.
- Insurance contracts tendered and let.
- Key national work undertaken on self financing for the HRA and Rent Reform,
- Implementation of Single Status accounting and the transfer of Accounts Payable (AP) from Lifelong Learning to central AP
- Progress on re-basing of workforce budgets post implementation of Single Status

#### **Pensions Administration/Investment**

- The Service Plan (approved by the Clwyd Pension Fund Committee in July) is on target.

#### **Human Resources and Organisational Development**

##### **Business Partnering**

- Progress of COT3 Drop-In sessions for Single Status
- Supporting Business Planning processes
- Developing specific HR advice on the implementation of alternative service delivery models
- Voluntary Redundancy Scheme Phase II

##### **Employment Services**

- Successful implementation of Single Status into employee HR & Payroll.
- Completed the roll-out of (non-schools) employee self service electronic submission of mileage and employee Data Protection training records via iTrent.
- Implementation of the Local Government Pension Scheme 2014 legislative changes into Payroll.
- Introduction of electronic submission (ebulk) of Disclosure and Barring Service checks.
- Introduction of a paperless notification of sickness notifications via a new HR Forms database.
- Adoption via the All Wales Framework of a preferred Agency worker supplier for schools.

## **Organisational Development**

- Completion of 'first stage' appeals and maintenance post Single Status
- Development of numerous policies which include the Discretionary Compensation Payments policy, and also Single Status related policies such as Appeals, Maintenance and Governance
- Review of key policies such as Attendance Management, Drug and Alcohol, Recruitment and the Disciplinary policy
- Implementation of the Equal Pay settlement process for claimants

## **Occupational Health**

- Agreement from Wrexham to extend Occupational Health Partnership beyond initial three years to March 2016
- Extended the range of support mechanisms available for employees including computerised CBT and Mindfulness Courses.
- Development of OPAS system and production management information including KPI's
- Development of Occupational Health Infonet pages

## **Areas of Concern**

### **Corporate Finance**

Capacity / resources to deliver increasing demand on service including:

- Ex. HRA subsidy reform work
- Finance contribution to Strategic Housing & Regeneration Project (SHARP)
- Technical accounting support required for outcomes of portfolio business plans
- Finance support to support organisational changes
- Percentage of undisputed invoices paid on time, target of 95% not met, cumulative at end of September 85.9% - resource issue to process invoices

### **Pensions Administration/Investment**

- Market volatility & continual low interest rate environment which continues to increase the value of the fund's liabilities.
- Small risk of the impact on the administration arrangements for the Pension Fund if the Council adopts different models of service delivery

### **Human Resources and Organisational Development**

#### **Business Partnering**

- Capacity/impact on resources in concluding the various Single Status workstreams (including Equal Pay).
- Strategic HR support to support organisational changes

## **Employment Services**

- Review of the implementation of Single Status into employee HR & Payroll and completion of project tasks outstanding.
- Lack of access within all schools to iTrent.
- Impending changes to the teachers Pensions Scheme (TP 2015) into Payroll.
- The number of workers engaged within skills prior to Disclosure and Barring Service and pre employment checks.

## **Organisational Development**

- Resource availability to complete the latest stage of appeals on maintenance
- Reaching agreement with trade unions to implement a revised Job Evaluation process to support organisational change

## **Occupational Health**

- Available resource to complete electronic and paper archiving and disposal of legacy paper records
- Level of failed appointments and subsequent waste of resources

## **Improvement Plan (none in year priorities)**

- Achieving our income targets, this area of work has been incorporated into the Business Planning process and all income areas have been challenged and new targets set.

## **Key Projects**

### **Corporate Finance**

- Implementation of Collaborative Planning (CP) Software for budget monitoring, the project is in progress with the aim of a testing run in February 2015 and going live in April 2015.
- Implementation of Accounts Receivable system, there is ongoing dialogue with the supplier to progress the procurement of an enhanced system.

### **Pensions Administration/Investment**

- Data quality with employers

### **Human Resources and Organisational Development**

#### **Business Partnering**

- Supporting portfolio's in the delivery of the business planning outcomes
- Supporting the Alternative Delivery Model (ADM) programme

## **Employment Services**

- Completion of the Single Status into Payroll project.
- Investigate the possibilities and explore the barriers relating the provision of iTrent to schools.
- Implementation of the Teachers Pensions (TP2 015) scheme.

## **Organisational Development**

- Completion of all Single Status Appeals, Maintenance and Appeals on Maintenance
- Creation of a final revised Rank Order
- Roll out of new revised Job Evaluation process
- Roll out of competency based appraisal
- Development of Organisation Design practices to support in Organisational Change.

## **Occupational Health**

- SEQOHS accreditation
- Reduction in number of failed appointments
- Reviewing service provision for schools including referral process and information through Moodle
- Drive to increase number of electronic referrals

## **Collaboration / Partnership Working**

### **Corporate Finance**

- Finance contribution to Strategic Housing & Regeneration Project (SHARP), the project is on track to commence development in Flint in 2015, finance officers are part of the project board in an advisory capacity.

### **Pensions Administration/Investment**

- Officers contribute to the Collective Investment Vehicle for Wales working group (Society of Welsh Treasurers Pension sub group)
- Work is in progress to assess the impact on the pension fund of a voluntary merger of Conwy/Denbighshire (Local Government Re-organisation).

### **Human Resources and Organisational Development**

#### **Business Partnering**

- None

#### **Employment Services**

- Investigate the possibilities of Powys County Council's provision of electronic submission (ebulk) of Disclosure and Barring Service checks.

## Organisational Development

- Continued collaboration with Wrexham in Management Development programme
- Collaboration and joint working with Coleg Cambria in delivering training and development programmes

## Occupational Health

- Agreement of extension with Wrexham County Borough Council (WCBC) from September 2014 for a further two years

## Summary of Operational Risks (from the above sections) –

Risk Type	Risk Ref. and Description	Net Risk Score	Risk Trend	Target Risk Score & Date
Operational	Delayed implementation of the proposed Disclosure and Barring Service Policy	A	↔	G 31.03.15
Operational	Resources to support increased service demand to support organisational change	A	↔	G 31.03.15
Project	Completion of all outstanding queries relating to appeals and maintenance for single status	A	↔	G 31.03.15

## **Section 2 - Internal and External Regulatory Reports**

**Report:** Main Accounting

**Date Finalised:** June 2014

**Conclusion:** Substantial Assurance

**Recommendations:** 1 x medium, 2 x low

### **Summary**

Areas of good practice: The checking of closing balances and bank reconciliation process

Key areas for improvement: The regular reconciliation of feeder systems and the approval of working documents

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**Report:** Financial Management and Budgetary Control

**Date Finalised:** April 2014

**Conclusion:** Substantial Assurance

**Recommendations:** 1 x medium, 1 x low, 1 x suggestion

### **Summary**

Areas of good practice: The management of the Medium Term Financial Plan and the monitoring of the Authority's Financial Procedure Rules.

Key areas for improvement: The need to have documented process in place for undertaking virements, the requirement to maintain a clear audit trail when undertaking virements and the budget monitoring reports being produced and reported on a timely basis.

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**Report:** Clwyd Pension Fund – Pensions Investment

**Date Finalised:** April 2014

**Conclusion:** Substantial Assurance

**Recommendations:** 4 x low, 1 x medium

### **Summary**

Areas of good practice: Full compliance with application of Principles 2, 3 and 5 of the CIPFA Principles for investment decision making & disclosure in the Local Government Pension Scheme'

Key areas for improvement with relation to the application of Principles 1, 4 and 6.

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**Report:** Clwyd Pension Fund – Pensions Administration

**Date Finalised:** March 2014

**Conclusion:** Some Assurance

**Recommendations:** 10 x low, 1 x high

### Summary

Areas of good practice: Scanning of all documents and post to maintain a paperless office, progress towards reducing the backlog in Pensions Admin and Pensions Admin and Pensions Payroll working on the same merged computer package Altair.

Key areas for improvement in relation to new controls and application of existing controls required.

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**Report:** Audit of Financial Statements Report – Wales Audit Office

**Date Finalised:** September 2014

**Conclusion:** Unqualified

**Recommendations:** No misstatements identified in the financial statements which remain uncorrected.

**Summary:** The accounting statements and related notes give a true and fair view of the financial position of Flintshire County Council as at 31 March 2014 and of its income and expenditure for the year.

The accounts have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the UK

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**Report:** Payroll

**Date Finalised:** June 2014

**Conclusion:** Cannot take assurance

**Recommendations:** 2 x High, 2 x Medium, 4 x Low

### Summary.

Areas of good practice: Validation procedures in the payroll checking process are in place to ensure salaries and associated costs are charged to valid cost code, controls are in place over the BACS transmission, pay scales are input and paid correctly, access to iTrent is controlled, all BACS transmissions are compliant with the HRMC requirements for RTI notifications

Key areas for improvement: Control over Honorarium payments, payment of correct essential car user rate, authorisation of new starters, leavers, overtime and permanent allowances, updating of the Authorising Signatory Listing, notifying pensions of all new starters to the pension scheme.



## **Section 3 - Corporate Reporting**

### **Equality and Welsh Language**

**List the Equalities and Welsh Language Impact Assessments: -**

**(1) Started/Work in Progress**

**(2) Completed**

**during the period (April – September 2014)**

Agile Working - 5/7/2014

Mileage and Expenses - 17/7/2014

Workplace Domestic Abuse - 5/9/2014

FCC Competency Framework - 5/9/2014

Single Status Maintenance - 5/9/2014

Single Status Appeals - 5/9/2014

Stand-by and Call Out - 5/9/2014

Additional Payments - 5/9/2014

Professional Subs - 15/10/2014

Social Media - 28/10/2014

**List the work areas / functions where diversity of customers are monitored**

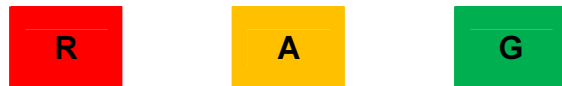
Employees are the customers of the HR Service. Diversity is monitored as part of the recruitment process and through the Equality Monitoring Audit in iTrent.

## Appendix 1 - Performance Indicators

### Key

<b>R</b>	Target significantly missed or likely to be missed by a significant margin
<b>A</b>	Target missed or likely to be missed but within an acceptable level
<b>G</b>	Target achieved / exceeded or on track to be achieved / exceeded

The RAG status of the indicators for the half year position are summarised as follows: -



Note 1 – NSI = National Statutory Indicator      PAM = Public Accountability Measure

Note 2 – Change (Improved / Downturned) is based on comparison with the previous reporting period. Where it is more appropriate to compare performance with the same period in the previous year this should be stated in the commentary.

Indicator	NSI / PAM (Note 1)	Annual Outturn 2013/14	Annual Target 2014/15	Mid-Year Outturn 2014/15	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
CHR/002: The number of working days / shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	PAM	N/A	9.6 days / shifts	9.71 days / shifts		Improved	2013/14 Outturn not applicable for People and Resources.
% of undisputed invoices paid on time within 32 days		91.3%	95%	85.9%		Downturned	Reduced resources in team impact on ability to meet target

**Appendix 2 – High Level (Red) Net Risks**

**Risk to be managed –**

None.