

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
The Medium Term Financial Plan is being reviewed thoroughly to (1) forecast the financial resources to be available to the Council during the period 2015-16 to 2017-18, and the budget pressures, based on the best available intelligence and (2) project the collective efficiency targets to be set to enable the corporate and portfolio targets to be re-set.				
Achievement will be measured through: <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 				
Achievement Milestones for strategy and action plans: <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
Resources to deliver the 2014/15 priorities are included in the 2014/15 budget.							
Achievement will be measured through: <ul style="list-style-type: none"> 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%	100%	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
<p>Progress on the achievement of the efficiencies is included in the monthly budget monitoring report to Cabinet and Corporate Resources Overview and Scrutiny Committee.</p> <p>For Corporate and Functional efficiencies it is currently projected that £7.574m will be achieved from the £8.840m included in the budget which equates to 86% and this now includes a projected underachievement on the efficiency relating to a review of Administration Support.</p> <p>For Workforce efficiencies there is currently an amount of £0.520m still to be identified in-year from the £2.950m included in the budget. This follows the conclusion of the work in the second phase of the voluntary redundancy programme and the organisational work on vacancies and equates to an average 82% achievement rate across organisational design and workforce scaling.</p> <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> ▪ 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 <p>Achievement Milestones for strategy and action plans:</p> <ul style="list-style-type: none"> ▪ 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%	86%	G	G
Achieve 80% or more of the agreed efficiencies for Organisational Design included within the 2014/15 budget.		N/A – new measure	80%	100%	82%	G	G
Achieve 80% or more of the agreed efficiencies for Workforce Scaling included within the 2014/15 budget.		N/A – new measure	80%	100%	82%	G	G
Achieve 85% or more of the agreed efficiencies for Functional Efficiency included within 2014/15 budget.		N/A – new measure	85%	100%	86%	G	G
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

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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
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Risks to be managed: –

Uncertainty in the level of Welsh Government Funding which represents 80% of the funding of council services

Ensuring that capital and revenue resources are sufficient to operate effectively

The financial settlement from Welsh Government for 2015/16 was confirmed as a 3.4% reduction with an overall budget gap of £16.4m. The risk is currently medium but for future settlements 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>Continued monitoring of budget to ensure resources are sufficient to enable effective operation.</p> <p>Lobby WG for an allocation of any Chancellor's consequentials to supplement the local government settlement for 2015/16.</p> <p>Continue to lobby WG for earlier and timelier indications of future indicative settlements to enable effective and longer term financial planning to be undertaken.</p>	M	M	A	<p>Build on existing business plans that identifying future revenue and capital needs. Clearly identify these needs in future iterations of the MTFP and annual budget proposals for member consideration.</p> <p>Maximise resources available through the use of creative delivery models and identification of further models.</p>	Chief Executive & Corporate Finance Manager	↓	M	H	R	Jun '14

Risks to be managed: -

Gaining Agreement to the financial strategy

Gaining agreement to further efficiency measures from 2015/16 onwards

The financial settlement from Welsh Government for 2015/16 was confirmed as a 3.4% reduction with an overall budget gap of £16.4m. The risk is currently medium but for future settlements 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. Initial budget proposals to Cabinet in December 2014.</p> <p>Ongoing detailed working with the Leadership and Cabinet.</p> <p>Ongoing public engagement and consultation regarding future service provision.</p>	M	M	A	<p>Effective management of the budget process throughout January 2015 including Scrutiny consideration.</p> <p>Completion of options to close the finance gap for 2015/16.</p> <p>Council agreement to the 2015/16 budget proposed by Cabinet in February 2015.</p> <p>Completion of public engagement and consultation work in support of the budget process.</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 £1.786m of efficiencies are unlikely to be achieved which includes the impact of a shortfall in the achievement of workforce efficiencies (including review of admin support).

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>The budget monitoring reports include a detailed appendix on all efficiencies which provide information on specific areas and their level of achievement.</p>	M	M	A	The projected impact on the 2015/16 budget has been reflected in the final budget proposals to Cabinet in Feb.	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	More co-ordinated and challenging review of fees and charges as part of the 2015/16 budget proposals.	M	M	A	Cabinet and Scrutiny consideration (January 2015): - 1. Leading to development of a Corporate Fees and Charges policy. 2. Setting of challenging income strategies.	Corporate Finance Manager	↓	M	M	A	Oct 2014