

CABINET

Date of Meeting	Tuesday, 22 March 2016
Report Subject	Quarter 3 Improvement Plan Monitoring Report
Cabinet Member	Cabinet Member for Corporate Management
Report Author	Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

The Improvement Plan 2015/16 was adopted by the Council in June 2015. This report presents the monitoring of progress for the third quarter of 2015/16.

Flintshire is a high performing Council as evidenced in previous Improvement Plan monitoring reports as well as in the Council's Annual Performance Reports. This third monitoring report for the 2015/16 Improvement Plan shows positive levels of achievement; the majority of activities are assessed as making good progress 76% and likely to achieve the desired outcome 79%. In addition, 73% of the performance indicators met or exceeded target for the quarter. Risks are also being successfully managed with the majority being assessed as moderate (73%) or minor (18%).

This report is an exception based report and therefore detail focuses on the areas of under-performance.

RECOMMENDATIONS

1	Cabinet to note and accept: the levels of progress and confidence in the achievement of high level activities which seek to deliver the impacts of the Improvement Plan; the performance against improvement plan performance indicators, for the quarter; the current risk levels for the risks identified in the Improvement Plan.
2	Cabinet to be assured by the plans and actions to manage the delivery of the 2015/16 Improvement Plan and its intended impacts.

REPORT DETAILS

1.00	EXPLAINING THE QUARTER 3 PERFORMANCE
1.01	The Improvement Plan monitoring reports give an explanation of the progress being made toward the delivery of the impacts set out in the 2015/16 Improvement Plan. The narrative is supported by performance indicators and / or milestones which evidence achievement. In addition, there is an assessment of the strategic risks and the level to which they are being controlled.
1.02	Individual priority reports (8 in total) have been prepared for Cabinet. Members will also receive respective reports when circulated with Overview and Scrutiny Committee agendas.
1.03	This is an exception based report and detail therefore concentrates on the areas of under-performance.
1.04	<p>Monitoring our Activities</p> <p>Each of the sub-priorities have high level activities which are monitored over time. 'Progress' monitors progress against scheduled activity and has been categorised as follows: -</p> <ul style="list-style-type: none"> • RED: Limited Progress – delay in scheduled activity; not on track • AMBER: Satisfactory Progress – some delay in scheduled activity, but broadly on track • GREEN: Good Progress – activities completed on schedule, on track <p>A Red / Amber / Green (RAG) status is also given as an assessment of our level of confidence at this point in time in achieving the 'outcome(s)' for each sub-priority. Outcome has been categorised as: -</p> <ul style="list-style-type: none"> • RED: Low – lower level of confidence in the achievement of the outcome(s) • AMBER: Medium – uncertain level of confidence in the achievement of the outcome(s) • GREEN: High – full confidence in the achievement of the outcome(s)
1.05	<p>In summary our overall progress against the high level activities is: -</p> <p>ACTIVITY PROGRESS</p> <ul style="list-style-type: none"> • We are making good (green) progress in 44 (76%). • We are making satisfactory (amber) progress in 14 (24%). • We are making limited progress (red) in 0 (0%).

	<p>ACTIVITY OUTCOME</p> <ul style="list-style-type: none"> • We have a high (green) level of confidence in the achievement of 46 (79%). • We have a medium (amber) level of confidence in the achievement of 11 (19%). • We have a low (red) level of confidence in the achievement of 1 (2%).
1.06	<p>One activity showed a red RAG status for outcome: -</p> <p>Priority: Modern and Efficient Council (Improving Resource Management)</p> <p>Part 1 of the Medium Term Financial Strategy (MTFS) was reported to Cabinet in June and Corporate Resources Overview and Scrutiny Committee in July. Part 1 forecasts the resources the Council is likely to have available over the next 3 years and details the cost pressures needing to be met from this reduced funding.</p> <p>Part 2 of the MTFS sets out the solutions and options for organisational efficiency and service changes, to work to close the challenging financial gap. This was published in September.</p> <p>The Council has been able to set a balanced budget for 2016/17 by applying the MTFS Part 2 solutions and taking a balanced risk approach to managing cost pressures and fluctuations in-year. Based on the risk assessment reported to Council when recommending the annual budget the risk of non-achievement of the 2016/17 budget and its planned financial efficiencies and controls can best be described as an amber risk.</p> <p>However, the achievement of the MTFS objectives and financial targets for 2017/18 (the third and final year of the current version) and then for 2018/19 (as the third and final year for the new version which is to be published for a rolling three year period 2016/17-2018/19) is classed as a red risk. This is due to the non-availability of an indicative Governmental budget for local government for the medium term, the lack of commitment by Governments to fund emerging and major cost pressures such as workforce costs and the rising costs in the care sector, and the uncertainty of UK budget forecasts and fiscal policy which will underpin the coming Chancellor's budget statement.</p> <p>Local government cannot plan with any certainty within these public sector funding conditions. Therefore, any financial planning by Flintshire County Council or any other council cannot be done with a sufficient level of certainty and assurance. This position is recognised by the Welsh Local Government Association (WLGA) as the representative body for local government, and independent commentators such as the Independent Commission for Local Government Finance in Wales.</p> <p>Flintshire is particularly exposed to financial risk as a Council which is low funded per capita and one which has minimal reserves having followed a</p>

	responsible policy on avoiding accumulating excessive reserves and using balances to fund services wherever possible.
1.07	<p>Monitoring our Performance</p> <p>Analysis of performance against the Improvement Plan performance indicators is undertaken using the RAG (Red, Amber Green) status. This is defined as follows: -</p> <ul style="list-style-type: none"> • RED equates to a position of under-performance against target. • AMBER equates to a mid-position where improvement may have been made but performance has missed the target. • GREEN equates to a position of positive performance against target.
1.08	<p>Analysis of current levels of performance for those PIs which are measured quarterly and where performance could be compared with target, shows the following: -</p> <ul style="list-style-type: none"> • 37 (73%) had achieved a green RAG status • 7 (14%) had achieved an amber RAG status • 7 (14%) had achieved a red RAG status
1.09	<p>Analysis of the year to date (YTD) performance (quarters 1, 2 and 3 combined 01/04/15 – 31/12/15) against the year to date target shows: -</p> <ul style="list-style-type: none"> • 33 (62%) had achieved a green RAG status • 12 (23%) had achieved an amber RAG status • 8 (15%) had achieved a red RAG status
1.10	<p>Analysis of the trend for those indicators where performance could be compared with the previous period, shows: -</p> <ul style="list-style-type: none"> • 35 (51%) had improved • 14 (21%) had remained at the same level • 19 (28%) had downturned
1.11	<p>The 9 performance indicators (PIs) which showed a red RAG status for the period (quarter three) and/or year to date are: -</p> <p>Priority: Housing (Appropriate and Affordable Homes) PI: The average number of calendar days taken to deliver a Disabled Facilities Grant (DFG) for Children. Q3 Target 316 – Q3 Actual 0</p> <p>Whilst no children's DFG's have been completed during this latest quarter, a particularly complex DFG completed in quarter one, taking a total of 660 days, has resulted in an average of 433 days for the year to date position and therefore a 'red' RAG status. This has been reported and explained previously.</p>

Priority: Housing (Modern, Efficient and Adapted Homes)
PI: Capital Works Target – Heating Upgrades
Q3 Target 102 – Q3 Actual 55

It was anticipated that the installation of new heating systems in Treuddyn would have commenced during this quarter. The off gas infrastructure has now been installed and the heating installations will be undertaken during quarter four. Overall delivery against target is behind by 70 properties due to this delay. However, the number of installations will be increased in the final quarter to address this.

Priority: Housing (Modern, Efficient and Adapted Homes)
PI: Capital Works Target – Smoke Detectors
Q3 Target 200 – Q3 Actual 153

Although performance did not meet the target for the quarter, it is expected the overall target for the year will be achieved, with the current shortfall being made up during quarter four. Additional resource has been allocated to this programme to ensure full delivery.

Priority: Living Well (Integrated Community Social and Health Services)
PI: Dementia Respect Empathy and Dignity (RED) project within GP surgeries
Q3 Target 12 - Q3 Actual No Data

No data has been received from the main parties involved in the project for quarter 3. This is currently being followed up. As a result the year to date performance reflects the combined performance for quarters one and two, compared with the year to date target, which is the combined target for the first three quarters of the year. This is a reporting issue rather than a performance issue.

Priority: Economy and Enterprise (Town and Rural Regeneration)
PI: Number of business grants offered to high street businesses.
Q3 Target 2 – Q3 Actual 0

Nine businesses have formally signed up to the Deeside Shop Front grant scheme but none have yet reached the offer stage.

Priority: Environment (Transport Infrastructure and Services)
PI: Road safety initiatives to reduce the risk of collisions of high risk groups:

- **Older drivers – Q3 Target 20 – Q3 Actual 7**

Documentation from the Advanced Driving Instructor to confirm the actual numbers for the quarter is awaited. This is a reporting issue.

- **Newly qualified young drivers – Q3 Target 27 – Q3 Actual 2**

As previously reported, funding was not received until mid-May and has been granted on the basis of cost per head trained and not providing for

	<p>promotion of the training. In addition, a scheduled course had to be cancelled.</p> <p>Priority: Modern and Efficient Council (Developing Communities) PI: The number of public assets transferred to the community Q3 Target 2 – Q3 Actual 0</p> <p>Nine applications are awaiting completion. It is anticipated that these will be complete by the end of the financial year, which would exceed the annual target of eight. There is a separate report on Community Asset Transfers on this Cabinet agenda.</p> <p>Priority: Modern and Efficient Council (Improving Resource Management) PI: Amount of efficiency targets achieved. Q3 Target £12,874,000 – Q3 Actual £10,702,000</p> <p>Progress against the annual efficiency target is reported monthly to Cabinet and Corporate Resources Overview and Scrutiny Committee. As at the month eight position the expected efficiencies for 2015/16 are forecast to be £10,702,000 – an achievement rating of 83%.</p>
1.12	<p>Monitoring our Risks</p> <p>Analysis of the current risk levels for the strategic risks identified in the Improvement Plan is as follows: -</p> <ul style="list-style-type: none"> • 1 (2%) is insignificant (green) • 8 (18%) are minor (yellow) • 32 (73%) are moderate (amber) • 3 (7%) are major (red) • 0 (0%) are severe (black)
1.13	<p>The three major (red) risks are: -</p> <p>Priority: Skills and Learning Risk: Limited funding to address the backlog of known repair and maintenance works in Education and Youth assets will be further reduced to meet new pressures on the Education and Youth Budgets.</p> <p>School Modernisation remains a key tool in enabling the Authority to invest appropriately in its school portfolio, this will involve a reduction in schools within the Council's portfolio and a reduction of unfilled places.</p> <p>Priority: Modern and Efficient Council Risk: The scale of the financial challenge.</p> <p>Part 2 of the MTFFS 'Meeting the Financial Challenge' was published in September 2015, setting out how the Council plans to meet the challenge.</p> <p>The Welsh Government published the Provisional Local Government Settlement for the 2016/17 financial year on 9 December. The detail and</p>

	<p>implications of the Settlement for Flintshire were summarised in a report to Cabinet on 19 January 2016.</p> <p>The average reduction in funding across Wales was 1.4% with Flintshire being advised of a reduction of 1.5%. Although this was still a significant reduction in core funding for Flintshire, it was less than had been assumed in the initial forecast and had the effect of improving the overall position by £3.770m.</p> <p>The Settlement also notified of some intended reductions in specific grants such as the Single Environment Grant and the Families First Grant which will add further pressure to specific service areas.</p> <p>The announcement was later than previous years due to the next UK Spending Review and notification of the final amount of funding will not be known until the Welsh budget is approved in March 2016. The Final Settlement has since been announced and there was no material change.</p> <p>The risk remains red due to the uncertainty over future national financial planning and fiscal policy as described in 1.06 above.</p> <p>Priority: Modern and Efficient Council Risk: The capacity and capability of the organisation to implement necessary changes.</p> <p>The extensive programme to consider alternative delivery models across a range of services will continue to impact on available resources across portfolios and support services. Support services will need to be prioritised for those services progressing to the feasibility stage, although the numbers progressing to feasibility at this time is lower than originally anticipated. Additional / external support may be needed to support the services and support services as we near the commissioning stage. This risk will change to amber once decision have made on the business cases to convert to alternative delivery models and there are agreed and resourced transition plans in place.</p>
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2.00	RESOURCE IMPLICATIONS
2.01	There are no specific resource implications for this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Improvement Priorities are monitored by the appropriate Overview and Scrutiny Committees according to the priority area of interest.
3.02	Chief Officers have contributed towards reporting of relevant information.

4.00	RISK MANAGEMENT
4.01	Progress against the risks identified in the Improvement Plan have been reported on for quarter three and the detail is included in the report at Appendix 1. Summary information for the risks assessed as major (red) is covered in paragraphs 1.12 and 1.13 above.

5.00	APPENDICES
5.01	Appendix 1: Quarter 3 Improvement Plan Progress Report

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Improvement Plan 2015/16: http://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Improvement-Plan.aspx</p> <p>Contact Officer: Vicki Robarts – Performance Team Leader Telephone: 01352 701457 E-mail: vicki.c.robarts@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Improvement Plan: the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.</p> <p>Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p>Disabled Facility Grant: a grant available for larger adaptations to a person's home.</p> <p>Dementia Respect Empathy and Dignity (RED) project: a North Wales project aimed at contributing to the development of dementia supportive communities.</p> <p>Deeside Shop Front Grant Scheme: a scheme to better inform the public of the nature of the business whilst improving the visual impact of the building and wider appearance of the street.</p> <p>School Modernisation: the process by which the Local Authority ensures there are a sufficient number of high quality school places, of the right type in the right locations.</p>