

CABINET

Date of Meeting	Tuesday 19 th July, 2016
Report Subject	Annual Performance Report 2015/16 Part 2
Portfolio Holder	Leader of the Council
Report Author	Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

This is the second of our performance reports for 2015/16. It covers performance and achievements against our measures, milestones and risks within the Improvement Plan for 2015/16.

There has been steady progress to achieve all that was intended in an overall summary of six of our eight priorities; with just the Housing and Modern and Efficient Council priorities showing an overall 'amber' status. This is because we have an equal number of green and amber ratings; and take the lower of the two to be representative.

Similar good progress has been made when viewing achievement of measures against target and trend. Risks have been well managed with only three rated as high risk.

RECOMMENDATIONS

1	Cabinet Members are invited to consider the sufficiency of actions taken to manage delivery of last year's Improvement Priority impacts.
2	<p>To note the following: -</p> <ul style="list-style-type: none"> • the levels of progress and confidence in the achievement of key activities which seek to deliver the impacts of last year's Improvement Plan; • the levels of performance against last year's Improvement Plan measures; and • the current (net) risk levels identified in last year's Improvement Plan and the arrangements to control them.

REPORT DETAILS

1.00	EXPLAINING THE IMPROVEMENT PLAN 2015/16 YEAR END PROGRESS																																																
1.01	The Council adopted the Improvement Plan for 2015/16 in June 2015 and this is the final monitoring update for 2015/16. The information within this will inform the Annual Performance Report, a draft of which will be presented to Cabinet in September.																																																
1.02	The Improvement Plan monitoring reports give explanations of the progress being made toward the delivery of the impacts set out in the 2015/16 Improvement Plan. The narrative is supported by measures 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.																																																
1.03	Individual sub-priority reports (16 in total) have been completed by the lead accountable officer. A summary of the reports has been brought together to provide this as a single report.																																																
1.04	An overall assessment is provided which is based on the detailed reports and is shown in the table below: - <table border="1" data-bbox="300 1032 1350 2069"> <thead> <tr> <th>Priority / Sub-priority</th> <th>Progress</th> <th>Outcome</th> </tr> </thead> <tbody> <tr> <td>Housing</td> <td>A</td> <td>A</td> </tr> <tr> <td>• Appropriate and Affordable Homes</td> <td>A</td> <td>G</td> </tr> <tr> <td>• Modern, Efficient and Adapted Homes</td> <td>G</td> <td>A</td> </tr> <tr> <td>Living Well</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Independent Living</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Integrated Community Social and Health Services</td> <td>G</td> <td>A</td> </tr> <tr> <td>• Safeguarding</td> <td>G</td> <td>G</td> </tr> <tr> <td>Economy and Enterprise</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Business Sector Growth and Regeneration</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Town and Rural Regeneration</td> <td>G</td> <td>G</td> </tr> <tr> <td>Skills and Learning</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Modernised and High Performing Education</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Apprenticeships and Training</td> <td>G</td> <td>G</td> </tr> <tr> <td>Safe Communities</td> <td>G</td> <td>G</td> </tr> <tr> <td>• Community Safety</td> <td>G</td> <td>G</td> </tr> </tbody> </table>	Priority / Sub-priority	Progress	Outcome	Housing	A	A	• Appropriate and Affordable Homes	A	G	• Modern, Efficient and Adapted Homes	G	A	Living Well	G	G	• Independent Living	G	G	• Integrated Community Social and Health Services	G	A	• Safeguarding	G	G	Economy and Enterprise	G	G	• Business Sector Growth and Regeneration	G	G	• Town and Rural Regeneration	G	G	Skills and Learning	G	G	• Modernised and High Performing Education	G	G	• Apprenticeships and Training	G	G	Safe Communities	G	G	• Community Safety	G	G
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1.05	<p>Monitoring the progress of 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 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) 																											
1.06	<p>A year end summary of our overall progress against the high level activities shows: -</p> <p>PROGRESS</p> <ul style="list-style-type: none"> • We have made good (green) progress in 44 (75.5%) of our activities. • We have made satisfactory (amber) progress in 15 (25.5%) of our activities. • None of our activities have made limited (red) progress. <p>OUTCOME</p> <ul style="list-style-type: none"> • We have a high (green) level of confidence in the achievement of 46 (79%) outcomes. 																											

	<ul style="list-style-type: none"> • We have a medium (amber) level of confidence in the achievement of 10 (17%) outcomes. • We have a low (red) level of confidence in the achievement of 2 (3%) outcomes. • We have one (1%) outcome level of confidence which was not set.
1.07	The two activities which were assessed as having a low (red) level of confidence in achieving the outcome are as follows: -
1.07a	<p>Housing: Deliver financial support to repair, improve and adapt private sector homes</p> <p>There has been an increase in the number of expressions of interest for financial support, which coincides with the launch of the Welsh Assembly Government Home Improvement Loan Scheme. There are currently 20 approved loans with the system awaiting a start on site with a further 16 moving through the system. In addition 10 of the new WG Home Improvement Loans are making their way through the assessment process. The full year target was not met, however, interest and loan completions continued to rise throughout the year.</p>
1.07b	<p>Modern and Efficient: Develop and implement a four year financial plan that reflects anticipated funding, costs and efficiencies to support strategic decision making</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. 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. 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.</p> <p>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. 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.</p> <p>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.</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</p>

	<p>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 responsible policy on avoiding accumulating excessive reserves and using balances to fund services wherever possible.</p>
1.08	<p>Monitoring Performance</p> <p>Analysis of performance against the Improvement Plan measures is undertaken using the RAG (Red, Amber, Green) status. This is defined as follows: -</p> <p>PERFORMANCE</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 within an acceptable margin. • GREEN equates to a position of positive performance against target.
1.09	<p>Year end performance levels show: -</p> <ul style="list-style-type: none"> • 46 (79%) of measures achieved a green RAG status • 10 (17%) of measures achieved an amber RAG status • 2 (3%) of measures achieved a red RAG status • 1 (1%) of measures had no target set. <p>Analysis of trend was also undertaken. This is a comparison of current year performance with that of the previous year.</p> <p>Where trend analysis could be undertaken: -</p> <ul style="list-style-type: none"> • 62 (64%) of performance measures showed improved performance; • 31 (32%) showed performance which had downturned when compared with the previous year; and • 4 (4%) had maintained the same level of performance.
1.10	<p>Monitoring Risks</p> <p>Year end (net) risk levels for the strategic risks identified in the Improvement Plan are as follows: -</p> <ul style="list-style-type: none"> • 3 (7%) of risks were rated as major (red) • 30 (67%) of risks were rated as moderate (amber) • 8 (18%) of risks were rated as minor (yellow) • 4 (9%) of risks were rated as insignificant (green)

1.11	<p>The three high (red) risks are detailed:</p> <ul style="list-style-type: none"> • Education and Youth: limited funding to address the backlog of known repair and maintenance works in Education and Youth assets; further reduced to meet new pressures on the Education and Youth budget. Continued programming and prioritisation of works is undertaken to minimise the impact. • Modern and Efficient Council: capacity and capability of the organisation to implement necessary changes in relation to the Alternative Delivery Model Programme. This risk is now reducing as evidenced by the positive progress being made with three of the key Alternative Delivery models during early 2016/17. • Modern and Efficient Council: scale of the financial challenge. The scale of the financial challenge still continues to be high risk. The quality and integrity of the Council's Medium Term Financial Strategy provides robust evidence for the future funding situation.
1.12	<p>Trend analysis was also undertaken, comparing risk levels at the end of the year with those at the start of the year. The overall analysis showed that:-</p> <ul style="list-style-type: none"> • 31 (69%) risks remained the same • 13 (29%) risks reduced • 1 (2%) risk increased <p>Four of the initial seven major (red) risks reduced in significance during 2015/16:</p> <ul style="list-style-type: none"> • Supply of affordable housing insufficient to meet housing need • School places not sufficient to meet future demands of changing demographics • Limitations on public funding to subsidise alternative models • Willingness of workforce and trade unions to embrace change. <p>One risk increased slightly in significance during 2015/16:</p> <ul style="list-style-type: none"> • Living Well: Funding between Health and Council does not transfer smoothly eg. Continuing Health Care, Integrated Care Fund, Primary Care funds. <p>The refreshed strategic direction and locality focus for the Betsi Cadwaldr Health Board should improve this risk over time.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Resource implications have been considered during preparation of the Medium Term Financial Strategy and will continue to be monitored during the regular budget monitoring and financial planning arrangements.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	All Overview and Scrutiny Committees have the opportunity to review the performance of the Improvement Plan priorities for 2015/16 and have been involved throughout the year with the quarterly monitoring reports.

4.00	RISK MANAGEMENT
4.01	Delivery of the plan objectives is risk managed as part of each of the sub priorities of the Improvement Plan and is monitored and reported against quarterly by the Overview and Scrutiny Committees.

5.00	APPENDICES
5.01	Appendix 1: Improvement Plan progress 2015/16 Appendix 2: Improvement Plan 2015/16

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Karen Armstrong - Corporate Business and Communications Executive Officer Telephone: 01352 702740 E-mail: karen.armstrong@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	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.
7.02	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.