

## CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Thursday 14 <sup>th</sup> July, 2016
<b>Report Subject</b>	Improvement Plan 2015/16 Year-end Progress
<b>Cabinet Member</b>	Cabinet Member for Corporate Management
<b>Report By</b>	Member Engagement Manager
<b>Type of Report</b>	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 fourth quarter/year end of 2015/16 focusing on the areas of under performance relevant to the Corporate Resources Overview & Scrutiny Committee.

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

### RECOMMENDATION

1	That the Committee consider the Improvement Plan 2015/16 Year-end Progress to be i) assured of progress and performance and ii) challenge any areas of under-performance as appropriate.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE IMPROVEMENT PLAN 2015/16 YEAR-END PROGRESS REPORT</b>
1.01	The Improvement Plan monitoring report gives an explanation of the progress being made towards 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 controlled.
1.02	The detailed sub-priority report, shown at Appendix 1 is in a new format, which has been generated from the new performance management solution, CAMMS.
1.03	<p>CAMMS has been purchased to provide benefits which include:</p> <ul style="list-style-type: none"> <li>• efficiencies by reducing duplication and data entry;</li> <li>• a single version of the truth;</li> <li>• improved visibility and accountability for performance and programme / project management objectives; including an audit trail; and</li> <li>• dynamic, exception based reporting with dashboards and standard reports.</li> </ul>
1.04	<p>Analysis of performance against the Improvement Plan measures is undertaken using the RAG (Red, Amber and Green) status. This is defined as follows:-</p> <p><b><u>Performance</u></b></p> <ul style="list-style-type: none"> <li>• RED – equates to a position of under-performance against target.</li> <li>• AMBER – equates to a mid-position where improvement may have been made but performance has missed the target.</li> <li>• GREEN – equates to a position of positive performance against target.</li> </ul> <p><b><u>Outcome</u></b></p> <ul style="list-style-type: none"> <li>• RED – equates to a forecast position of under-performance against target at year end.</li> <li>• AMBER – equates to a forecast mid-position where improvement may have been made but performance will miss target at year end.</li> <li>• GREEN – equates to a forecast position of positive performance against target at year end.</li> </ul>
1.05	The high level (RED) risk areas identified for the Corporate Resources Overview & Scrutiny Committee, are as follows:-
1.05.1	<p><b>Develop and implement a four year financial plan that reflects anticipated funding, costs and efficiencies to support strategic decision making</b></p> <p>Part 1 of the Medium Term Financial Strategy (MTFS) was reported to</p>

	<p>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. 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. 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. 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. 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>
1.05.2	<p><b>The scale of financial change</b></p> <p>Part 2 of the MTFS 'Meeting the Financial Challenge' was published in September 2015, setting out how the Council plans to meet the challenge. The Welsh Government published the provisional Local Government Settlement for the 2016/17 financial year on 9<sup>th</sup> December. The detail and implications of the settlement for Flintshire were summarised in a report to cabinet on 19<sup>th</sup> January 2016. 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. 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>

1.05.3	<p><b>The capacity and capability of the organisation to implement necessary changes.</b></p> <p>The extensive programme to consider alternative delivery models across a range of services has impacts on resources across portfolios and support services. This risk is now easier to mitigate as cabinet has determined the 5 services that are establishing new alternative delivery models. These decisions were completed in May 2016. As a result resource and support plans have now been developed to ensure there is capacity and capability in place to deliver new models by 2017.</p>
1.06	<p>Each Overview &amp; Scrutiny Committee has responsibility for monitoring the performance of relevant areas within the Improvement Plan. As the Corporate Resources Overview &amp; Scrutiny Committee has responsibility for the overview and monitoring of performance, for information, attached at Appendix 2 and 3 is a copy of the Improvement Plan 2015/16 Year-end Progress report, to be presented to Cabinet on 19<sup>th</sup> July, 2016.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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2.01	<p>There are no specific financial implications for this report; however the Council's Medium Term Financial Plan is aligned to resource the priorities of the Improvement Plan.</p>
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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3.01	<p>The Chief Officer Team and the Performance Leads from across the Authority have contributed to help shape the new approach to reporting.</p>
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
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4.01	<p>Progress against the risks identified in the Improvement Plan have been reported on for quarter 4/year end and the detail is included in the report at Appendix 1.</p>
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	<p>Appendix 1 – Improvement Plan 2015/16 Year-end Progress Report – Modern and Efficient Council.</p>
5.02	<p>Appendix 2 – Improvement Plan 2015/16 Year-end Progress Report – Cabinet covering report to be presented on 19<sup>th</sup> July, 2016.</p>
5.03	<p>Appendix 3 – Improvement Plan 2015/16 Year-end Progress Report – Cabinet report Appendix to be presented on 19<sup>th</sup> July, 2016.</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b><u>Improvement Plan 2015/16</u></b></p> <p><a href="http://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Improvement-Plan.aspx">http://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Improvement-Plan.aspx</a></p> <p><b>Contact Officer:</b> Robert Robins Member Engagement Manager</p> <p><b>Telephone:</b> 01352 702320</p> <p><b>E-mail:</b> <a href="mailto:robert.robins@flintshire.gov.uk">robert.robins@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Improvement Plan</b> – 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>
7.02	<p><b>CAMMS</b> – is an integrated planning, risk management and programme/project management and reporting software. It was purchased in April 2015 and work to commence implementation began in May; focusing initially on the Council's Improvement Plan and the Portfolio of Social Services. The link below provides further information about CAMMS.</p> <p><a href="http://cammsgroup.com/">http://cammsgroup.com/</a></p>
7.03	<p><b>Medium Term Financial Strategy</b> – is 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>