



<b>CABINET</b>
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<b>Date of Meeting</b>	Tuesday 19 July 2016
<b>Report Subject</b>	Annual Performance Report 2015/16 Part 2
<b>Cabinet Member</b>	Leader
<b>Report Author</b>	Chief Executive
<b>Type of Report</b>	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 3 rated as high risk.

<b>RECOMMENDATIONS</b>	
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1	Cabinet Members are invited to consider the sufficiency of actions taken to manage delivery of the Improvement Priority impacts.
2	<p>To note the following: -</p> <ul style="list-style-type: none"> <li>• the levels of progress and confidence in the achievement of key activities which seek to deliver the impacts of the Improvement Plan;</li> <li>• the levels of performance against Improvement Plan measures for year end; and</li> </ul>

	<ul style="list-style-type: none"> <li>The current (net) risk levels and targeted risk levels for the risks identified in the Improvement Plan and the arrangements to control them.</li> </ul>
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## REPORT DETAILS

<b>1.00</b>	<b>Improvement Plan 2015/16 Year End Progress</b>																																							
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 (14 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	<p>An overall assessment is provided which is based on the detailed reports and is shown in the table below: -</p> <table border="1"> <thead> <tr> <th>Priority / Sub-priority</th> <th>Progress</th> <th>Outcome</th> </tr> </thead> <tbody> <tr> <td><b>Housing</b></td> <td><b>A</b></td> <td><b>A</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Appropriate and Affordable Homes</li> </ul> </td> <td><b>A</b></td> <td><b>G</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Modern, Efficient and Adapted Homes</li> </ul> </td> <td><b>G</b></td> <td><b>A</b></td> </tr> <tr> <td><b>Living Well</b></td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Independent Living</li> </ul> </td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Integrated Community Social and Health Services</li> </ul> </td> <td><b>G</b></td> <td><b>A</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Safeguarding</li> </ul> </td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td><b>Economy and Enterprise</b></td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Business Sector Growth and Regeneration</li> </ul> </td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td><b>Skills and Learning</b></td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Modernised and High Performing Education</li> </ul> </td> <td><b>G</b></td> <td><b>G</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Apprenticeships and Training</li> </ul> </td> <td><b>G</b></td> <td><b>G</b></td> </tr> </tbody> </table>	Priority / Sub-priority	Progress	Outcome	<b>Housing</b>	<b>A</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Appropriate and Affordable Homes</li> </ul>	<b>A</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Modern, Efficient and Adapted Homes</li> </ul>	<b>G</b>	<b>A</b>	<b>Living Well</b>	<b>G</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Independent Living</li> </ul>	<b>G</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Integrated Community Social and Health Services</li> </ul>	<b>G</b>	<b>A</b>	<ul style="list-style-type: none"> <li>Safeguarding</li> </ul>	<b>G</b>	<b>G</b>	<b>Economy and Enterprise</b>	<b>G</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Business Sector Growth and Regeneration</li> </ul>	<b>G</b>	<b>G</b>	<b>Skills and Learning</b>	<b>G</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Modernised and High Performing Education</li> </ul>	<b>G</b>	<b>G</b>	<ul style="list-style-type: none"> <li>Apprenticeships and Training</li> </ul>	<b>G</b>	<b>G</b>
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1.05	<p><b>Monitoring the progress of our activities</b></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"> <li>• RED: Limited Progress – delay in scheduled activity; not on track</li> <li>• AMBER: Satisfactory Progress – some delay in scheduled activity, but broadly on track</li> <li>• GREEN: Good Progress – activities completed on schedule, on track</li> </ul> <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"> <li>• RED: Low – lower level of confidence in the achievement of the outcome(s)</li> <li>• AMBER: Medium – uncertain level of confidence in the achievement of the outcome(s)</li> <li>• GREEN: High – full confidence in the achievement of the outcome(s)</li> </ul>																														
1.06	<p>A summary of our overall progress against the high level activities is provided as follows: -</p> <p><b>PROGRESS</b></p> <ul style="list-style-type: none"> <li>• We are making good (green) progress in 44 (74.5%).</li> <li>• We are making satisfactory (amber) progress in 15 (25.5%).</li> <li>• None of our activities have made limited (red) progress.</li> </ul>																														

	<p>OUTCOME</p> <ul style="list-style-type: none"> <li>• We have a high (green) level of confidence in the achievement of 46 (79%).</li> <li>• We have a medium (amber) level of confidence in the achievement of 10 (17%).</li> <li>• We have a low (red) level of confidence in the achievement of 2 (3%).</li> <li>• We have a no target (blue) level of confidence in the achievement of 1 (1%).</li> </ul>
1.07	<p>The two activities which were assessed as red for level of confidence in achieving the outcome with an explanation of why that assessment was made are as follows:</p>
1.07a	<p><b>Deliver financial support to repair, improve and adapt private sector homes</b></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><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 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</p>

	<p>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>
1.08	<p><b>Monitoring Performance</b></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"> <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 within an acceptable margin.</li> <li>• GREEN equates to a position of positive performance against target.</li> <li>• BLUE equates to a position of no target status.</li> </ul>
1.09	<p>Analysis of year end levels of performance is provided as follows: -</p> <ul style="list-style-type: none"> <li>• 46 (79%) had achieved a green RAG status</li> <li>• 10 (17%) had achieved an amber RAG status</li> <li>• 2 (3%) had achieved a red RAG status</li> <li>• 1 (1%) shows a no target blue RAG status</li> </ul> <p>Analysis of key performance indicator trend was also undertaken. This is a comparison of current year performance with that of the previous year. Where trend analysis could be undertaken: -</p> <ul style="list-style-type: none"> <li>• 62 (64%) of performance measures showed improved performance;</li> <li>• 31 (32%) showed performance which had downturned when compared with the previous year; and</li> <li>• 4 (4%) had maintained the same level of performance.</li> </ul>
1.10	<p><b>Monitoring Risks</b></p>

	<p>Analysis of the current (net) risk levels for the strategic risks identified in the Improvement Plan is provided as follows: -</p> <ul style="list-style-type: none"> <li>• 3 (6%) is high (red)</li> <li>• 30 (64%) are medium (amber)</li> <li>• 5 (11%) are low (green)</li> <li>• 9 (19%) are minor (yellow)</li> </ul>
1.10a	<p>Trend analysis was also undertaken, comparing risk levels at the end of the year with those of the previous quarter. The analysis showed that:-</p> <ul style="list-style-type: none"> <li>• 32 (68%) risks remained the same</li> <li>• 14 (29.8%) risks have reduced</li> <li>• 1 (2.2%) risk has increased</li> </ul>
1.11	<p>The high (red) risks are detailed along with the reasons that have led to this assessment as follows: -</p>
1.11a	<p><b>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</b>  School Modernisation remains a key tool in enabling the authority to invest in its school portfolio, this will involve a reduction on schools within the Council's portfolio and a reduction of unfilled places.</p>
1.11b	<p><b>The scale of financial change</b>  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>
1.11c	<p><b>The capacity and capability of the organisation to implement necessary changes.</b>  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</p>

	plans have now been developed to ensure there is capacity and capability in place to deliver new models by 2017.
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<b>2.0</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	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.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	All Overview and Scrutiny Committees will have the opportunity to consider and review the 2015/16 performance of their appropriate Improvement Plan priorities.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
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.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<b>Appendix 1</b> – Improvement Plan 2012 - 2017

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None  <b>Contact Officer:</b> Karen Armstrong, <b>Telephone:</b> 01352 702740 <b>E-mail:</b> <a href="mailto:karen.armstrong@flintshire.gov.uk">karen.armstrong@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<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.  <b>Corporate Assessment:</b> in 2013/14 the Wales Audit Office (WAO) began a new four year cycle of Corporate Assessments of improvement authorities in Wales. An in depth Corporate Assessment reports on the Council's track record of performance and outcomes as well as the key

arrangements necessary to underpin improvements in services and functions. Flintshire's first Corporate Assessment was conducted in late 2014 and the report on its outcomes was included in the Annual Improvement Report reported to Cabinet in March 2015.

**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.