

CABINET

Date of Meeting	Tuesday 14 February 2017
Report Subject	Wales Audit Office report on Financial Resilience: Savings Planning
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

Wales Audit Office (WAO) has recently produced a report for Flintshire entitled “Financial Resilience: Savings Planning”. The scope of the review intended to answer the following: *“Do the council’s financial savings planning arrangements support financial resilience?”*

The main conclusion of the review is:

“The Council has a sound financial planning framework and it continues to strengthen its financial planning to better support future financial resilience.”

To further strengthen these arrangements the WAO have identified one proposal for improvement which is:

“Strengthen financial planning arrangements by ensuring that all savings proposals are sufficiently developed before the start of the financial year in which they are to be implemented.”

RECOMMENDATIONS

1	To receive and endorse the findings of the WAO report on the Council’s arrangements for financial savings planning which support the financial resilience of the Council.
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REPORT DETAILS

1.00	EXPLAINING THE FINANCIAL RESILIENCE REPORT
1.01	<p>During 2015-16 the Wales Audit Office undertook work at all councils to assess the adequacy of their financial planning, control and governance arrangements. Local reports were issued and a national summary report published in August 2016.</p> <p>The national summary report concluded that “strategic planning arrangements are improving but councils have difficulty in developing and delivering the savings and changes to services at the pace required to ensure future financial resilience”.</p> <p>The local review in 2015-16 concluded that <i>“the Council continued to improve its financial planning and control arrangements and strengthen its ability to respond to the ongoing financial challenges.”</i></p>
1.02	<p>A follow-up review of financial resilience was undertaken between June and September last year focusing on work to identify, plan for and deliver savings. This review is being undertaken at all 22 councils.</p> <p>The scope of the review is the Council’s arrangements for financial savings planning which, in the current funding climate and the reduced settlements for local government is critical to financial resilience.</p>
1.03	<p>The conclusion of this recent review is: <i>“the Council has a sound financial planning framework and it continues to strengthen its financial planning to better support future financial resilience”</i>.</p>
1.04	<p>The supporting conclusions of the review include:</p> <p>Savings achievement 2015-16: The Council has reported achievement of 83% of its planned 2015-16 savings in year and can demonstrate that individual savings have been delivered.</p> <p>Financial planning arrangements: The Council has an effective corporate framework for financial planning and plans to lengthen the term of the MTFS to five years to address the current lack of indicative plans for future years.</p> <p>Savings Plan 2016-17: The Council forecasts that it is will achieve 90% of its 2016-17 revised planned savings but some of its savings proposals are not sufficiently well developed when the budget is approved.</p>
1.05	<p>WAO identified one proposal for improvement which is:</p> <p><i>“Strengthen financial planning arrangements by ensuring that all savings proposals are sufficiently developed before the start of the financial year in which they are to be implemented.”</i></p>

1.06	The Council welcomes this report as positive assurance of the arrangements in place to support future financial planning.
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2.00	RESOURCE IMPLICATIONS
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2.01	There are no specific resource implications regarding this report; as the report is a view of the Council's general arrangements to support financial resource planning.
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3.00	CONSULTATIONS REQUIRED / CARRIED OUT
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3.01	Wales Audit Office sought views from Chief Officers and finance colleagues to inform their review.
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4.00	RISK MANAGEMENT
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4.01	The Council consistently reviews risks in relation to financial planning and the resilience of its plans. The Medium Term Financial Strategy and in-year business plans are monitored monthly.
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5.00	APPENDICES
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5.01	Appendix 1 – Financial Resilience: Savings Planning – Flintshire County Council: January 2017
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
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6.01	Wales Audit Office: Financial Resilience Assessment (March 2016) Contact Officer: Karen Armstrong, Corporate Business and Communications Executive Officer Telephone: 01352 702740 E-mail: karen.armstrong@flintshire.gov.uk
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7.00	GLOSSARY OF TERMS
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7.01	Wales Audit Office (WAO): Works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.
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