

CABINET

Date of Meeting	Tuesday, 19 th February 2019
Report Subject	Quarter 3 Council Plan 2018/19 Monitoring Report
Cabinet Member	Cabinet Member for Corporate Management and Assets
Report Author	Chief Executive
Type of Report	Operational

EXECUTIVE SUMMARY

The Council Plan 2018/19 was adopted by the Council in June 2018. This report presents a summary of the monitoring of progress for the Quarter 3 (October – December 2018) position of 2018/19.

Flintshire is a high performing Council as evidenced in previous Council Plan monitoring reports as well as in the Council's Annual Performance Reports. This second monitoring report for the 2018/19 Council Plan is a positive report, with 92% of activities being assessed as making good progress, and 85% likely to achieve the desired outcome. In addition, 67% of the performance indicators met or exceeded target. Risks are also being successfully managed with the majority being assessed as moderate (61%) or minor/insignificant (22%).

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

Recommendations

1	Cabinet notes and endorses levels of progress, performance and risk levels in the Quarter 3 Council Plan 2018/19 monitoring report.
2	Cabinet is assured by plans and actions to manage the delivery of the 2018/19 Council Plan.

REPORT DETAILS

1.00	REPORT DETAIL
1.01	The Council Plan monitoring reports give an explanation of the progress being made toward the delivery of the impacts set out in the 2018/19 Council 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	The twelve individual sub-priority reports have been brought together to provide a single report 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 focuses 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 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>ACTIVITIES PROGRESS</p> <ul style="list-style-type: none"> • We are making good (green) progress in 48 (92%). • We are making satisfactory (amber) progress in 4 (8%). <p>ACTIVITIES OUTCOME</p> <ul style="list-style-type: none"> • We have a high (green) level of confidence in the outcome achievement of 44 (85%). • We have a medium (amber) level of confidence in the outcome achievement of 8 (15%). • No activities have a low (red) level of confidence in their outcome achievement.

1.06	<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.
1.07	<p>Analysis of current levels of performance against period target shows the following: -</p> <ul style="list-style-type: none"> • 29 (67%) had achieved a green RAG status • 12 (28%) had achieved an amber RAG status • 2 (5%) had achieved a red RAG status
1.08	<p>The 2 performance indicators which showed a red RAG status for current performance against target are: -</p> <p>Priority: Supportive Council</p> <p>Average number of calendar days taken to deliver a DFG</p> <p>A Disabled Facilities Grant (DFG) is a mandatory grant to help individuals living with a disability with the cost of adapting their homes to enable them to continue living at their residence with the maximum amount of independence. This area of performance has required improvement for a number of years.</p> <p>As a result a DFG review board has been established which meets monthly to review progress towards implementing improvements to processes and controls. One improvement area has been the launch of a new contractor framework for the delivery of the DFG's which has started to show a reduction in the number of days taken to deliver DFGs.</p> <p>In 2017/18 DFG works were suspended due to budgetary constraints with outstanding works being completed this year. This has impacted on the overall performance for the service as these cases were on hold for as long as 4 months.</p> <p>Overall performance is affected by these older cases from 2017/18, which is bringing down the figures when compared with the current year cases that are being delivered using the improved processes. This is evidenced as follows:</p> <ul style="list-style-type: none"> - 5 adaptations delivered in Q3 were 17/18 legacy cases and averaged 397 days - 3 adaptations delivered from 18/19 claims and using the new approach averaged 198 days <p>Once the backlog of legacy cases has been completed during the remainder of this year, 2019/20 performance should show a marked improvement.</p> <p>Percentage of looked after children with a timely health assessment</p> <p>The performance at Q3 (65.38%) is below the period target (81%), however there have been significant improvements since April, with the looked after nurse regularly attending team meetings and managing the assessment appointments.</p>

BCUHB have increased the availability of appointments per month to 6 slots and recruited 2 trainee doctors to assist with Health assessments from October 2018.

The performance trend for the year to date shows a 27% improvement on last year's performance, with 69.1% of children looked after having a timely health assessment, as compared to 54.6% last year. Despite these improvements we are still unlikely to meet this year's target.

Whilst not meeting the period performance targets it is important to note, more significance is placed on those indicators which show a red Outcome status at Q3. This is indicating that they are very unlikely to meet their target at year-end.

There are no indicators with a red Outcome RAG.

1.09 Monitoring our Risks

Analysis of the current risk levels for the strategic risks identified in the Council Plan is as follows: -

- 5 (11%) are insignificant (green)
- 5 (11%) are minor (yellow)
- 27 (61%) are moderate (amber)
- 7 (16%) are major (red)
- 0 (0%) are severe (black)

Note that due to rounding issues the above does not add up to 100%. A number of decimal points would be required to show this.

1.10

The Council Plan has a total of 44 risks which have been assessed as shown in Table 1. The initial status of risk is assessed when the risk is first identified without any mitigating controls. The current assessment shows the latest status of the risk.

Table 1: Risk movement

Net risk status	Initial Assessment	Current Assessment
Insignificant: (green)	1 (2%)	3 (7%)
Minor: (yellow)	1 (2%)	4 (10%)
Moderate: (amber)	30 (69%)	28(67%)
Major : (red)	12 (27%)	7(16%)
Severe: (black)	0	0
Total	44	42

During the first 6 months of the year 2 risks were sufficiently mitigated to be "closed". These are:

- i) "Delivery of social care is insufficient to meet increasing demand" - this is a specific risk related to the development of Marleyfield which is progressing well.
- ii) "Early Help Hub cannot deliver effective outcomes" – this has proven to

	<p>be effective during its first year of operation.</p> <p>In addition, one further risk has been closed at Q3, which is “reduction of land supply for Council housing construction”, which is now showing as Green in the current assessment.</p> <p>During the year, one risk has increased from Amber to Red: “Debt levels will rise if tenants are unable to afford to pay their rent or council tax”. This risk is described in section 1.11 below.</p> <p>Six of the initial red risks have been mitigated and reduced in significance:</p> <ul style="list-style-type: none"> - The supply of affordable housing will continue to be insufficient to meet community needs - Annual allocation of the Integrated Care Fund (ICF) - Short term funding may undermine medium term service delivery - Rate of increase of adult safeguarding referrals will outstrip current resources - Knowledge and awareness of safeguarding not sufficiently developed in all portfolios - Failure to implement safeguarding training may impact on cases not being recognised at an early stage - Impact of Additional Learning Needs reforms.
1.11	<p>The 7 major (red) risks are: -</p> <p>Priority: Supportive Council</p> <p>Risk: Debt levels will rise if tenants are unable to afford to pay their rent or council tax.</p> <p>Work has commenced on the identification of the impacts of Universal Credit on Council Tenants and their rent accounts. There is a team that works with tenants at the earliest opportunity on the basis that intervention at early stages allows support (if appropriate) to be identified earlier giving a more realistic chance of the rent account coming back under control and out of arrears.</p> <p>The Council now has "Trusted Partner" status with the Department for Work and Pensions and this means that processes and flow of information and payments is much more streamlined and automated. Notwithstanding this, there will inevitably always be an element of cash flow arrears on accounts due to the Universal Credit payments (whether direct to the council or directly to the tenant) are made in arrears. During 2018/19 focus is on early identification and intervention to prevent the problem from escalating. Council Tax Collection remains under pressure.</p> <p>Risk: Demand outstrips supply for residential and nursing home care bed availability.</p> <p>The expansion of Marleyfield to support the medium term development of the nursing sector continues under the direction of Programme Board. The re-phasing of Integrated Care Fund (ICF) capital to fit in with our capital programme, as been agreed by WG. Recommendations from Social & Health Care Overview and Scrutiny Committee were that the Committee support the ICF programme and the initiatives of utilising short term funding streams to deliver against strategic and operational priorities for the council and key partners. Work streams from the Strategic Opportunity Review are continuing.</p>

A strategic review of demand and supply in light of the new capital developments is being undertaken.

Priority: Learning Council

Risk: Sustainability of funding streams.

The sustainability of grant funding for education continues to pose a significant and live risk in a number of areas:

- A lack of clarity about the funding of the Teachers' Pay Award for 2019-20 remains. Through Revenue Support Grant and the Teachers Pay Grant from Welsh Government the schools budget will be funded for 1% of the impact of the pay award implemented in September 2018. The balance of 1.2% of the pay award is a cost pressure which will have to be absorbed by schools. Further it can be assumed that there will be a Teachers' Pay Award from September 2019 which unless national funding is made available will be an additional cost pressure which will need to be absorbed by schools.
- The increase in the teachers employers pensions costs remains a significant risk. From September 2019 the employers contributions will increase from 16.48% to 23.6%. The impact of this on Flintshire schools will be £2.026m. The Chancellor announced £4.7billion nationally to cover public sector increased pension costs but at this stage there is no indication of whether there will be a consequential for Welsh Government.
- The recently announced £15m grant for schools across Wales appears to have been ring-fenced by the Cabinet Secretary for Education to support professional learning in advance of the introduction of the new curriculum, but distribution methodology and terms and conditions are not yet known.
- The MEAG (Minority Ethnic Achievement Grant) was not reinstated in full and there remains a lack of clarity about a new regional model for delivery of these services and the funding attached to them.

There are grants which are only short term to support Ministerial key priorities e.g. Infant Class Sizes; Small and Rural Schools etc but the grant conditions are often complex which makes them difficult to administer and their short term nature does not allow for proper strategic planning to maximise impact.

Risk: Numbers of school places not matching the changing demographics.

Reducing unfilled school places via school organisation change is an ongoing process. School change projects can take between three and five years from inception to delivery before reductions of unfilled places can be realised. This continues to be an ongoing process linked to the school modernisation programme. To supplement this the Council will continue to work closely with schools to consider innovative ways for reduction in capacity on a school by school basis (i.e. alternative use of school facilities by other groups) with the objective of meeting national targets of circa 10% unfilled places in all school sectors.

Risk: Limited funding to address the backlog of known repair and maintenance works in Education & Youth assets.

Continuation of the School Modernisation programme is one of the strategic options available to address the repair and maintenance backlog. The

programme continuation will also i) Support a reduction of unfilled places ii) Provide a more efficient school estate and concentrate resources on teaching by removal of unwanted fixed costs in infrastructure and leadership iii) Ensure that the condition and suitability of the school estate is improved. Additionally, in future years capital business cases will be submitted through the Council process to supplement the 21st Century Schools investment programme.

Priority: Green Council

Risk: Funding will not be secured for priority flood alleviation schemes.

As of 7th January 2019, the Council has a new statutory duty as a Sustainable Drainage Approving Body (SAB). This has placed significant resource demands on the relatively small Flood and Coastal Risk Management Team to implement, resource and fund this new statutory role. In the short-term (1-2 years) the impacts of developing this new service will lessen the ability of the Team to delivery non-statutory flood alleviation schemes.

A service review is intended to identify a more effective structure that can deliver the statutory duties as the SAB in addition to existing duties and powers as a Lead Local Flood Authority. To help manage these changes, no major schemes are programmed to be put forward to Welsh Government's 'national pipeline of projects' for delivery in 2019/20. Limited work will continue where resources allow to refine existing projects and designs so that they might be considered for future grant applications and programming for delivery. In addition funding for smaller more affordable local works that can be delivered through Welsh Government's small scale scheme grant will continue to be pursued.

Priority: Serving Council

Risk: The scale of the financial challenge

The Council was projecting a budget gap of £13.7m in September. This increased to £15.3m following receipt of the provisional settlement due to a decrease in the Council's aggregate external funding of 1%. Stage 1 and Stage 2 budget options were approved by Council in November and a revised gap of £6.7m remained at that time. Following the receipt of the Final Settlement in December and some additional funding announcements the budget Gap at the final Stage 3 remains at £3.1m. Balancing budget options were considered by Cabinet and Council in January. Without further intervention from Welsh Government the only remaining options to balance the budget are Council Tax and a further use of reserves.

The MTFs is under review as part of the annual budget setting process for 2019/20. The risk remains red and is likely to remain so for the medium term.

2.00	RESOURCE IMPLICATIONS
2.01	There are no specific resource implications for this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Council Plan 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 Council Plan is included in the report at Appendix 1. Summary information for the risks assessed as major (red) is covered in paragraphs 1.10 and 1.11 above.

5.00	APPENDICES
5.01	Appendix 1: Council Plan 2018/19 – Quarter 3 Progress Report

6.00	SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972 List of Accessible Background Documents
6.01	<p>Council Plan 2018/19: https://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Council-Plan.aspx</p> <p>Contact Officer: Karen Armstrong – Corporate Business and Communications Officer Telephone: 01352 702740 Email: karen.armstrong@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Council 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 a Council Plan.</p> <p>Risks: These are assessed using the improved approach to risk management endorsed by Audit Committee in June 2015. The new approach, includes the use of a new and more sophisticated risk assessment matrix which provides greater opportunities to show changes over time.</p>

Risk Likelihood and Impact Matrix

Impact Severity	Catastrophic	Y	A	R	R	B	B
	Critical	Y	A	A	R	R	R
	Marginal	G	Y	A	A	A	R
	Negligible	G	G	Y	Y	A	A
		Unlikely (5%)	Very Low (15%)	Low (30%)	Significant (50%)	Very High (65%)	Extremely High (80%)
Likelihood & Percentage of risk happening							

The new approach to risk assessment was created in response to recommendations in the Corporate Assessment report from the Wales Audit Office and Internal Audit.

7.04 CAMMS – An explanation of the report headings

Actions

Action – Each sub-priority have high level activities attached to them to help achieve the outcomes of the sub-priority.

Lead Officer – The person responsible for updating the data on the action.

Status – This will either be ‘In progress’ if the action has a start and finish date or ‘Ongoing’ if it is an action that is longer term than the reporting year.

Start date – When the action started (usually the start of the financial year).

End date – When the action is expected to be completed.

% complete - The % that the action is complete at the time of the report. This only applies to actions that are ‘in progress’. An action that is ‘ongoing’ will not produce a % complete due to the longer-term nature of the action.

Progress RAG – Shows if the action at this point in time is making limited progress (Red), satisfactory progress (Amber) or good progress (Green).

Outcome RAG – Shows the level of confidence in achieving the outcomes for each action.

Measures (Key Performance Indicators - KPIs)

Pre. Year Period Actual – The period actual at the same point in the previous year. If the KPI is a new KPI for the year then this will show as ‘no data’.

Period Actual – The data for this quarter.

Period Target – The target for this quarter as set at the beginning of the year.

Perf. RAG – This measures performance for the period against the target. It is automatically generated according to the data. Red = a position of under performance against target, Amber = a mid-position where improvement may have been made but performance has missed the target and Green = a position of positive performance against the target.

Perf. Indicator Trend – Trend arrows give an impression of the direction the performance is heading compared to the period of the previous year:

- A 'downward arrow' always indicates poorer performance regardless of whether a KPI figure means that less is better (e.g. the amount of days to deliver a grant or undertake a review) or if a KPI figure means that more is better (e.g. number of new jobs in Flintshire).
- Similarly an 'upward arrow' always indicates improved performance.

YTD Actual – The data for the year so far including previous quarters.

YTD Target – The target for the year so far including the targets of previous quarters.

Outcome RAG – The level of confidence of meeting the target by the end of the year. Low – lower level of confidence in the achievement of the target (Red), Medium – uncertain level of confidence in the achievement of the target (Amber) and High - full confidence in the achievement of the target (Green).

Risks

Risk Title – Gives a description of the risk.

Lead Officer – The person responsible for managing the risk.

Supporting Officer – The person responsible for updating the risk.

Initial Risk Rating – The level of the risk at the start of the financial year (quarter 1). The risks are identified as follows; insignificant (green), minor (yellow), moderate (amber), major (red) and severe (black).

Current Risk Rating – The level of the risk at this quarter.

Trend Arrow – This shows if the risk has increased (upward arrow), decreased (downward arrow) or remained the same between the initial risk rating and the current risk rating (stable arrow).

Risk Status – This will either show as 'open' or 'closed'. If a risk is open then it is still a relevant risk, if the risk is closed then it is no longer a relevant risk; a new risk may be generated where a plan or strategy moves into a new phase.