

**2022/23**

Flintshire County Council  
Annual Governance Statement  
Enclosure 2

Draft V6

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## What is the Purpose of this Document?

This document details our assessment against the Council's Corporate Governance Framework and identifies the areas of best practise and areas for further improvement. The document explains:

- What is the Annual Governance Statement (AGS)?
- Where we are now since the COVID-19 Pandemic
- Comparison of the Effectiveness of the Council's Governance Framework
- Key principles of the Corporate Governance Framework and our statement:
  - Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
  - Principle B - Ensuring openness and comprehensive stakeholder engagement
  - Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Principle E - Developing our organisations capacity, including the capability of our leadership and the individuals within it
  - Principle F - Managing risks and performance through robust internal control and strong public financial management
  - Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- How have we addressed the governance and strategic issues from 2021/22 AGS
- What are the governance issues identified during 2022/23
- What are the strategic issues identified during 2022/23
- Certification of the Annual Governance Statement

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## What is the Annual Governance Statement?

The Accounts and Audit (Wales) Regulations 2018 require us to prepare a statement on internal control. Like many authorities in Wales, this is referred to as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- Acknowledge our responsibility for ensuring that there is a sound system of governance;
- Summarise the key elements of that governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- Describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- Provide details of how we have responded to any issue(s) identified in last year's governance statement; and
- Report on any governance issues identified from this review and provide a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Flintshire County Council during the financial year 2022/23 and up to the date of approval of the Statement of Accounts.

## Where We Are Now Since the COVID-19 Pandemic

COVID-19 Pandemic was a challenging time for the many and even during 2022, we, the Council still continued to face a number of challenges. However, the pandemic has allowed us to redefine and evaluate our strategies, future goals and plans. What was previously the Council's response to the pandemic, for most part has now become 'a new business as usual' model.

The Emergency Management Response Team (EMRT), led by the Chief Executive which worked through significant changes to our working lives and culture has now disbanded. Test, Trace, Protect service also ended in March 2023, transitioning over to the Health Protection Service led by Betsi Cadwaladr University Health Board.

A new policy (Hybrid Working Policy) was implemented in 2022 due to the way in which many employees work on a daily basis has changed radically because of the pandemic. The Welsh Government has also stated its long-term ambition to see around 30% of Welsh workers working from home or near from home, even after the threat of Covid-19 has lessened. A Workforce Consultation will be taking place in June 2023 to assess how the hybrid working model has worked thus far; further data will be available in coming months in response of the consultation. A part of the new policy the Council is delivering more hybrid options and there are opportunities for face-to-face and virtual meetings combined, allowing meetings to become more accessible for the many which is also in accordance with the requirements set out in the Local Governance Elections (Wales) Act.

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## Independent Assurance

### Audit Wales Annual Audit Summary

The Annual Audit Summary sets out the audit and regulatory work completed by Audit Wales of Flintshire County Council since the last annual report which was published in January 2022. Overall the Auditor General for Wales has reached a positive conclusion. *"The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2021-22, as saved by an order made under the Local Government and Elections (Wales) Act 2021."* No formal recommendations have been made during the year.

Our Annual General Meeting of Council was held on 4<sup>th</sup> May, at which point the five committee Overview and Scrutiny structure was agreed.

### Internal Audit Annual Opinion

*"For the year ending 31 March 2023, based on the work of the Internal Audit Service has undertaken my opinion is that Flintshire County Council has an Adequate and effective framework of Governance, risk management and internal control".* Internal Audit, Performance and Risk Manager, Flintshire County Council

### Governance and Audit Committee

The Governance and Audit Committees is a key component of an authority's governance framework. They provide independent and high-level focus on the adequacy of Council's governance, risk, and control arrangements. In accordance with CIPFA's best practice, there is a requirement for the Governance and Audit Committee to be held to account by the Council for the work they undertake. To support this the Governance and Audit Committee presented its Annual Report to Council in January 2023 where it confirmed the Committee had fulfilled its duties in accordance with their Terms of Reference, separately assessed their effectiveness as a Committee and established an action plan to support the Committee, its new members and continuous improvement.

## Chief Finance Officer Statement on Compliance with the Financial Management Code

The CIPFA Financial Management Code (CIPFA FM Code) sets out the principles by which authorities should be guided in managing their finances. It has been developed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The CIPFA FM Code sets out the specific standards that authorities should, as a minimum seek to achieve.

The Code is based on a series of principles including the CIPFA Statement of Principles of Good Financial Management. These principles are the benchmarks for authorities to measure the effectiveness of their financial management and sustainability to enable authorities to:

- financially manage the short, medium- and long-term finances of a local authority;
- manage financial resilience to meet foreseen demands on services; and
- financially manage unexpected shocks in their financial circumstances.

The specific principles within the code include the elements of Organisational Leadership, Accountability, Transparency, Professional Standards, Assurance, and Sustainability.

Each local authority must demonstrate that the requirements of the Code are being satisfied.

As Section 151 Officer I have the Statutory Responsibility (supported by the Chief Officer Team and Elected Members) for ensuring compliance with the FM Code.

As part of the annual review of the Annual Governance Statement I have reviewed our previous assessment of Flintshire's compliance with the FM Code and I can confirm that in my opinion Flintshire is still compliant with the code in the majority of areas.

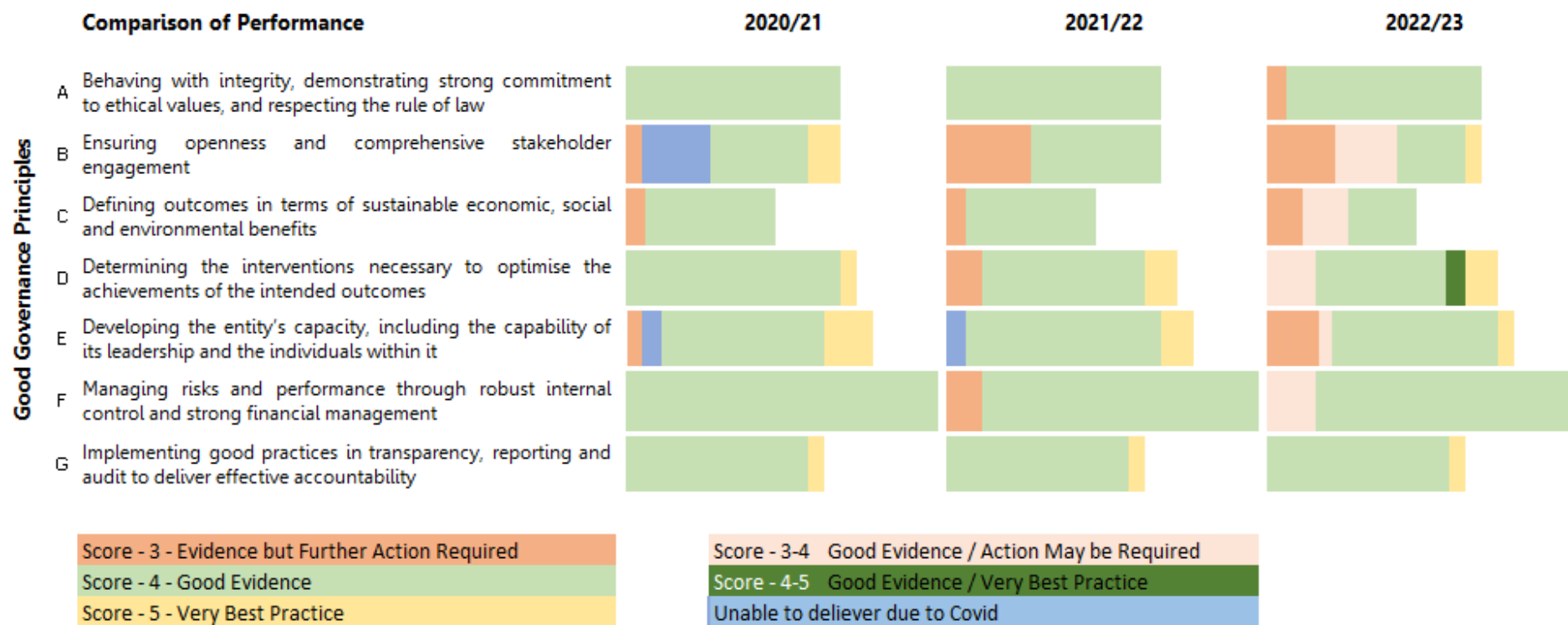
This is supported by the Audit Wales Financial Sustainability Review which was undertaken in 2021 which made no recommendations and required no further actions.

**However, the assessment recognises that, due to the continuing financial challenges for all local authorities, the following areas will require continual review and improvement:**

- A revised indicative funding settlement for 2024/25 is now known requiring the need to urgently prioritise our budget planning requirements.

- As part of the above develop the latest Medium Term Financial Strategy and begin considerations early on options for ensuring a sustainable budget including exploring any opportunities for transformation of services over the medium term.
- Ensure compliance with the process for increased engagement for services in contributing to and signing off method statements for both pressures and cost reductions.
- Complete the assessment of the revised CIPFA Prudential Code for Capital to ensure compliance and to ensure future Capital plans are affordable, prudent and sustainable.
- To review and develop a future approach to budget consultation as part of Stakeholder Engagement.

## Comparison of the Effectiveness of the Council’s Governance Framework



There will not be a separate action for those scored 3-4 if the issue has already been covered by actions to address those scored a 3

### Areas of Very Best Practice:

- (D49) Ensuring the achievement of ‘social value’ or ‘community benefits’ through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is “the additional benefit to the community over and above the direct purchase.
- (E52) Recognising the benefits of partnerships and collaborative working where added value can be achieved.
- (G92) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.



**Further Action Required:**

- (A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation
- (B17, B18, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. Further planning required following the legislation on Local Government and Elections (Wales) Act 2021
- (C29, C32) Delivering defined outcomes on a **sustainable** basis within the resources that will be available and considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
- (E51, E53, E57, E61) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.
- (F66, F73, F74) An Internal Audit review of the risk management framework and risk register was undertaken during 22/23 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward.

## The Main Themes Identified for Improvement for 2022/23

The Council is facing ever more challenges as an organisation due to the continued low level of funding received and the increasing challenges it faces with workforce resilience. The recruitment market following the pandemic is a very different one and the Council is no longer able to compete resulting in many vacancies and the loss of key staff. This combined with increasing aging population and the demand for services is proving challenging not only whether the same level of services can be delivered but how improvements to service delivery can be made.

Taking this into context the Corporate Governance Working Group during 2022/23 reviewed the Council's position against the 7 Good Governance Principles and the 94 Sub Principle. In May 2023 a workshop was undertaken with members from the Governance and Audit Committee to review the Annual Governance Statement scoring in relation to the Good Governance Principles.

Furthermore, an Annual Governance Questionnaire was provided to Cabinet and Chairs and Vice Chairs of Overview and Scrutiny Committees, with the aim of the questionnaire being to determine if Members agreed with the themes that had been identified as areas for improvement.

The four themes identified for improvement are;

- **Improvement in Internal and external stakeholder engagement, consultation and participation**
  - Enhanced decision making to ensure the most appropriate course of action is taken.
  - The ability to receive and use feedback to shape service improvement, including improved complaints handling.
  - Ensuring inclusivity with stakeholder groups and encouragement of public participation.
  - Improved social media presence.
- **Development of the Integrated Impact Assessments (IIAs)**
  - This will ensure FCC assess the impact of their decisions and policies on equality groups, the environment, the economy, and other areas of interest prior to policy / strategy changes.
- **Sustainability of Resources and Resilience of Workforce**
  - Effectively managing service expectations with the resources available with all stakeholders especially
  - Developing and retaining the workforce capacity, recruitment and retention following a pay modelling review.
  - Increase the use of the Welsh language within the workforce.
- **Members Training due to the high intake of new members**
  - Enhanced decision making and challenge process through focused training, facilitated sessions between Chief Officers and Members and the establishments of the action plan.

Five questionnaires were completed by members and of those five questionnaires all members were in agreement with the four themes identified for improvement, stating that;

- Making improvements within these themes will lead to enhanced decision making and shape service improvements
- Develop and retain the workforce capacity is at the crux of service delivery
- It is of paramount importance that all new Members and also employees are provided with relevant training on their roles and responsibilities
- Increasing the use of Integrated Impact Assessments being completed will ensure that Flintshire County Council assesses the impact of any decision made
- All Members agreed that the Welsh language is of great importance and that there needs to be an increase in the use of the language within the workforce

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## Key Principles of the Corporate Governance Framework

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. In the following section we have defined how we achieve the standard against the seven key principles which are:

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Principle B	Ensuring openness and comprehensive stakeholder engagement
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Principle F	Managing risks and performance through robust internal control and strong public financial management
Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

Sub Principles	How we do this / How we achieve this
Behaving with Integrity	<ul style="list-style-type: none"> <li>The behaviour and expectations of Members and Officers are set out in our Codes of Conduct, Constitution, and a suite of policies and procedures</li> <li>Codes of Conduct for Members and Officers specify the requirements around declarations of interests formally and at the beginning of meetings, gifts and hospitality etc</li> <li>We take fraud seriously. Key policies are in place to prevent, minimise and manage such occurrences</li> <li>Compliance with policies and protocols e.g. Contract Procedure Rules</li> <li>Enhanced profile of Internal Audit</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>A set of leadership competencies are deployed in each Portfolio and led by each Chief Officer</li> <li>Our recruitment policy, training and competencies based appraisal processes underpin personal behaviours with ethical values</li> <li>Robust policies and procedures are in place, subject to formal approval prior to adoption by formal committees</li> <li>All contracts and external service providers, including partnerships are engaged through the robust procurement process and follow the Contract Procedure rules regulations</li> <li>Application of the corporate operating model; working internally to promote high standards of professional performance and ethical behaviour to achieve organisational priorities and objectives</li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>We ensure that our Members and Officers fulfil legislative and regulatory</li> <li>We ensure that the full use of the Council powers are optimised by regular challenge and keeping abreast of new legislation to achieve corporate priorities have an Effective Anti-Fraud and Corruption framework</li> <li>Our Monitoring Officer is responsible for ensuring the Council complies with the law and avoids maladministration. Our Constitution and Democratic Services Committee promotes high standards of conduct which are monitored by the Standards Committee</li> </ul>

Areas of Good Evidence 2022/23 (Score of 4)	Areas Identified for Further Improvement 2022/23 (Score of 3)
<ul style="list-style-type: none"> <li>Open decision making on the basis of evidence and the sub principles within Principle A is at the heart of the standard form of reporting that is made to the Council, Cabinet and committees</li> </ul>	<ul style="list-style-type: none"> <li>(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation</li> </ul>

Principle B - Ensuring openness and comprehensive stakeholder engagement

Sub Principles	How we do this/how we achieve this
Openness	<ul style="list-style-type: none"> <li>• Committed to having an open culture, demonstrated through accessible website, policies and procedures and open environment meetings.                             <ul style="list-style-type: none"> <li>○ The most appropriate and effective interventions / courses of action are determined using formal and informal consultation and engagement. Consultation principles</li> <li>○ Formal and informal engagement models with employees and communities e.g. alternative delivery models Member workshops</li> <li>○ County Forum (Town and Community Councils)</li> <li>○ Positive engagement with Trade Unions both formally and informally</li> </ul> </li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• We engage effectively with stakeholders to ensure successful and sustainable outcomes by:                             <ul style="list-style-type: none"> <li>○ Effective application and delivery of communication strategies to support delivery</li> <li>○ Targeting communications and effective use of Social Media (limited currently)</li> <li>○ Effective stakeholder engagement on strategic issues</li> <li>○ Service led feedback questionnaires and events</li> </ul> </li> <li>• Effective use of resources and achievement of outcomes is undertaken by the Council both through informal and formal partnerships:                             <ul style="list-style-type: none"> <li>○ Extensive range of partnerships to support the delivery of the Council’s strategic priorities, including the Public Services Board</li> <li>○ Open and productive partnership arrangements supported by an effective governance framework</li> <li>○ Trust and good relations lead to delivery of intended outcomes e.g. community asset transfers</li> </ul> </li> </ul>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>• The achievement of intended outcomes by services is supported by a range of meaningful guidance on consultation engagement and feedback techniques with individual citizens, service users and other stakeholders</li> <li>• We have structures in place to encourage public participation governed through the Communication and Social Media Policies. These include the following (but not all have been possible during the last year because of Covid restrictions; E-newsletters, The Council’s website, Tenants Forums, Service user groups, Quality circles, Use of infographics</li> </ul>

Areas of Good Evidence 2022/23 (Score of 4)	Areas Identified for Further Improvement 2022/23 (Score of 3)
<ul style="list-style-type: none"> <li>• Formal and informal partnerships from strategic levels (PSB) to operational partnerships (Community Endowment Fund / Regional Armed Forces Partnership)</li> <li>• The joint Flintshire and Wrexham Public Services Board / North Wales Research and Insight Partnership continue to work well</li> <li>• Good management relationship with external partners</li> <li>• Opportunities for discussions and debates ensures the Council has a range of views and perspectives, which are considered when making decisions and provides real value</li> </ul>	<ul style="list-style-type: none"> <li>• (B17, B18, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. A formal Customer and Engagement Strategy is required and will be a key priority for the new Customer Services and Engagement Manager (a new post which has been devised in 2023).</li> </ul>

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub Principles	How we do this/how we achieve this
Defining outcomes	<ul style="list-style-type: none"> <li>• We have a clear vision describing the organisation’s purpose and intended outcomes which is achieved through:                             <ul style="list-style-type: none"> <li>○ Linking of vision and intent to the MTFS</li> <li>○ Service Planning consideration including sustainability of service delivery</li> </ul> </li> <li>• Risk Management is applied consistently at all levels ensuring consistent application of risk process and terminology</li> <li>• The development of the County’s Well-being Plan and delivery of the Public Services Board’s priorities ensure that public services work effectively together to add value</li> <li>• Annual Performance Report contains recommendations of improvements or area of priority working for the following year</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• When deciding future service provision we take a longer-term view, balancing the economic, social, environmental impact along with the wider public interest. This is supported by:                             <ul style="list-style-type: none"> <li>○ Longer term business planning and budgeting using effective forecasting models</li> <li>○ Multi-disciplinary approach to policy development delivering defined outcomes and ensuring fair access to services</li> <li>○ Procurement strategy defines expectations around economic, social and environment benefits which inform service specifications, tenders and contracts</li> <li>○ Communication plans for public and community engagement</li> </ul> </li> </ul>

Areas of Good Evidence 2022/23 (Score of 4)	Areas Identified for Further Improvement 2022/23 (Score of 3)
<ul style="list-style-type: none"> <li>• Member workshops/briefing sessions</li> <li>• In addition to the normal budget management process significant monitoring took place to manage the additional expenses / funding received / reallocation of resources to support the budget pressures – corporate events/meetings with portfolios regarding budget pressures</li> <li>• The Public Services Board has drafted its Well-being Plan 2023 to 2028 Consultation document and is now seeking comments ahead of publishing the final version, to improve local well-being in the area, supporting the achievement of the seven well-being goals for Wales as part of The Well-Being of Future Generations (Wales) Act 2015.</li> </ul>	<ul style="list-style-type: none"> <li>• (C29) Delivering defined outcomes on a sustainable basis within the resources that will be available and managing service expectations effectively with stakeholders and Members</li> <li>• (C32) Considering and balancing the combined economic, social, and environmental impact of policies, plans and decisions when taking decisions about service provision</li> </ul>

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles	How we do this/how we achieve this
Determining interventions	<ul style="list-style-type: none"> <li>• Full engagement with Members on a longer-term basis e.g. Medium Term Financial Strategy (MTFS), Council Plan, Business Planning and other key workforce strategies e.g. digital and procurement</li> <li>• The MTFS and budget setting process provides opportunities for all public, stakeholders to be engaged in considering options.</li> <li>• Active engagement of key decision making in the development of initial ideas, options and potential outcomes and risks e.g. ADM Programme, Gateways</li> <li>• Clear option appraisals, including the use of forecasting models, to ensure best value is achieved</li> <li>• Regular budget monitoring for each Portfolio</li> <li>• Application of Integrated Impact Assessments</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• We established and implemented robust planning and control cycles covering response and recovery through Emergency Management Response Team</li> <li>• We applied the risk management principles when developing the Recovery Strategy and Portfolio Business Recovery Plans</li> <li>• Regular monitoring of business planning, efficiency and reliability including feedback</li> <li>• Service performance is measured by establishing a range of local indicators, which are regularly monitored, reported and used for recovery monitoring</li> </ul>
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Resource requirements are identified through the business planning process, including any projected shortfall in those requirements.</li> <li>• Regular engagement and ownership of the budget process is undertaken through the Chief Officer Team and in consultation with Members through workshops and the scrutiny process</li> <li>• Social values are achieved through the effective commissioning of services and compliance with Council procedures</li> <li>• Consultation and engagement events, particularly relating to ongoing decisions on significant service delivery issues or to changes in the external environment set the context for the MTFS for both residents and employees</li> </ul>

Areas of Very Best Practice 2022/23 (Score of 5)	Areas of Good Evidence 2022/23 (Score of 4)
<ul style="list-style-type: none"> <li>• (D49) Ensuring the achievement of 'social value' or 'community benefits' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community over and above the direct purchase.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring social value through Council activity and procurement is established practice, for which the Council is renowned</li> <li>• The use of historical data to inform the MTFS and looking forward in terms of what the future landscape for services may be and applying a risk-based approach to decision making around the budget setting process</li> </ul>



Principle E - Developing our organisations capacity, including the capability of our leadership and the individuals within it

Sub Principles	How we do this/how we achieve this
Developing our organisation's capacity	<ul style="list-style-type: none"> <li>• We review our operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness through service delivery reviews, performance and risk management and Programme Boards' development and monitoring</li> <li>• We review the sufficiency and appropriateness of resource allocation through techniques such as benchmarking internally against previous performances and to support internal challenge, and normally externally to identify improvement opportunities</li> <li>• Benefits of collaborative and partnership working both regionally and nationally to ensure added value is achieved by linking services and organisation priorities to partnership working</li> <li>• Develop and maintain the workforce plan to enhance the strategic allocation of resources and future workforce and succession planning</li> </ul>
Developing the capability of our organisation's leadership and other individuals	<ul style="list-style-type: none"> <li>• Effective shared leadership which enables us to respond successfully to changing external demands and risks is supported by a range of management and leadership development programme, run in partnership with Coleg Cambria                             <ul style="list-style-type: none"> <li>○ The Leader of the Council and the Chief Executive have clearly defined and distinct leadership roles</li> </ul> </li> <li>• Individual and organisational requirements are supported through:                             <ul style="list-style-type: none"> <li>○ Corporate induction for new employees to the Council and service specific inductions for employees in new jobs</li> <li>○ Opportunities for continued learning and development for employees</li> <li>○ A comprehensive range of learning and development opportunities available</li> <li>○ Feedback and shared learning to the organisations both through reports and interactive sessions such as the Senior leaders 'Academi'</li> </ul> </li> <li>• Support and maintain physical and mental wellbeing of the workforce, via our in-house Occupational Health Service, Care First (Employee Assistance Programme) and a range of internal training and awareness sessions to support mental, financial and physical health related issues.</li> </ul>

<b>Areas of Very Best Practice 2022/23 (Score of 5)</b>	
<ul style="list-style-type: none"> <li>• (E52) Recognising the benefits of partnerships and collaborative working where added value can be achieved.</li> </ul>	
<b>Areas of Good Evidence 2022/23 (Score of 4)</b>	
<ul style="list-style-type: none"> <li>• Partnership and collaborative working – locally, regionally and nationally</li> <li>• Service specific inductions continue to take place</li> </ul>	<ul style="list-style-type: none"> <li>• Lead on regional partnerships e.g. residual waste project</li> <li>• Strong recognition of the wellbeing of employees and support networks provided</li> </ul>
<b>Areas Identified for Further Improvement 2022/23 (Score of 3)</b>	
<ul style="list-style-type: none"> <li>• (E51) Improving resource use through appropriate application of techniques such as benchmarking and other options to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.</li> <li>• (E53) Developing and maintaining an effective workforce plan to enhance strategic allocation of resources following the pay model review</li> <li>• (E57) Developing the capabilities of Members and senior management to achieve effective shared leadership and to enable the authority to respond successfully to changing legal and policy demands as well as economic, political and environmental changes</li> <li>• (E61) Ensuring that there are structures in place to encourage public participation</li> </ul>	

## Principle F - Managing risks and performance through robust internal control and strong public financial management

Sub Principles	How we do this/how we achieve this
Managing risk	<ul style="list-style-type: none"> <li>The Council has clear and concise risk management framework. There are a number of risk registers which are reported regularly which outline the risks faced by the Council and its service areas. These all include, current risk ratings and target risk ratings supported by mitigation comments</li> </ul>
Managing performance	<ul style="list-style-type: none"> <li>Members and senior management are provided with regular reports on service performance against key performance indicators and milestones against recovery objectives</li> <li>Members are clearly and regularly informed of the financial position and implications including environmental and resource impacts</li> </ul>
Robust internal control	<ul style="list-style-type: none"> <li>Internal Audit provides the Council, through the Governance and Audit Committee, with an annual independent and objective opinion on the adequacy and effectiveness of the Council’s internal control, risk management, governance arrangements and associated policies.</li> <li>We are dedicated to tackling fraud as detailed within the Anti-Fraud and Corruption Strategy, Fraud Response Plan, and Whistleblowing Policy</li> </ul>
Managing data	<ul style="list-style-type: none"> <li>We have effective strategic direction, advice and monitoring of information management with clear policies and procedures on personal data and provide regular training to ensure compliance with these</li> <li>We have appropriate Information Sharing Protocols in place in respect of all information shared with other bodies</li> <li>The quality and accuracy of data used for decision making and performance monitoring is supported by guidance from a range of professional bodies</li> <li>Internal Audit review and audit regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul>
Strong public financial management	<ul style="list-style-type: none"> <li>Our Financial management arrangements support both the long-term achievement of outcome and short-term financial performance through the delivery of the MTFS</li> <li>Setting a prudent Minimum Revenue Provision for the repayment of debt</li> <li>The integration of all financial management and control was reviewed as part of the finance modernisation project</li> </ul>

Good Evidence 2022/23 (Score of 4)	Areas Identified for Further Improvement 2022/23 (Score of 3)
<ul style="list-style-type: none"> <li>Maintained performance monitoring at mid and end of year</li> <li>The new Performance and Risk Management System (InPhase) continues to be further developed and improved upon</li> </ul>	<ul style="list-style-type: none"> <li>(F66) Embedding the risk management framework</li> <li>(F73) Continuing to align the risk management framework and policies on internal control with achieving the Council’s objectives</li> </ul>

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principles	How we do this/how we achieve this
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• We recently improved the layout and presentation of our reports in order to improve the presentation of key information to decision-makers and monitor this regularly</li> <li>• We are mindful of providing the right amount of information to ensure transparency</li> <li>• A review of information sharing protocols has been undertaken and new principles adopted</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• We report at least annual on the achievement and progress of our intended outcome and financial position. This is delivered through the Annual Performance report assessing performance against the Council Plan</li> <li>• Progress against the Well-being Plan</li> <li>• Annual Statement of Accounts</li> <li>• Our Annual Governance Statement is published following robust and rigorous challenge to assess and demonstrate good governance</li> </ul>
Assurance and effective accountability	<ul style="list-style-type: none"> <li>• Through robust assurance mechanism, we can demonstrate effective accountability. These mechanisms include:                             <ul style="list-style-type: none"> <li>○ Internal Audit undertakes independent reviews to provide an annual assurance opinion of the Council’s control, risk management, and governance framework. To allow this Internal Audit has direct access to Chief Officer and Members of the Council</li> <li>○ All agreed actions from Internal Audit reviews are monitored regularly through monthly reports to Chief Officers and each Governance and Audit Committee</li> <li>○ Any ‘limited/red’ assurance opinions are reported to Governance and Audit Committee in full and progress monitored closely</li> <li>○ Peer challenge and inspection from regulatory bodies and external compliance reviews. The outcomes from these inspections are used to inform and improve service delivery</li> <li>○ Through effective commissioning and monitoring arrangements and compliance with Council’s procedures, we gain assurance on risk associated with delivering services through third parties and any transitional risks</li> <li>○ Reports are presented to Cabinet and an annual report to Governance and Audit Committee of external feedback from regulatory work and peer reviews along with the Council’s responses</li> </ul> </li> </ul>

Areas of Very Best Practice 2022/23 (Score of 5)	Good Evidence 2022/23 (Score of 4)
<ul style="list-style-type: none"> <li>• (G92) Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Open and embracing attitude / good evidence. Increased working through the workshops for all regulatory bodies in early 2021 to give an overview of suggested plans and areas of work</li> </ul>

## How Have We Addressed the Governance and Strategic Issues From 2021/22 AGS?

The 2021/22 Annual Governance Statement contained 8 governance and 9 strategic issues. Of these areas:

- One Internal Governance issues were closed and detailed within the table below;
- Two Internal Governance issues have been reduced to green with almost all actions completed. This is detailed within the table below;
- Seven Internal Governance issues remain open and these are included within the 2022/23 actions;
- None of the strategic issues were closed from the 2020/21 AGS and remain in place for 22/23;
- Two strategic risks were reduced in score due to the mitigation actions in place;
  - i) from red to amber; and
  - ii) from red to green

## Progress Updates For Significant Governance Issues Reported in the 2021/22 AGS

The review of the effectiveness of the Council’s governance framework identified nine strategic issues during 2021/22. Progress updates of how the risk has been addressed and if it remains open is provided below:

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
(B17, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. Further planning required following the legislation on Local Government and Elections (Wales) Act 2021	An action plan is being developed to make improvements in the coming year a review of the Council’s Consultation Strategy.	<b>Open</b>	Following a service review in late 2022, a new Customer Service and Communications Manager is expected to be appointed early in the new year. A priority will be to develop a Consultation and Engagement Strategy for the Council, working alongside the Communications Officer. The intention of the strategy is to have a clear and consistent approach to consultation and engagement across all services which will enable better sharing of customer insight. The strategy will act as a toolkit to assist services to consult and engage with communities successfully.	<b>Amber</b>

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
(C30) Identifying and managing risks to the achievement of outcomes.	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<b>Open</b>	This is in progress. The Revised Risk Management Framework has been approved by Governance and Audit committee in November 2022, shared with Officers and available on the Council's Infonet. Officers are currently reviewing their risks in line with the new framework. These will be transferred onto the new Business Planning, Performance and Risk Management System.	<b>Amber</b>
(D39) Engaging with internal and external stakeholders in determining how services and other interventions can best be delivered.	In relation to the Public Services Board, improvements could be made to ensure greater engagement of internal and external stakeholders in determining interventions which would provide greater synergy between the strategic partnership and operational delivery	<b>Open</b>	This has been undertaken and employees of PSB organisations have been advised of the consultation on the draft plan to get involved. The consultation was also open to other stakeholders and conducted in line with statutory guidance. The Well-being Plan is in the final stages of completion and approval by the statutory PSB members. The PSB will then look to engage colleagues from across the partner organisations to form working/action groups to ensure achievement of the PSB well-being objectives.	<b>Green</b>
(D40) Considering and monitoring risks facing each partner when working collaboratively including shared risks.	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<b>Open</b>	<p>The Council works closely with ADMs and some of the Community Asset Transfers (CAT) and through this any risks will be identified and monitored. Capital Programme and Assets are looking to enhance risk recording and monitoring so this may sit with that in future.</p> <p>This requirement has also been included within the review Risk Management Framework</p>	<b>Amber</b>

Internal Council Governance issues	Mitigation Actions	Current Status	Progress Update	Progress RAG
(F66, 73, 74) An Internal Audit review of the risk management framework was undertaken during 21/22 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward.	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<b>Closed</b>	Complete – Action plan presented, and the New Risk Management Framework approved by Governance and Audit Committee in November 2022.	<b>Green</b>
Red / Limited Assurance Audit – Drury Primary School	Full Action Plan has been developed and shared with Governance and Audit Committee in June 2022	<b>Open</b>	One action remains partly outstanding. This relates to the establishment of a rental agreement. Revised due date 30 June 2023.	<b>Green</b>
Red / Limited Assurance Audit – Homelessness and Temporary Accommodation	Full Action Plan has been developed and shared with Governance and Audit Committee in March 2022	<b>Open</b>	Work is ongoing to address these issues however to date all actions remain open. The implementation of actions has been impacted on the available resources within the service.	<b>Red</b>
Red / Limited Assurance Audit – Contract Management: Residential Development	Full Action Plan has been developed and shared with Governance and Audit Committee in November 2021	<b>Open</b>	Work is ongoing to address these issues. Two actions have been implemented. The officers from the Service attended Governance and Audit Committee in November to provide members will a progress update.	<b>Amber</b>

## Progress Updates For Significant Strategic Issues Reported in the 2021/22 AGS

The review of the effectiveness of the Council’s governance framework identified nine strategic issues during 2021/22. Progress updates of how the risk has been addressed and if it remains open is provided below:

Strategic issues for 2021/22	Current Risk Rating	Mitigation Actions	Current Status	Progress Update	Progress RAG
<p><b>CF05</b> – An increase in the level of debt owed to the council</p>	<p><b>Amber</b></p>	<ul style="list-style-type: none"> <li>• Collection of income continues</li> <li>• Active engagement with taxpayers, tenants, customers and businesses to offer flexible arrangements</li> <li>• Enforcement has begun for taxpayers and tenants who are falling into debt and not made any contact with us</li> <li>• Risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) including a review of the adequacy of levels of bad debt provision across the Council</li> <li>• Additional funding (circa £1.05m) from Welsh Government to compensate for losses of 2020/21 council tax collections is helping to provide financial resilience as we enter the recovery phase</li> </ul>	<p><b>Open</b></p>	<p>Debt Recovery work is ongoing and is targeted at those households and businesses who are falling into arrears in excess of two months of payments.</p> <p>Where necessary, legal action through the courts is being taken on a monthly basis.</p> <p>Council Tax Collections are very marginally lower than collections in the previous year (i.e. 0.2% lower) but reflect the ongoing cost-of-living crisis and the impact on households and businesses.</p>	<p><b>Amber</b></p>

<p><b>CF14</b> - Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• Regular weekly monitoring of the financial impact by the Housing Rents team to track in-year rent collection levels and compare to previous year</li> <li>• Continued use of Mobyssoft 'Rent Sense' to identify early arrears cases to allow the team to engage with and support these tenants by signposting to the support that may be available for the payment of Housing Rents</li> <li>• Reporting impacts to Financial TCG on a regular basis</li> <li>• Regular referral of cases to an officer led Case Review Panel to ensure all housing interventions are coordinated and cases at risk of homelessness are tracked by all teams</li> <li>• Increase of resource levels to support the work in rent income service</li> </ul>	<p><b>Open</b></p>	<p>Collection of housing rent arrears remains challenging for the service given the cost-of-living crisis has a disproportionate impact on residents who have limited scope and financial resilience to meet the rising costs of living.</p> <p>The mitigation actions are continuing to control, where possible, the rising levels of arrears, as well as supporting tenants and preventing homelessness.</p> <p>Rent Arrears, on average, are £250k higher than in the previous financial year.</p>	<p><b>Red</b></p>
<p><b>CW10</b> - Impacts of the third wave in the pandemic on the continuous availability of key workers to operate services in a further response phase</p>	<p><b>Green</b></p>	<ul style="list-style-type: none"> <li>• Key workers will be invited to attend for a flu vaccine when they are available</li> </ul>	<p><b>Open</b></p>	<p>Occupational health attended 86 venues (Schools, Alltami, Ty Dewi Sant and Llwynegrin) and delivered 2,645 vaccines between 14 September and 1 November 2022. As part of a pre-agreed, partnership approach, they also co-delivered COVID booster vaccines with BCUHB at Ty Dewi Sant.</p>	<p><b>Green</b></p>



<p><b>EY01</b> - Secondary schools are not financially viable due to insufficient base funding</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• Risk associated with insufficient base budgets for secondary schools included in the MTFS.</li> <li>• Funding Formula review.</li> </ul>	<p><b>Open</b></p>	<p>Additional funding allocated to support schools in a deficit position in the 2021/22 budget. This recurring budget is being used to target support to Secondary Schools in deficit.</p>	<p><b>Amber</b></p>
<p><b>EY06</b> - Insufficient funding to deliver new archive premises</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• Regular progress monitoring meetings between the Archive Project Board of senior officers and political leaders.</li> <li>• Cabinet and Executive support for the bid to National lottery Heritage Fund with formal commitment to provide capital funding to top up the scheme from both Flintshire and Denbighshire.</li> <li>• Effective project management ensuring the project is progressing within budget and timescales.</li> <li>• Revise project to reduce costs, develop further applications to the Wales Lottery Heritage Fund and explore other funding streams (Stage 1 bid submitted to the National Lottery Heritage Fund was unsuccessful. This has created a significant financial shortfall of £8.5m)</li> <li>•</li> </ul>	<p><b>Open</b></p>	<p>The Archive Project Board of Flintshire and Denbighshire officers and cabinet members continue to work towards securing funding for this project. Reports to both Cabinets will be presented later in the Spring which will provide a detailed overview of the capital proposal and potential future bids to the National Lottery Heritage (Wales) Fund.</p>	<p><b>Red</b></p>

<p><b>HA06</b> - Impacts on income stream based on delayed/non recovery of housing benefit overpayment</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• Financial monitoring – Budget and Income</li> <li>• Contacting customers to arrange to repayment plans at a level which suits their new income</li> <li>• Offering customers support and advice to claim available benefits</li> </ul>	<p><b>Open</b></p>	<p>Recovery for 2022/23 closed as £387,664.52. This was below the £450k target and it is highly likely they will stay this way for this financial year.</p> <p>Recovery is still at a slower rate than pre-pandemic, partly due to the current financial situation and rising cost of living, but also due to the reduction in the Housing Benefit Caseload and staff resource being diverted to support other service pressures.</p> <p>It is also important to note there has been a significant decrease in the value of HB Overpayments being created so it is inevitable that the value recovered would also decrease. The target of £450k is therefore much harder to achieve now than it was in 2019/20 when £839,396 of HBOP was created.</p>	<p><b>Red</b></p>
<p><b>ST24a</b> - Unable to progress with key infrastructure improvement projects due to resilience in staff, contractors and supply chain</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• The service is continuing to see an issue in the supply chain to progress infrastructure projects. This is resulting in delays to schemes however the overall impact of progress is not resulting in project failure.</li> <li>• Each grant funded project is given a project team to control delivery within specified timescales. Additional partners (consultants; WRAP) have been engaged in projects to support staff with delivery.</li> </ul>	<p><b>Open</b></p>	<p>The situation with regards to supply chain issues hasn't changed due to the current market conditions. In addition, our current staffing situation also hasn't improved however, this is also national problem and not specific to Flintshire.</p> <p><i>This is now classed as an operational risk and not a Strategic risk following the review of all Portfolio Risks.</i></p>	<p><b>Red</b></p>
<p><b>SS01</b> - Expenditure on out of county placements increases as placement costs</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• Develop in house residential care services for children with complex needs who would otherwise need to be placed out of county.</li> <li>• Grow our in-house fostering service to</li> </ul>	<p><b>Open</b></p>	<p>We are on track for three in-house Residential Care Homes to become registered by 31/3/23 – subject to CIW approval and processing times.</p>	<p><b>Amber / Red</b></p>

<p>increase in a demand led market</p>		<p>support more looked after children within Flintshire.</p>		<p>The expansion of in house fostering includes approval of two general foster carers with a further three going through assessment. Three connected persons have been approved, with four being provided temporary approval.</p> <p>The Special Guardianship Orders (SGO) service has grown in strength with a further five SGO's granted and three cases with court dates pending.</p> <p><b>The market development element of this risk is Amber however, the risk to the budget remains Red</b></p>	
<p><b>SS29</b> - Insufficient capacity in the social care workforce (social work and occupational therapy) is a risk to the reputation of the Council and its ability to fulfil its statutory and essential functions with respect to social care</p>	<p><b>Red</b></p>	<ul style="list-style-type: none"> <li>• We are experiencing significant challenges in workforce recruitment within a highly competitive market, where people are choosing other, often better paid, career choices. A regional and local analysis of the underlying issues and actions to mitigate has been developed and will require national support and funding as well as local action.</li> <li>• Project team meets fortnightly and reports to the Portfolio Programme Board.</li> <li>• In the short term we have moved to a 12-month market supplement for Level 3 Childcare Social Workers.</li> </ul>	<p><b>Open</b></p>	<p>A social work review has taken place aimed at developing a structure that supports recruitment and retention. Subject to final consultation the new framework will be implemented in February 2023 and provide an exit strategy for the market supplement for level 3 childcare social workers. A comprehensive marketing campaign has been designed to support recruitment. Until vacant posts are filled workforce pressures remain and we are reliant on agency social workers to support the delivery of statutory functions.</p>	<p><b>Red</b></p>

## What are the Governance Issues Identified During 2022/23?

The review of the effectiveness of the Council’s governance framework identified one internal governance issue during 2021/22. Details of how the issue has been addressed and if it remains open is provided below:

Internal Council Governance issues for 2022/23	Mitigation Actions
<ul style="list-style-type: none"> <li>(A1) Ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation</li> </ul>	<ul style="list-style-type: none"> <li>Action plan for to enhance new Members understanding of their role</li> <li>Workshop for Members</li> <li>To provide relevant training and learning opportunities</li> </ul>
<ul style="list-style-type: none"> <li>(B17, B18, B21, B23, B24, B25) Circumstances have curtailed our ability to consult and engage, but not the willingness to do so. Further planning required following the legislation on Local Government and Elections (Wales) Act 2021</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of Customer Services and Engagement Manager</li> <li>Creating a Customer and Engagement and Public Participation Strategies</li> <li>Improving the Council’s presence on social media platforms</li> <li>Use of Council’s complaints and feedback for continued service improvement</li> </ul>
<ul style="list-style-type: none"> <li>(C29, C32) Delivering defined outcomes on a <b>sustainable</b> basis within the resources that will be available and considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.</li> </ul>	<ul style="list-style-type: none"> <li>Review of the pay model</li> <li>Integrated Impact Assessments to be utilised and happen consistently across all portfolio’s</li> <li>Review the challenges with vacancy management</li> </ul>
<ul style="list-style-type: none"> <li>(E51, E53, E57, E61) Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority’s resources are allocated so that outcomes are achieved effectively and efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>Develop the use of APSE</li> <li>Career conversation to form part of the appraisal</li> <li>A review of the Member Development</li> </ul>
<ul style="list-style-type: none"> <li>(F66, F73,) An Internal Audit review of the risk management framework and risk register was undertaken during 22/23 and has highlighted some areas for improvement to build upon the risk management framework and processes going forward.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to embed the Risk Management Framework</li> <li>The development and implementation of InPhase continues</li> <li>Roll out of the E-learning risk management training module</li> </ul>

## What are the Strategic Issues Identified During 2022/23?

The review of the effectiveness of the Council’s governance framework identified 28 strategic issues (Red Risks) during 2022/23. Details of how the issue has been addressed and if it remains open is provided below:

Strategic Issues for 2022/23	Mitigating Actions
<p><b>EY01</b> - Secondary schools are not financially viable due to insufficient base funding and falling pupil numbers</p>	<ul style="list-style-type: none"> <li>• Challenge and support meetings with Headteacher/School Business Manager and regular budget monitoring sessions with schools to confirm adherence to licensed deficit protocol</li> <li>• Financial Performance Monitoring Group meetings</li> <li>• Schools’ pupil funding Formula review</li> <li>• Local Authority approval mechanisms for recruitment in schools with budget deficits</li> </ul>
<p><b>EY06</b> - Insufficient funding to deliver new archive premises</p>	<ul style="list-style-type: none"> <li>• Archive Project Board of senior officers and political leaders meets regularly to monitor progress of the bid</li> <li>• Cabinet and Executive support for the bid to National Lottery Heritage Fund (NLHF) with formal commitment to provide capital funding to top up the scheme and reporting through the Cabinet cycle</li> <li>• Effective project plan, project risk registers and Project Manager in place ensures project is progressing within budget and timescales with regular reports to Archive Project Board to track progress</li> <li>• Effective working with the Museums and Libraries Division of Welsh Government who are providing expert advice</li> <li>• Support from The National Archive for the bid and partnership working in place – gives the bid credence. The project is fully supported by Welsh Government and The National Archive</li> <li>• Expert consultant procured with significant expertise in developing heritage funding bids</li> </ul>
<p><b>EY13</b> - Inability to fully deliver on Welsh Government's Sustainable Communities for Learning Programme due to financial, workforce and contractor implications</p>	<ul style="list-style-type: none"> <li>• Effective project plans, project risk register and Project Officers in place ensure projects are progressing within budget and timescales with regular reports to Education programme and Capital and Assets Programme Boards to track progress</li> <li>• Regular reporting and dialogue with Welsh Government</li> <li>• Regular dialogue with North Wales Construction Partnership contractors and supply chain</li> </ul>

Strategic Issues for 2022/23	Mitigating Actions
<b>EY36</b> - External Grants for Revenue Expenditure	<ul style="list-style-type: none"> <li>Monitoring through monthly Portfolio Finance Meetings; Education programme Board</li> </ul>
<b>CG02</b> - Significant Loss of Corporate data and systems due to security / environmental / Technical incident	<ul style="list-style-type: none"> <li>Maintain a valid PSN and prepare for Cyber Essentials Accreditation.</li> <li>Participation in National Security Groups, such as Warp, and constant review of National Cyber Security Centre guidance.</li> <li>Use of Citrix technologies provides a secure environment which delivers the majority of our business systems.</li> <li>Maintain a second active datacentre allows for the continual provision of critical systems.</li> <li>Utilise strong security controls, vulnerability management and delivery mechanism to reduce this risk.</li> <li>Development of Cyber incident response and recovery plan.</li> <li>Regular review and testing of IT Disaster Recovery Plan.</li> <li>Identify list of critical business applications.</li> <li>Complete full review on IT Security Policies Risk is being taken into account in the review of the Medium-Term Financial Strategy (MTFS) including a review of the adequacy of levels of bad debt provision across the Council</li> <li>Additional funding (circa £1.05m) from Welsh Government to compensate for losses of 2020/21 council tax collections is helping to provide financial resilience as we enter the recovery phase</li> </ul>
<b>CC01</b> – Non-compliance of the Welsh Language Standards	<ul style="list-style-type: none"> <li>Commitment to advertise Welsh language as an essential skill first time when recruiting to frontline posts to ensure compliance with Welsh Language Standards and Welsh speakers can access services in their preferred language</li> <li>Recruit a percentage of fluent Welsh speakers</li> </ul>
<b>GO10</b> - Failure to meet agreed deadlines within the Digital Strategy	<ul style="list-style-type: none"> <li>Investigate the potential for automation to free up resource within the IT Service.</li> <li>Continue with the DSB prioritisation process to reduce burden at any one time.</li> </ul>
<b>CF14</b> - Impact on the Housing Revenue Account (HRA) of a sustained loss of housing rent due to the financial position of tenants	<ul style="list-style-type: none"> <li>Continuous review of Bad Debt Provisions for Housing rents</li> <li>Provision rates are set high for aged debt; therefore, it is assumed that the provision calculations are adequate at this stage, but this will be reviewed regularly"</li> <li>Fortnightly case review panel to identify and track cases of serious arrears and identify and coordinate responses across the portfolio</li> </ul>

Strategic Issues for 2022/23	Mitigating Actions
<p><b>NR03</b> - The Council is unable to meet its homelessness statutory obligations due to shortages in staff, budgetary pressures, and lack of available accommodation</p>	<ul style="list-style-type: none"> <li>• Monitor demand for homeless services with a view to informing workforce, prevention activities and homeless accommodation planning</li> <li>• Monitor levels of emergency accommodation with a view to informing workforce, move-on activities and homeless accommodation planning</li> </ul>
<p><b>NR04</b> - The Council does not have access to sufficient/adequate/ right type of housing supply to meet the demands of those individuals on the common housing register and due to the increase in the levels of homelessness.</p>	<ul style="list-style-type: none"> <li>• Monitoring Common Housing Register data to ensure the Local Authority has strategic oversight for housing needs to include future build plans and redevelopment of housing stock and/or future policy changes</li> <li>• Ensure Common Allocations Policy adhered to when assessing housing needs and eligibility for Common Housing Register</li> <li>• Use Common Housing Register data to inform Housing Strategy and redevelopment and new build plans for affordable housing as annually through the Housing Prospectus</li> <li>• Monitor notices from within the private sector resulting in homeless presentations to inform future engagement strategies for landlords and agents and scope for purchase options on the back of recent changes from Welsh Local Government Association (WLGA) on the Social Housing Grant (SHG) programme</li> <li>• Monitor expenditure on homeless emergency accommodation with a view to informing financial risk and MTFS / budget planning</li> </ul>
<p><b>NR05</b> – Delays in pre-construction process due to planning and Sustainable Drainage Approval Body (SABS) applications</p>	<ul style="list-style-type: none"> <li>• Monitor programme deliverables in line with agreed timescales and budget.</li> <li>• Delivery risks to be highlighted at regular intervals to Housing Programme Board, Assets Board and Chief Officer of Housing and Communities and any mitigating actions identified and implemented.</li> <li>• Key milestones in pre-construction to be monitored on a scheme-by-scheme basis with the development teams for Flintshire County Council (FCC) projects and Registered Social Landlords (RSL) partners for the PDP (Planned Development Programme). These will be WLGA technical approval, planning approval, SABS approval, contractor appointment and scheme approval.</li> <li>• Mitigations will be realistic time assumptions for SABS, WLGA technical approval and planning processes, resource, redeployment to address “pinch points” and adjustment to PDP to bring forward alternative schemes to maximise SHG allocations to FCC.</li> </ul>

Strategic Issues for 2022/23	Mitigating Actions
<p><b>HA06</b> - Impacts on income stream based on delayed/non recovery of housing benefit overpayment</p>	<ul style="list-style-type: none"> <li>• Financial monitoring – Budget and Income</li> <li>• Contacting customers to arrange to repayment plans at a level which suits their new income</li> <li>• Offering customers support and advice to claim available benefits</li> </ul>
<p><b>PE12</b> - The implications of Ash Dieback on finances and reputation of the Council due to the scale of the problem and the ability to make safe trees on or adjacent to Highways and Council amenity land which pose a risk to life or property</p>	<ul style="list-style-type: none"> <li>• The timetable has been revised for planned surveys that could not be carried out whilst in lockdown to make best use of the limited survey window between July and September and to enable planned remedial works to be carried out October to February, to make safe those areas identified in the survey.</li> <li>• During the survey period we have established sites that will require further investigation, and this will be built into future work programmes.</li> <li>• Prioritised surveys on Highway Routes and other FCC land with public access and school grounds as areas that have the highest risk rating for injury or damage.</li> <li>• Engaged with external Legal Counsel to advise on Ash Die Back plan, Risk Assessments and inspection regime, to test for appropriateness and reasonableness.</li> </ul>
<p><b>PE33</b> - Prevent delays in development proceeding by mitigating the impact of Phosphates</p>	<ul style="list-style-type: none"> <li>• The Local Development Plan (LDP) has a backstop policy (EN6) to ensure that new development cannot be improved without suitable mitigation being identified and/or put in place.</li> <li>• The Dee Catchment Phosphorous Reduction Strategy (DCPRS) measures will be sufficient to allow the Inspector to conclude that the plan can be adopted, but it is critical that the Council then follow this recommendation and adopt the LDP.</li> <li>• Further work is underway to ensure that the Council, as a responsible body under the Habitat Regulations, can identify suitable and deliverable phosphate mitigation. This involves assessing the feasibility of developing wetlands downstream of wastewater treatment works, as well as developing a short-term local action plan to assist developers and the Council to facilitate new development in affected areas of the County.</li> <li>• The Council should agree to be represented on the forthcoming Nutrient Management Board when it is convened (Wrexham CBC taking the lead) and use its membership to engage with other key catchment stakeholders as well as seeking to hold those also responsible for mitigating phosphates to account.</li> </ul>
<p><b>PE34</b> - Failure to update the Council's Flood Risk Management Strategy to mitigate the flood risk to vulnerable communities</p>	<ul style="list-style-type: none"> <li>• The present strategy was produced in 2013 and does not identify areas at risk or an action plan to mitigate this risk. It was produced as a high-level document that mainly identified the respective responsibilities of the Council as Lead Local Flood Authority (LLFB), and those of other flood risk management organisations such as Welsh Water and Natural Resources Wales.</li> </ul>



Strategic Issues for 2022/23	Mitigating Actions
	<ul style="list-style-type: none"> <li>The Council's approach to dealing with flooding and flood risk is presently reactive in the main, responding to the consequences of severe weather events. There is also no single team that deals with all aspect of drainage and flood risk and whilst work is co-ordinated between the Flood Risk Management Team and Street Scene, severe recruitment difficulties in the former team mean that there is currently no internal technical officer capability to deal with the roles of LLFA and SAB.</li> <li>The Council has developed a three year support contract with a specialist Hydrological Consultancy which is allowing the Council to fulfil its SAB role and still respond to its flood investigation role. Even when the Council is successful with internal recruitment, it is recommended that this relationship is maintained in some form or other going forward.</li> </ul>
<p><b>PE42</b> - Slow progress with the Strategic Development Plan (SDP) fails to set context for Local Development Plan 2</p>	<ul style="list-style-type: none"> <li>Discuss progress on SDP with Welsh Government and North Wales LPAs</li> </ul>
<p><b>SS01</b> –Expenditure on out of county placements increases as placement costs increase in a demand led market.</p>	<ul style="list-style-type: none"> <li>Working with local providers to reshape the residential market</li> <li>Maximising local housing options</li> </ul>
<p><b>SS09</b> - Insufficient numbers of residential and nursing beds to meet demand because of the long-term fragility and instability of the care home sector and challenges in the recruitment of staff</p>	<ul style="list-style-type: none"> <li>Ensure that ongoing actions are maintained to manage the inherent instability in the residential and nursing care market, including approaches to marketing and recruitment</li> <li>Continue to work with corporate colleagues re. capital investment to support the development of in-house provision for individuals with dementia or learning disabilities, and Extra Care provision</li> <li>Continue to build resilience in the services to maintain and increase the current level of provision</li> <li>Working with providers to identify potential business viability issues due to loss of income as a result of COVID-19</li> <li>Continue to utilise the additional capacity established in the independent sector as a service response to COVID-19 (The Oaks)</li> <li>Impact assessment of need for additional capacity provided by Ty Treffynnon to continue post-recovery (in house service response)</li> <li></li> </ul>
<p><b>SS10</b> - Insufficient capacity to provide the quantities and levels of care to clients at home and in the community because of challenges in recruitment of direct care workers and instability in the care market</p>	<ul style="list-style-type: none"> <li>Utilising the Care@Flintshire portal to promote vacancies</li> <li>Working with providers to establish appropriate fee rates</li> <li>Regional Domiciliary Care Agreement in place</li> <li>Value Based recruitment</li> </ul>

Strategic Issues for 2022/23	Mitigating Actions
<p><b>SS22</b> - An insufficient supply of placements leads to young people being placed in unregistered settings</p>	<ul style="list-style-type: none"> <li>• Implement Multiagency Support Team to work with families of young people on the edge of care and prevent placement breakdown</li> <li>• Combat exploitation through the Strategic and Operational MET (Missing, Exploitation, Trafficking) group</li> <li>• Develop policies and models to attract new foster carers and expand the type of placements offered</li> <li>• Working with local providers to reshape the residential market</li> <li>• Maximising local housing options</li> </ul>
<p><b>SS29</b> - Insufficient capacity in the social care workforce (social work and occupational therapy) is a risk to the reputation of the Council and its ability to fulfil its statutory and essential functions with respect and care</p>	<ul style="list-style-type: none"> <li>• The social work staffing structure has been reviewed to provide better opportunities for recruitment and retention and reduce the need for agency staff, with a view to create experience and capacity in the workforce with a competitive pay structure and mitigate the risk of escalating agency costs.</li> </ul>
<p><b>ST-S07</b> - Inability to achieve national recycling targets due to increased residual waste tonnages collected</p>	<ul style="list-style-type: none"> <li>• Undertake a review of the Council Waste Strategy to identify improve service delivery methods to minimise residual waste disposal and increase recycling.</li> </ul>
<p><b>HR09</b> - The Pay model and associated costing may increase/decrease depending on when a) agreement is reached and b) when the new pay model is implemented due to changes in structure and/or headcount.</p>	<ul style="list-style-type: none"> <li>• Pay modelling will be undertaken with an up to date set. An aspirational implementation date is 01/10/2023 to minimise cost in year (half year effect).</li> </ul>
<p><b>HR24</b> - Changes to holiday pay calculations and practices in light of the Supreme Court Judgement in Harper Trust and Brazel</p>	<ul style="list-style-type: none"> <li>• An alternative term time calculation (which applies to those employees who work less than 52.14 weeks a year) was implemented with effect from 1 April 2023. This calculation is deemed to be compliant with the outcome of the Harper Trust and Brazel supreme court judgment and incorporates the permanent increase of one day (pro rata for part-timers) to their annual leave entitlement provided for in the Local Government Services Pay Agreement 2022-23.</li> <li>• Other elements (including compensation in lieu of back pay) are being worked through by a joint working group (HR, Finance, TUs)</li> </ul>
<p><b>CF18</b> - Impact on the stability of the Medium-Term Financial Plan of increases in service demand, high inflation and reduced future</p>	<ul style="list-style-type: none"> <li>• Regular monitoring of the financial impact across the organisation</li> <li>• Analysis of funding support announcements by WG in line with above</li> <li>• Reporting impact to Financial TCG on a weekly basis</li> </ul>

Strategic Issues for 2022/23	Mitigating Actions
Welsh Government Local Government Settlements	<ul style="list-style-type: none"> <li>• Weekly engagement with Society of Welsh Treasurers (SWT) to gain all Wales position</li> <li>• Regular liaison with WLGA contacts re escalation with Welsh Government</li> </ul>
<b>CPA01</b> - Impact of restructuring and efficiency savings over time. Resulting in reduction in HR to point where fulfilling current and increasing service demand is untenable	<ul style="list-style-type: none"> <li>• Commission service delivery, with supporting budget</li> <li>• Explore different ways of working</li> <li>• Review workload/demand and resource</li> </ul>
<b>CPA12</b> - Failure to secure mutually agreeable new agreement with Aura / Newydd could lead to financial, reputation, legal and service implications	<ul style="list-style-type: none"> <li>• Consultants and external specialists commissioned to provide support</li> <li>• ADM/FCC 'Partnership' meetings</li> </ul>
<b>CPA13</b> - Lack of resource to respond swiftly to increasing demand of capital projects with grant funding requiring swift/in-year spend. May result in loss of grant funding and/or high profile project failure	<ul style="list-style-type: none"> <li>• Commissioning services need to challenge via established routes</li> </ul>
<b>CPA17</b> - Impact of workload demand and HR issues on remaining employees	<ul style="list-style-type: none"> <li>• Review services and seek to cease delivery of some</li> <li>• Recruit more employees</li> </ul>

\* The strategic risks identified for 2022/23 are kept under frequent review and may merge / reference codes change as we move over the new management system \*

## Certification

The review provides good overall assurance that Flintshire County Council's arrangements continue to be regarded as fit for purpose in accordance with the governance framework requirements for Local Authorities within Wales.

Opportunities to maintain and develop the Council's governance arrangements have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Flintshire County Council

**Neal Cockerton – Chief Executive**

**Cllr. Ian B Roberts – Leader of the Council**