



Resilience Statements 2017 - 2019

Corporate Services:

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Human Resources and Organisational Development

Summary of Portfolio Budgeted Efficiencies

<p>Current Value of Service 17/18 budget £2,028,679 Current Operating Cost* 17/18 £1,384,757</p> <p><small>*Operating cost is budget less £643,922 (31.5%) which is held by HR & OD for the council wide provision of a variety of elements (including DBS, TU facilities, first aid and Flintshire trainees).</small></p>	<p>Cost reduction over the last 5 years = £0.533m Percentage of total allocated budget = 26.2% Percentage of HR & OD operating costs = 38.55%</p>
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Context – What have we achieved so far (including savings prior to 2015/16)

- Service Review implemented in June 2013, brought together the former Education Staffing and Facility Services HR. Schools payroll already being part of the service provided.
- Year on year record of reducing headcount e.g. the full-time equivalent (FTE) within Employee Service Centre has reduced to 14.40 FTE (compared to 30.5 FTE in 2013).
- Introduction of electronic web based (Ebulk) Disclosure Barring Service applications which provides opportunities for revenue generation and/or collaboration.
- Introduction of Organisation Design function including dedicated Organisation Design support.
- Further development of iTrent functionality resulting in the introduction of manager/employee self-service, and automation of processes (for example, approval/payment of expenses, submission of electronic timesheets, replacing 95% of paper based claims received within the Employee Service Centre).
- Implementation of Electronic Document Management Systems to merge the Human Resources, Payroll and Education Staffing personnel files into a single accessible electronic file.
- Development of nurse led Occupational Health service in 2010 with outsourced specialist support including Occupational Health Physician, Counselling and Physiotherapy.
- The Flintshire and Wrexham Occupational Health Partnership (a form of trading model) commenced September 2011 for the delivery of occupational health services to both Wrexham and Flintshire Councils – this service ceased on 30 June 2017.

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- Investment in Occupational Practitioners Administrative System (OPAS) and implementation of paperless working.
- Safe, Effective, Quality Occupational Health Service (SEQOHS) accreditation.

External validation / Benchmarking of the service provision

An independent national review of Corporate Services was carried out in 2015/16 and some of the key findings in relation to Human Resources & Organisational Design are detailed below:-

- The operating model in Human Resources & Organisational Design is an optimal industry model being both lean and low cost
- The business Partner model is good practice, well regarded by service users and is regarded as being at the minimum sustainable level to support the organisation

The CIPFA KPMG Wales 2015 Benchmarking exercise identified the following that FCC HR&OD costs per FTE were £234 compared to the average of £413.

The Xpert HR 2016 Survey on Key Metrics identified that the ratio of employees to HR Practitioners was 1:99 (average), Flintshire is 1:374

The current ratio of employees per HR practitioners for Flintshire is 1:382 compared to a median of 1:62.5 (based on headcount as at end of Q1).

Service	Current Operating Model	Preferred Operating Model	Discretionary (D) or Mandatory (M)	Current VFM Assessment	2017/18 Resilience levels	2018/19 Resilience levels if Green and Amber options are taken OR/ No Change (NC)	WORKING NOTES Resilience level statement a) Service scale and quality b) Capability c) Service sustainability
Business Partners / Employee Relations and Organisational Development	Council	Council / Collaboration	D			NC	<p>The team has taken on a significant amount of additional work in supporting the ADM programme, the 21st Century Schools programme, and the North Wales HR Schools collaboration, each of which are highly complex and impact on a significant number of employees, without additional resource. An increase in employment legislation also impacts on the complexity and frequency of changes to both policy and practice.</p> <p>The number of compulsory dismissals is on the increase which in turn has led to an increase in the number of challenge/complexity plus an associated increase in the number of claims to employment tribunal which is anticipated to increase further given the abolition of tribunal fees.</p>

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Organisational Development – Policy and Reward and Learning and Development	Council	Council / Collaboration	D			<p>The resource impact of supporting the extent of organisational change at a senior level is significantly stretched.</p> <p>New and changed existing employment legislation and case law requires changes to policies and associated tool kits/training for HR and managers.</p> <p>Differentials in the pay model following single status have been eroded over last two years as a result of the introduction of the National Living Wage. Complex modelling to understand the impact on our pay model, Part III, indirect costs (for contracted services) and recruitment and retention places further strain on the service.</p> <p>There is a risk of retention among this team's qualified and professional senior managers who given their skills may consider to move to other organisations with greater rewards. The pay gap above these roles does not reflect the significant contribution made by the service managers and does not reflect our desire for effective succession management.</p>
Employment Services (including Payroll, Safeguarding and sys.Admin)	Council	Council / Collaboration	M			<p>Low resilience - any further impacts are likely to prevent the Council from fulfilling its obligation to pay staff correctly, complete the necessary statutory returns to HMRC etc. and to fulfil its safeguarding obligations.</p>
Occupational Health and Well-being	Council / Collaboration	Council / Collaboration	M / D			<p>Until recently we provided a full Occupational Health service to Wrexham County Borough Council; as a trading or partnership model provides better value for money. The loss of this contract results in a loss of income circa £164k per annum which is unlikely to be mitigated in full, leaving a residual pressure of £88k. Low service resilience as posts in this service area are specialist and hard to fill. The service's priority is mandatory health surveillance to ensure legal compliance with</p>

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							our statutory obligations.
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Corporate Finance

CORPORATE FINANCE	Current Value of Service 17/18 budget £2.178m	Cost Reduction over last 5 years = £0.687m Percentage of budget = 31.5%
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Context – What have we achieved so far (including savings prior to 2015/16)

A comprehensive Finance Function Review was undertaken and implemented in 2013 which centralised the corporate finance function and also generated savings across finance of £0.300m.

The Corporate Finance Business Plan for the period 2015/16 – 2017/18 has identified further savings of £0.675m which means that nearly £1m will have been taken from this key support service in recent years.

The financial year 2015/16 included savings of £0.270m due to a reduction in staffing costs of £0.170m and a £0.100m in relation to grant maximisation. £0.251m was delivered against this target with the remaining £0.019m needing to be met in 2016/17 in addition to the budgeted amount of £0.135m. The staffing reductions were able to be made from Voluntary Retirements and Voluntary Redundancies although this did result in some experienced senior key officers leaving the authority.

The savings target of £0.270m for 2017/18 will be heavily dependent on the success of the new budget monitoring software with the potential for reducing the number of posts required to support day to day financial management responsibilities once the solution is rolled out to budget managers. A review of the Corporate Finance structure is also underway.

External validation / Benchmarking of the service provision

An independent national review of Corporate Services was carried out in 2015/16 and some of the key findings in relation to Corporate Finance are detailed below:-

- **Finance Cost per £1,000 gross revenue expenditure (excluding recharges) is £9.20 (average is £8.18)**
- **Finance Cost per Accountancy FTE is £4.64 (average is £10.27)**
- **Percentage invoices paid within 30 days is 85.8% (average is 93.9%)**
- **Percentage of qualified staff 14.6% (average is 39.4%). Note that since the PA review this is now at 73%.**

The review supported the current direction of travel of the Corporate Finance Business Plan and confirmed it as a modern best practice operating model.

The review also supported the use of the new budget monitoring software and the likelihood of achieving efficiencies although this was classified as an amber risk due to the need to successfully move to a more self-serve way of managers dealing with financial management which is dependent on changing the culture of the organisation at budget holder level.

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Service	Current Operating Model	Preferred Operating Model	Discretionary (D) or Mandatory (M)	Current V/M Assessment	2017/18 Resilience levels	2018/19 Resilience levels if Green and Amber options are taken OR/ No Change (N/C)	WORKING NOTES Resilience level statement a)Service scale and quality b)Capability c)Service sustainability
Treasury Management and Banking	Council	Council	M			NC	Low resilience for a small specialist service that is managing risk for the Council, both in relation to senior knowledge and experience. Day to day operational activities are carried out by an Accounting Technician and Finance Assistant.
Insurance	Council	Council	M			NC	Low resilience for a small specialist area that is managing risks for the Council both in relation to senior knowledge and experience and day to day capacity requirements. An Accountant oversees a small team that comprises an Insurance Officer and 2 part time insurance assistants. Reductions in other service areas have also impacted on the team who are dealing with more day to day service queries on claims.
Vat and Taxation	Council	Council	M			NC	Low resilience within the service: completion of the quarterly vat return has been absorbed within the Technical team although any complex vat or tax queries are referred to a relevant external advisor. Therefore there is no scope to make further efficiencies in this area
Financial Accounting	Council	Council	M			NC	Low resilience in this service: any further reductions are likely to prevent the Council from meeting its statutory duty to produce a set of Financial Statements within the required timescales.

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							<p>The production of the annual accounts is a complex and resource intensive exercise. The process is heavily reliant on the Finance Manager – Technical and this is a key risk for the authority.</p> <p>It is also dependent on support from the systems accountant due to the technical nature of the analysis of the financial information. This is also a key risk.</p> <p>The Trainee Accountant has been assigned to this team to support the process in recent months to address previous capacity issues.</p>
Section 151	Council	Council	M			NC	<p>The Council has determined that the role of Corporate Finance Manager be the designated Chief Finance Officer (section 151)</p> <p>As a statutory role there are no options to remove this post.</p> <p>The Finance Manger – (Technical) and Finance Manager – (Strategy and Systems) are currently sharing the deputy section 151 role.</p> <p>The requirement to achieve efficiencies needs to be balanced with the statutory obligation to ensure that the Council has adequate resource to manage its financial affairs.</p>
Management Accounting	Council	Council	M			NC	<p>This function comprises of the generic posts of Finance Managers (4), Accountants (10), Accounting Technicians (27) and Finance Assistants (10).</p> <p>The resource impact of supporting the extent of organisational change at a senior level is significantly stretched and the service is needing to develop new skills (e.g. commercial) to ensure that strategic decision making is based on sound financial advice and analysis. Overstretching this area would leave the Council open to risks of decisions being made on poor or incorrect information and the potential for incurring unnecessary costs.</p>

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							The implementation of new budget monitoring software is likely to lead to a reduction in the need to directly support managers in their day to day financial management responsibilities.
Accounts Payable / Accounts Receivable	Council	Council	M			NC	<p>The team is led by a Team Leader and supported by AP/AR Technicians and AP/AR Assistants.</p> <p>The team has taken on additional work with the introduction of the p2p system and the roll out of e-invoicing with no additional resource. Capacity issues have arisen from staff retention and recruitment.</p> <p>Continuing improvements in technology will increase the options for efficiencies although the team is already small for an organisation of this size.</p>
Schools Services	Council	Council	M			NC	A Finance Manager is responsible for the schools accounting team and the management accounting aspects of the Education and Youth Portfolio. A recent review of the schools Service Level Agreement indicated additional service requirements for the financial management support of schools which is being addressed through additional capacity funded by schools.
Financial Systems	Council	Council	M			NC	<p>Low resilience within this service although consideration of integrating with other system teams could potentially increase that resilience which was recognised in the independent national review.</p> <p>The team is led by an Accountant and supported by Accounting Technician (2.5) and a Finance Assistant.</p> <p>The introduction of the p2p system has been implemented with no additional resource.</p> <p>The team is leading on the introduction of the budget monitoring software and will undertake the system admin role and lead on future developments.</p>

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							In addition the team is led by an experienced accountant who is often relied upon to contribute to more mainstream accounting matters.
Organisational Change (ADM) etc.	Council	Council	M			NC	The Alternative Delivery models vary in governance arrangements and the extent to which the Council supports the financial management arrangements. These initiatives have presented challenges due to their innovative and specialist nature and there is a need to build up a level of knowledge and expertise as the Council embarks on other projects.

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Governance

<p>GOVERNANCE</p>	<p>Current Value of Service (17/18) Budget £7.672m (£4.843m influenceable spend)</p> <p>Democratic £1.924m (£0.591m influenceable spend) Legal, £0.688m ICT, £4.445m (Influenceable spend £2.949m) Internal Audit £0.447m Procurement £0.168m</p>	<p>Cost Reduction over last 5 Years £1.727m (35.66% of influenceable spend)</p> <p>Democratic £0.208m – 10.8% (35.2% of influenceable spend) Legal £0.186m – 27% ICT £1.333m - £30% (45% Influenceable spend) Internal Audit £0.031m – 7%</p>
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Democratic Services

External validation / Benchmarking of the service provision

The KPMG/CIPFA benchmarking 2016 showed £3,000 spend/1000 population (£4,000 Wales average)

The independent national review report found that:-

- the service has modern operating processes
- current management structure does not meet organisational design standards
- the proposed structure will produce a lean operating model and greater resilience

The revised structure was implemented 1st November 2016.

Current Performance level / Value for Money considerations / Unit cost

Benchmarking information around performance does not exist for all of democratic services as much of the work is responsive to factors outside the control of the services provided.

In Electoral Services, sustained efforts by the team following the introduction of Individual Elector registration resulted in an increase of 3176 electors between December 2014 and June 2017.

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Internal Audit Service

Current Performance level / Value for Money considerations / Unit cost

The annual plan consists of 1,125 audit days in the annual plan, which equates to 4.48 audit days per £m Council revenue budget. Benchmarking across Wales shows this is below the average of 5.19 audit days per £m.

ICT Services

External validation / Benchmarking of the service provision

KPMG/CIPFA benchmarking 2016

- Net expenditure £20.7k/1000 population compared to a national average of £20.4k/1000 population.
- Incidents resolved within defined service level 93% compared to a national average of 88%.
- £341 support cost per workstation (£512 national average).
- £212 support cost per user (£428 national average).

The independent national review report

- The operating model was modern, lean and efficient.
- IT Services has consolidated all of the Infrastructure teams under one manager and Business teams under another manager. This is one of several good practice IT organisation designs – built around technical capability. This model includes IT business partners.
- Ratification of identified efficiencies as detailed in IT Business plan.

Current Performance level / Value for Money considerations / Unit cost

Society of IT Management (SOCITM) – Better Connected May 2017

- 3 star website (1 – 4 star rating, 4 being highest)

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Society of IT Management (SOCITM) – Benchmarking 2017

The service has participated in an all Wales benchmarking exercise May 2017, comprising 18 Welsh Unitary Authorities.

Flintshire's results from the benchmarking exercise are detailed below:-

- Percentage of total expenditure spent on IT – 1.5% (average 1.4%)
- ICT spend per head of population - £ 29 - (average £30)
- ICT spend per user - £1,500 – (average £1,500)
- ICT spend per device supported - £600 – (average £579)
- Number of staff supported per ICT FTE – 62 – (average 56 - 5th highest)

Legal Services

External validation / Benchmarking of the service provision

KPMG/CIPFA benchmarking 2016:

- £6,700 actual spend/1000 population (£7,900 Wales average)
- 7th smallest spend in Wales/1000 population (15/22 with 1 being the highest)
- Income 4% (12% Wales average)

Independent national review report

- more flexibility/less specialisation to increase resilience
- modernise working practices through increased use of ICT, greater use of templates, standardised instruction forms, building client knowledge
- increase income
- increase management capacity

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Current Performance level / Value for Money considerations / Unit cost

Legal Services are part of a collaborative working pilot in relation to prosecutions and in 2016/17 dealt with 26 prosecution matters on behalf of the collaboration.

Child Care team issued proceedings on approx. 52 child care cases in 2016/2017.

Capital receipts achieved 2016/2017 – £1.556 million (plus £950k – (for council fund))

Income generation for 2016/2017 – £105,734

Procurement

External validation / Benchmarking of the service provision

The Bangor Business Case in 2014 identified the current model as the optimum and most cost effective choice from a range of 5 options.

Current Performance level / Value for Money considerations / Unit cost

Formal benchmarking data does not exist within Wales for procurement services. Informal data using comparisons with neighbouring English authorities show that the joint service has fewer procurement officers per £1m of council spend and per 1000 head of population.

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Democratic Services							
Committees	Council	Council	M			NC	Further reductions in staffing levels will directly impact on service provision
Elections	Council	Council	M			NC	Further reductions in staffing levels will directly impact on service provision
Member Support	Council	Council	D			NC	Further reductions in staffing levels will directly impact on service provision
Internal Audit	Council	Council / Collaborate	M			NC	Further reductions in staffing levels will directly impact on service provision
Legal Services							
Adult Social Care and child care	Council	Council / Collaborate	M			NC	The work levels in child care remain constant and there is growth in adult social care from applications under the Deprivation of Liberty Safeguards (DOLS)
Contracts & procurement, Planning advice	Council	Council / Collaborate	M			NC	Demand remains high and though the team has recently increased capacity in this area it remains below what is required
Conveyancing, highways and rights of way	Council	Council / Collaborate	M			NC	Demand remains high to service continued applications and the capital sales programme
Education, employment, housing and litigation	Council	Council / Collaborate	M			NC	Further reductions in staffing levels will directly impact on service provision
Procurement							
Procurement	Collaborate	Collaborate	D			NC	This is a shared service hosted by Denbighshire
ICT							
Business Solutions & Digital Solutions	Council / Commission	Council / Collaborate / Commission	D			NC	Further reductions in staffing levels will directly impact on service provision
Information Governance	Council / Commission	Council / Collaborate / Commission	Part D Part M			NC	Further reductions in staffing levels will directly impact on service provision
Records Management	Council	Council	M			NC	Further reductions in staffing levels will directly impact on service provision
Business Relationship Management	Council	Council / Collaborate / Commission	D			NC	Further reductions in staffing levels will directly impact on service provision
ICT Communications	Council / Commission	Council / Collaborate / Commission	D			NC	No changes proposed. Demand outstrips capacity – hence Amber
Digital Print	Council	Council /	D				New model of Council and Commissioning

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		Commission					provision will have started in 2017/18, hence Green resilience
Central Despatch	Council	Council / Commission	D				New model of Council and Commissioning provision hence Green status
Workplace technologies Infrastructure Delivery Infrastructure Solutions	Council / Commission	Council / Collaborate / Commission	D			NC	No changes proposed. Demand outstrips capacity – hence Amber
Training and Support	Council	Council / Commission	D			NC	No changes proposed. Capacity can cope with current demand.