

Pecyn Dogfen Gyhoeddus



Swyddog Cyswllt:
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At: Bob Aelod o'r Cyngor

Dydd Iau, 21 Medi 2017

Annwyl Gyngorydd

Fe'ch gwahoddir i fynychu cyfarfod Cyngor Sir y Fflint a fydd yn cael ei gynnal am 2.00 pm Dydd Mercher, 27ain Medi, 2017 yn Siambr y Cyngor, Neuadd y Sir, Yr Wyddgrug CH7 6NA i ystyried yr eitemau canlynol

R H A G L E N

1 CYFLWYNIADAU

Pwrpas: Mewn cydnabyddiaeth o lwyddiannau diweddar y Cyngor yng Ngwobrau Adeiladu Rhagoriaeth 2017:

- Cleient y Flwyddyn - enwebwyd gan Wates Presidential i gydnabod ein partneriaeth ar y Rhaglen Tai Strategol ac Adfywio (SHARP).
- Gwobr Cynaliadwyedd - dyfarnwyd i Galliford Try, y contractwr a benodwyd gan y Cyngor i adeiladu Campws Dysgu Treffynnon.

2 YMDDIHEURIADAU AM ABSENOLDEB

Pwrpas: I derbyn unrhyw ymddiheuriadau.

3 COFNODION (Tudalennau 5 - 14)

Pwrpas: Cadarnhau cofnod cywir y cyfarfod a gynhaliwyd ar 20 Mehefin 2017.

4 DATGAN CYSYLLTIAD

Pwrpas: I derbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

5 COFFA A THEYRNGEDAU I'R CYNGHORYDD HWYR RON HAMPSON

6 CYHOEDDIADAU'R CADEIRYDD

Pwrpas: Derbyn unrhyw gyhoeddiad fel y'l dosbarthwyd.

7 DEISEBAU

Pwrpas: Derbyn unrhyw ddeiseb.

8 CWESTIYNAU GAN Y CYHOEDD

Pwrpas: Derbyn unrhyw gwestiwn gan y cyhoedd.

9 CWESTIYNAU

Pwrpas: Nodi'r atebion i unrhyw gwestiwn a gyflwynwyd yn unol â Rheol Sefydlog 9.4(A) y Cyngor Sir.

10 CWESTIYNAU GAN AELODAU AM GOFNODION PWYLLGORAU

Pwrpas: Mae'r Llyfr Cofnodion, Rhifyn 6, wedi ei ddsbarthu i'r Aelodau. Mae hawl gan yr Aelodau ofyn cwestiynau am y cofnodion hyn, yn amodol ar gyfyngiadau penodol, a bydd yr atebion yn cael eu darparu yn y cyfarfod. Gofynnir i Aelodau ddod â'u copi o'r Llyfr Cofnodion i'r cyfarfod. Mae'n rhaid cyflwyno unrhyw gwestiwn i'r Rheolwr Democratiaeth a Llywodraethu cyn diwedd y diwrnod gwaith ar 21 Medi 2017.

11 RHYBUDD O GYNNIG (Tudalennau 15 - 16)

Pwrpas: Ystyried unrhyw Hysbysiadau o Gynnig a dderbyniwyd.

12 CYNLLUN Y CYNGOR 2017-23 (Tudalennau 17 - 112)

Adroddiad Prif Weithredwr

Pwrpas: Mabwysiadu Cynllun y Cyngor 2017-23 cyn ei gyhoeddi erbyn diwedd mis Medi.

13 DATGANIAD CYFRIFON 2016/17 YN CYNWYS GWYBODAETH ARIANNOL YCHWANEGOL SY'N CYD-FYND Â'R DATGANIAD CYFRIFON (Tudalennau 113 - 308)

Adroddiad Rheolwr Cyllid Corfforaethol

Pwrpas: I gyflwyno'r fersiwn terfynol, wedi'i archwilio, o Ddatganiad Cyfrifon 2016/17 er cymeradwyaeth yr Aelodau.

14 **ADRODDIAD BLYNYDDOL RHEOLI'R DRYSORLYS 2016/17** (Tudalennau 309 - 326)

Adroddiad Rheolwr Cyllid Corfforaethol

Pwrpas: I gyflwyno i'r Aelodau yr Adroddiad Rheoli Trysorlys Blynyddol ar gyfer 2016/17 er cymeradwyaeth yr Aelodau.

15 **PAPUR YMGYNGHORI LLYWODRAETH CYMRU DIWYGIO ETHOLIADOL MEWN LLYWODRAETH LEOL YNG NGHYMRU** (Tudalennau 327 - 364)

Adroddiad Prif Weithredwr

Pwrpas: Gwahodd y Cyngor i lunio ymateb i bapur ymgynghori Llywodraeth Cymru.

16 **DEDDF YR UNDEBAU LLAFUR (CYMRU)** (Tudalennau 365 - 368)

Adroddiad Prif Weithredwr

Pwrpas: Cynghori'r Cyngor ar basio Deddf yr Undebau Llafur (Cymru) a'i goblygiadau.

17 **AILBENODI CYNRYCHIOLYDD CYNGOR TREF A CHYMUNED** (Tudalennau 369 - 372)

Adroddiad Prif Swyddog (Llywodraethu)


Pwrpas: Ailbenodi'r cynrychiolydd Cyngor Tref a Chymuned i fod ar y Pwyllgor Safonau am dymor arall.

18 **PENODIADAU I GYRFF ALLANOL** (Tudalennau 373 - 392)

Adroddiad Rheolwr Gwasanaethau Democraidaidd

Pwrpas: Rhoi gwybod i'r Cyngor am y cynnydd o ran penodi aelodau i gyrff allanol cenedlaethol a rhanbarthol.

Yn ddiffuant,



Robert Robins
Rheolwr Gwasanaethau Democraidaidd

HYSBYSIAD GWEDDARLLEDU

Bydd y cyfarfod hwn yn cael ei ffilmio a'l ddarlledu'n fyw ar wefan y Cyngor. Bydd y cyfarfod cyfan yn cael ei ffilmio oni bai fod eitemau cyfrinachol neu wedi'u heithrio dan drafodaeth.

Yn gyffredinol ni fydd y manau eistedd cyhoeddus yn cael eu ffilmio. Fodd bynnag wrth i chi ddod i mewn i'r Siambr, byddwch yn cydsynio i gael eich ffilmio ac i'r defnydd posibl o'r delweddau a'r recordiadau sain hynny ar gyfer gweddarlledu a/neu ddibenion hyfforddi.

Os oes gennych chi unrhyw gwestiynau ynglŷn â hyn, ffoniwch aelod o'r Tîm Gwasanaethau Democrataidd ar 01352 702345.

Eitem ar gyfer y Rhaglen 3

CYNGOR SIR Y FFLINT 20 MEHEFIN 2017

Cofnodion cyfarfod Cyngor Sir y Fflint a gynhaliwyd yn Siambr y Cyngor, Neuadd y Sir, Yr Wyddgrug, dydd Mawrth, 20 Mehefin 2017.

YN BRESENNOL: Y Cynghorydd Brian Lloyd (Cadeirydd)

Y Cyngorwyr: Mike Allport, Bernie Attridge, Janet Axworthy, Glyn Banks, Haydn Bateman, Marion Bateman, Sean Bibby, Chris Bithell, Sian Braun, Derek Butler, Clive Carver, Bob Connah, David Cox, Paul Cunningham, Jean Davies, Rob Davies, Ron Davies, Adele Davies-Cooke, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Mared Eastwood, Carol Ellis, Veronica Gay, George Hardcastle, David Healey, Gladys Healey, Patrick Heesom, Cindy Hinds, Andrew Holgate, Kevin Hughes, Ray Hughes, Joe Johnson, Paul Johnson, Rita Johnson, Christine Jones, Mike Lowe, Hilary McGuill, Billy Mullin, Ted Palmer, Mike Peers, Michelle Perfect, Vicky Perfect, Neville Phillips, Mike Reece, Ian Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Ralph Small, Ian Smith, Carolyn Thomas, Martin White, David Wisinger ac Arnold Woolley

YMDDIHEURIADAU:

Y Cyngorwyr: Helen Brown, Geoff Collett, Chris Dolphin, David Evans, Ron Hampson, Dave Hughes, Dennis Hutchinson, Richard Jones, Tudor Jones, Colin Legg, Richard Lloyd, Dave Mackie, Owen Thomas a David Williams

HEFYD YN BRESENNOL:

Prif Weithredwr; Dirprwy Swyddog Monitro; Prif Swyddog (Cymuned a Menter); Prif Swyddog (Cynllunio a'r Amgylchedd); Prif Swyddog (Gwasanaethau Stryd a Thrafnidiaeth); Prif Swyddog (Gwasanaethau Cymdeithasol); Prif Swyddogion (Newid Sefydliadol); Prif Swyddog (Addysg ac Ieuenctid); Uwch Ymgynghorydd Dysgu'r Cyfnod Sylfaen; Swyddog Gweithredol Busnes a Chyfathrebu Corfforaethol; Rheolwr Gwasanaethau Democrataidd; Arweinydd Tîm - Gwasanaethau Democrataidd a Swyddog Pwyllgorau

Cyn dechrau'r cyfarfod, gofynnodd y Cadeirydd i bawb a oedd yn bresennol ymuno ag ef mewn munud o dawelwch i nodi trasiedi ddiweddar Tŵr Grenfell yn Llundain.

15. CYFLWYNIADAU

Gwobrau Adeiladu a Pheirianeg 2016 – Prosiect Sector Cyhoeddus y Flwyddyn

Croesawodd y Prif Weithredwr Chris Hunt a John Haime o Dîm Ymgynghoriaeth Dylunio'r Cyngor ynghyd â'r Prif Swyddog (Addysg ac Ieuenctid) a Phrif Swyddog (Dylunio Sefydliadol) er mwyn cydnabod fod Campws Dysgu Treffynnon wedi ennill y wobwr uchod. Roedd y prosiect wedi cael ei gydnabod yn eang fel dyluniad a oedd yn torri tir newydd ac roedd wedi gosod safonau newydd mewn arfer orau o ran Modelu Gwybodaeth Adeiladu.

Fel Aelod Cabinet dros Addysg, llongyfarchodd y Cyngorwyr Ian Roberts y tîm ar ei gyflawniad yn y prosiect a oedd yn ased i Sir y Fflint gyfan. Diolchwyd i'r

swyddogion a'r tîm hefyd gan y Cynghorydd Chris Bithell, y cyn Aelod Cabinet, a soniodd pa mor falch yr oedd o weld datblygiad y prosiect hwn. Fel cyn Faer Treffynnon, llongyfarchodd y Cynghorydd Ted Palmer bawb a oedd yn gysylltiedig â'r prosiect.

Gwobrau Blynyddol Prentisiaid 2017

Daeth Heather Johnson, y Rheolwr Dysgu a Datblygu, â hyfforddeion o Sir y Fflint a oedd wedi bod yn llwyddiannus yn y categorïau canlynol:

Rownd derfynol Hyfforddeion Sylfaenol - Leah Newton (enillydd cyffredinol), Rebecca Jones a Ryan Varker.

Rownd derfynol Hyfforddai'r Flwyddyn Sir y Fflint - Alex McLaren (enillydd cyffredinol), Rachel Pearson a Tara O'Boyle (a oedd yn methu â bod yn bresennol yn y cyfarfod).

Gwobr arbennig er cof am Helen Stappleton - Sophie Ellis (enillydd cyffredinol).

Canmolodd y Prif Weithredwr gyflawniadau'r rhai a gyrhaeddodd y rownd derfynol ar draws amrediad o wasanaethau'r Cyngor a'u dathlu.

Llongyfarchodd y Cynghorydd Aaron Shotton yr enillwyr a chydabod cyfraniadau gwerthfawr yr holl brentisiaid. Siaradodd am y cyfleoedd sydd ar gael i ddatblygu pobl ifanc drwy'r cynllun prentisiaethau, a oedd yn flaenoriaeth allweddol i'r Cyngor.

Canmolodd y Cynghorydd Mike Peers gynllun prentisiaeth y Cyngor a'r cyfle i Aelodau gydnabod y cyflawniadau hynny.

16. COFNODION

Cyflwynwyd cofnodion cyfarfodydd y Cyngor a gynhaliwyd ar 14 Chwefror, 1 Mawrth a 18 Mai 2017.

Cofnodion - 18 Mai 2017

Tynnodd y Cynghorydd Rosetta Dolphin sylw at y ffaith nad oedd sylwadau'r Cynghorydd Chris Dolphin wedi'u cynnwys a dywedwyd wrthi fod cofnodion cyfarfodydd y pwyllgor yn grynodedb o drafodaethau ac nid cofnod gair-am-air.

O ran cywirdeb cofnod rhif 8(E), dywedodd y Cynghorydd Chris Bithell mai Cadeiryddion y Pwyllgorau Arolygu a Chraffu Cymuned a Menter ac Addysg ac Ieuenctid oedd y Cynghorwyr Ron Hampson a David Healey yn y drefn honno.

Yng nghofnod rhif 7: Etholiadau Cyngor Sir y Fflint 7 Mai 2017, dywedodd y Cynghorydd Mike Peers nad oedd y cofnodion yn cyfleu'r hyn a ddywedodd am sylwadau "di-chwaeth a difriol" y Prif Weinidog am ymgeiswyr Annibynnol a gofynnodd i'r geiriad gwreiddiol gael ei ddefnyddio. Cytunodd y Prif Weithredwr y dylid newid y cofnodion yn unol â hynny.

Yng nghofnod rhif 5: Penodi Arweinydd y Cyngor Sir, teimlai'r Cynghorydd Peers nad oedd y cofnodion yn adlewyrchu'r sylwadau a wnaed gan y Cynghorydd Tony Sharps yn gywir ynglŷn ag ef yn "ymuno â'r blaid Lafur ynghyd â'r blaid Annibynnol" fel y dangosir yn y recordiad o weddarllodiad y cyfarfod.

Cadarnhaodd y Prif Weithredwr nad oedd cyswllt rhwng y blaid Annibynnol ag unrhyw blaid wleidyddol arall ar y Cyngor, beth bynnag fo'r geiriad a ddefnyddir i ddangos cefnogaeth i'r Arweinydd yn ystod y drafodaeth honno. Roedd pleidiau gwleidyddol y Cyngor fel y'u cofnodir yn y ffurflenni aelodaeth a gyflwynir, sydd yn eu tro yn sail i drefniadau cydbwysedd gwleidyddol.

Roedd y Cynghorydd Sharps yn anghytuno â'r pwynt a godwyd gan y Cynghorydd Peers a dywedodd nad oedd wedi datgan ei fod yn aelod o'r blaid Lafur. Roedd wedi sôn am yr angen i gael grŵp lleiafrifol i gefnogi'r blaid Lafur fel eu bod yn fwyafrif ar y Cyngor er mwyn arddangos y sefydlogrwydd sy'n angenrheidiol i wynebu heriau'r dyfodol. Fel Arweinydd y blaid Annibynnol, roedd wedi rhoi ei gefnogaeth wrth ddatgan y byddai'r blaid yn cadw ei henw ac yn caniatáu i'w haelodau gael pleidlais rydd ynglŷn ag unrhyw fater.

Cynigodd y Cynghorydd Bernie Attridge fod cofnodion y tri chyfarfod yn cael eu cymeradwyo, yn amodol ar y ddau newid yng nghofnodion rhif 7 ac 8(E) cyfarfod 18 Mai 2017. Cafodd y cynnig hwn ei eilio yn briodol ac, yn dilyn pleidlais, cafodd ei gymeradwyo.

PENDERFYNWYD:

Cymeradwyo'r tair cyfres o gofnodion, yn amodol ar ddau newid yng nghofnodion rhifau 7 ac 8(E) cyfarfod 18 Mai 2017, a bod y Cadeirydd yn eu llofnodi fel cofnod cywir.

17. DATGAN CYSYLLTIAD

Dywedodd y Dirprwy Swyddog Monitro y byddai cysylltiad personol yn cael ei gofnodi ar ran yr holl Aelodau a oedd yn bresennol mewn cysylltiad ag Eitem 12 ar yr Agenda 'Rhestr o Gydabyddiaeth Ariannol'.

Yn ystod trafodaeth am yr eitem nesaf ar yr agenda, datganodd y Cynghorydd Neville Phillips gysylltiad personol gan fod ei ferch-yng-nghyfraith yn aelod o'r tîm Etholiadau.

18. CYHOEDDIADAU'R CADEIRYDD

Roedd copi o Gyhoeddiadau'r Cadeirydd wedi eu rhoi i'r holl Aelodau cyn y cyfarfod.

Roedd y Cynghorydd Neville Phillips yn dymuno gosod cofnod o'i ddiolch i bawb a oedd wedi bod yn gysylltiedig â gweithio yn yr Etholiadau diweddar.

Diwrnod Milwyr Wrth Gefn 2017

Darllenodd y Cadeirydd ddatganiad i adlewyrchu cefnogaeth a chydabyddiaeth y Cyngor i'r cyfraniadau gwerthfawr a wneir gan weithwyr sy'n filwyr wrth gefn. Roedd y Cyngor yn falch o ddangos cefnogaeth i gymuned y Lluoedd Arfog trwy godi baner y Lluoedd Arfog ar y Diwrnod Milwyr Wrth Gefn ar 21 Mehefin 2017.

Datganiad o Sicrwydd ar gyfer Blociau Tŵr

Rhoddodd y Prif Weithredwr a'r Prif Swyddog (Cymuned a Menter) ddatganiad cryno yn dilyn y drasiedi yn Nhŵr Grenfell yn Llundain. Er nad oedd am geisio damcaniaethu ynglŷn â'r materion sy'n ymwneud â'r digwyddiad, roedd y datganiad yn ceisio rhoi sicrwydd a gwybodaeth ynglŷn â threfniadau Sir y Fflint yn dilyn y nodyn briffio a ddosbarthwyd yn ddiweddar i Aelodau. Diolchodd y Prif Weithredwr i Aelodau am eu cefnogaeth a chanmolodd yr uwch Dîm Tai am eu hymateb di-oed i roi cefnogaeth ac arweiniad i denantiaid yn y blociau tŵr yn Sir y Fflint, a oedd yn brif amcan i'r Cyngor. Adroddodd am ystod o gamau gweithredu gan gynnwys adolygiad o weithdrefnau a threfniadau ar gyfer cynnal gwiriadau/rheolaethau misol yn yr adeiladau hynny. Hefyd, roedd Gwasanaeth Tân ac Achub Gogledd Cymru wedi cadarnhau eu hyder yng ngweithdrefnau cadarn y Cyngor a byddai'n gweithio ochr yn ochr â swyddogion i reoli risgiau.

Rhoddodd y Prif Swyddog fanylion amrywiaeth o fesurau diogelwch tân sydd eisoes ar waith mewn cartrefi unigol ac ardaloedd cymunol ym mlociau tŵr uchel y Cyngor, ynghyd â gweithdrefnau profi ac archwilio rheolaidd. Mewn cartrefi nad ydynt yn uchel, bydd gwaith pellach yn cael ei wneud i ddatblygu'r asesiadau risg cynhwysfawr a oedd mewn lle. Byddai gwybodaeth am safon a mathau o ffitiadau insiwleiddio waliau allanol yn y cartrefi hyn yn cael eu rhannu'n gyhoeddus. Mae sicrwydd wedi cael ei roi i breswylwyr ynglŷn â'r camau gweithredu sy'n cael eu cymryd a'r gweithdrefnau mewn lle, a byddai modd iddynt gael sicrwydd pellach drwy fynychu'r sesiynau a gynhelir yng Ngorsaf Dân y Fflint cyn bo hir lle byddai swyddogion yn bresennol.

Diolchodd y Cynghorydd Ian Roberts i swyddogion am y datganiad a mynegodd ei ddiolchgarwch i bawb a oedd wedi bod yn ymgysylltu â phreswylwyr yn ei ward a rhoi sicrwydd iddynt. Ategwyd at hyn gan y Cynghorydd David Cox a'r Cynghorydd Billy Mullin fel Aelod Cabinet sy'n gyfrifol am iechyd a diogelwch.

Mewn ymateb i ymholiad gan y Cynghorydd Kevin Hughes, esboniodd y Prif Swyddog y gweithdrefnau gwacau a ddilynir mewn digwyddiadau mewn adeiladau uchel a oedd yn seiliedig ar yr ymarfer rhagnodedig safonol (Arhoswch ble'r ydych chi). Byddai'r rhain yn cael eu rhoi ar waith ar y cyd â mesurau ataliol ac asesiadau risg sydd eisoes mewn lle.

19. DEISEBAU

Ni dderbyniwyd dim.

20. CWESTIYNAU GAN Y CYHOEDD

Ni dderbyniwyd dim.

21. CWESTIYNAU

Ni dderbyniwyd dim.

22. CYDNABYDDIAETH I IAN BUDD

Talodd y Prif Weithredwr deyrnged i gydnabod cyfraniadau Ian Budd, y Prif Swyddog (Addysg ac Ieuencid) a oedd ar fin gadael yr Awdurdod i ymuno â Chyngor Sir Powys. Tynnwyd sylw at nifer o'i gyflawniadau arwyddocaol gydag ysgolion a sefydliadau chweched dosbarth, a'i rolau allweddol mewn lleoliadau y tu allan i'r sir a'r Gwasanaeth Ieuencid. Yn arbennig, roedd cyflawniadau Ian wedi helpu Sir y Fflint i fod ymysg y perfformwyr gorau yng Nghymru am ostwng nifer y bobl ifanc nad ydynt mewn addysg, cyflogaeth neu hyfforddiant. Cydnabuwyd ymrwymiad Ian a pha mor uchel ei barch yw, nid yn unig yn Sir y Fflint, ond hefyd ar lefel genedlaethol ar ôl gweithio gyda sefydliadau partner a chyfrannu at ddatblygiad addysg yng Nghymru.

Fel cyn Aelod o'r Cabinet Addysg, dymunodd y Cyngorydd Chris Bithell yn dda i Ian yn y dyfodol. Canmolodd Ian am ei wasanaeth i Sir y Fflint a gogledd Cymru gyfan, ynghyd â'i ymrwymiad i yrru gwelliannau i'r gwasanaeth ymlaen. Soniodd am y ffordd y mae Ian yn mynd i'r afael â materion heriol a darparu cyngor cadarn mewn modd di-gynnwrf, a thynnodd sylw at ei gyflawniadau mewn addysg ôl-16 a meithrin perthnasoedd positif â thimau swyddogion ac arweinwyr ysgolion.

Wrth fynegi ei ddiolchgarwch, canmolodd y Cyngorydd Aaron Shotton ymrwymiad proffesiynol Ian i wella addysg, yn arbennig creu canlyniadau positif i Gyfnod Allweddol 2. Canmolodd ei agwedd dawel yn ystod amseroedd anodd a dywedodd fod y parch eang tuag at Ian yn adlewyrchu ar y Cyngor.

Fel Aelod o'r Cabinet dros Addysg ar hyn o bryd, diolchodd y Cyngorydd Ian Roberts hefyd i Ian am ei gyfraniadau a'i ffocws arbennig ar gyflawni'r gorau i ddysgwyr Sir y Fflint. Llongyfarchodd Claire Homard hefyd ar ei phenodiad dros dro.

Talwyd teyrngedau pellach gan y Cyngorydd Marion Bateman a ddiolchodd am y gefnogaeth a roddwyd i Ysgol Sychdyn; y Cyngorydd Tony Sharps am y gwaith o foderneiddio Canolfan Hamdden Glannau Dyfrdwy; y Cyngorydd Mike Peers a ganmolodd y gefnogaeth a roddwyd i weithwyr ysgol dadleoedig ac am newidiadau i'r polisi i wneud mwy o gynlluniau ar gyfer cyfraniadau addysgol; a'r Cyngorydd Hilary McGuill am geisio gwelliannau i ddysgwyr.

Yn dilyn cyflwyniadau a wnaed gan y Cadeirydd ar ran y Cyngor, diolchodd Ian i bawb am eu sylwadau. Soniodd am ei falchder yn gweithio gyda chydweithwyr i godi safonau a sicrhau cyfleoedd i blant a phobl ifanc i gyflawni eu potensial. Croesawodd y Rhybudd o Gynnig arfaethedig i ddatblygu Cyngor Yr Ifanc i Sir y Fflint a diolchodd i Aelodau am eu cefnogaeth a'u hymrwymiad i wasanaethau cyhoeddus.

23. RHYBUDD O GYNNIG

Mae dau Rybudd o Gynnig wedi'u derbyn gan y Cynghorydd Aaron Shotton:

(i) Tai Cyngor Newydd

Llywodraeth y DU sy'n gosod cap ar fenthyca'r Cyfrif Refeniw Tai ar gyfer Cymru. Mae'r cap ar fenthyca yn cyfyngu lefel y ddyled y gall Awdurdod Lleol ei grynhoi yn ei Gyfrif Refeniw Tai. Mae'n ffigwr artiffisial nad oes ganddo unrhyw gysylltiad â'r capasiti o fewn cyfrifon y Cyfrif Refeniw Tai i ariannu costau refeniw benthyca. Pe codir y cap ar fenthyca, gallai cynghorau adeiladu mwy o gartrefi i ddiwallu angen lleol cynyddol. Mae'r cap ar fenthyca cyfredol, pan gaiff ei gymhwyso i'n Sir, yn galluogi i'r Cyngor hwn adeiladu tua 200 o dai Cyngor newydd. Er enghraifft, gallai £25m ychwanegol o gynnydd yn y cap ar fenthyca adeiladu 200 o dai cyngor newydd ychwanegol erbyn 2020.

Cynnig: Mae Cyngor Sir y Fflint yn galw ar Lywodraeth y DU i gymryd camau ar unwaith a chodi cap ar fenthyca y Cyfrif Refeniw Tai yng Nghymru, gan alluogi'r Cyngor hwn i adeiladu mwy o dai Cyngor a lliniaru'r argyfwng yn yr alwad am dai, gan gefnogi twf economaidd lleol yn Sir y Fflint.'

I gefnogi'r Cynnig hwn, siaradodd y Cynghorydd Shotton am gyflawniadau arwyddocaol y Cyngor ar adeiladu tai cyngor a helpu i sicrhau fod y system cymorthdaliadau Cyfrif Refeniw Tai yn dod i ben. Dywedodd y byddai'r Cynnig yn galluogi Sir y Fflint i arwain ymgyrch i godi'r cap ar fenthyca yng Nghymru er mwyn caniatáu i'r Cyngor barhau i adeiladu tai o safon uchel i ateb y galw.

Eiliwyd hyn gan y Cynghorydd Bernie Attridge.

Diolchodd y Cynghorydd Patrick Heesom i'r Arweinydd am ei Gynnig ac am ei sylwadau am system gymorthdaliadau'r Cyfrif Refeniw Tai. Cyfeiriodd at brinder tai yn y sector preifat a'r angen am fwy o eiddo a rentir er mwyn ateb y galw.

Er ei fod yn cydnabod bwriad y Cynnig, cyfeiriodd y Cynghorydd Mike Peers at y ddeddfwriaeth a thynnodd sylw at y ffaith fod cyfyngiadau benthyca wedi bod yn rhan o gytundeb ar y cyd ar gyfer pob cyngor yng Nghymru sy'n cadw stoc dai. Gan hynny, roedd yn cynnig y newid canlynol: 'Mae Cyngor Sir y Fflint yn galw ar Lywodraeth Cymru a Chymdeithas Llywodraeth Leol Cymru (CLILC) i ymgysylltu â Llywodraeth y DU i adolygu'r cap ar fenthyca'r Cyfrif Refeniw Tai yng Nghymru, i ganiatáu'r cyfle i ystyried adeiladu mwy o dai cyngor a lliniaru'r argyfwng yn y galw am dai, gan gefnogi twf economaidd lleol yn Sir y Fflint.' Dywedodd y byddai'r Cyngor mewn sefyllfa i asesu pa mor fforddiadwy yw benthyca mwy unwaith y byddai'r canlyniad wedi'i gyhoeddi.

Dangosodd y Cynghorwyr Shotton ac Attridge eu bod yn erbyn y newid a gyflwynwyd gan y Cynghorydd Peers.

Yn dilyn cwestiwn gan y Cynghorydd Kevin Hughes ynglŷn â lefelau benthyca a goblygiadau, esboniodd y Prif Weithredwr y model hunangyllido a weithredir gan y Cyngor a'r angen i gael gwared ar y cap ar fenthyca er mwyn parhau i adeiladu tai cyngor hyfyw.

Wrth gefnogi'r Cynnig, canmolodd y Cynghorydd Gladys Healey y cynnydd y mae'r Cyngor wedi'i wneud wrth adeiladu tai cyngor a'r tîm Tai am ei waith i fynd i'r afael â digartrefedd.

Dywedodd y Prif Weithredwr fod cefnogaeth eang i gael gwared ar y cap ar fenthyca er mwyn cydnabod yr angen i adeiladu mwy o dai cyngor er mwyn ateb y galw cynyddol.

Pleidleisiwyd yn unfrydol o blaid y Cynnig, fel y'i diwygiwyd.

(ii) Datblygu Cyngor yr Ifanc ar gyfer Sir y Fflint

'Cyngor Yr Ifanc yw sefydliad democrataidd wedi'i greu, ei gynnal a'i ddatblygu gan bobl ifanc, ar gyfer pobl ifanc. Maen nhw'n bodoli er mwyn cynrychioli safbwyntiau pobl ifanc ar lefel leol, gan roi cyfle i bobl ifanc gael llais, trafod materion perthnasol, ymgysylltu â'r sawl sy'n gwneud penderfyniadau a chyfrannu at wella bywydau pobl ifanc yn eu cymunedau. Bydd datblygu Cyngor yr Ifanc gyda chysylltiadau adrodd ffurfiol â'r Cyngor hwn yn galluogi pobl ifanc i gymryd rhan uniongyrchol yn y penderfyniadau a wneir sy'n effeithio arnyn nhw.

Bydd Cyngor yr Ifanc yn galluogi Pobl Ifanc i:

- Leisio eu pryderon
- Cymryd rhan mewn llywodraeth leol
- Cael eu grymuso i wneud penderfyniadau a chymryd camau i wella eu cymuned leol.

Bydd datblygu Cyngor yr Ifanc yn galluogi'r Cyngor Sir i:

- Gynrychioli'r gymuned gyfan
- Dod yn fwy llewyrchus, modern a deinamig
- Annog mwy o bobl ifanc i bleidleisio a chymryd rhan mewn gwasanaeth cyhoeddus.
- Gwella gwasanaethau ar gyfer pobl ifanc

Cynnig:

'Mae'r Cyngor hwn yn cefnogi'r cynnig i sefydlu Cyngor yr Ifanc ar gyfer Sir y Fflint er mwyn trafod materion perthnasol, ymgysylltu â'r rheiny sy'n gwneud penderfyniadau a chyfrannu at wella bywydau pobl ifanc o fewn y Sir.'

Wrth ddarparu gwybodaeth gefndirol i'r Cynnig, esboniodd y Cynghorydd Shotton mai'r nod oedd sefydlu egwyddor o Gyngor yr Ifanc a symud ymlaen trwy'r Cynllun Gwella. Roedd sawl enghraifft dda o gynghorau yr Ifanc ledled y DU, a byddai datblygu fforwm fel hyn yn Sir y Fflint yn ychwanegu at ystod y cyfleoedd sydd ar gael ar hyn o bryd i bobl ifanc leisio eu barn.

Eiliwyd hyn gan y Cynghorydd Bernie Attridge.

Wrth gefnogi'r Cynnig, cyfeiriodd y Cynghorydd David Healey at y potensial i gynghorau tref/cymuned nodi ffyrdd o ymgysylltu â phobl ifanc i wella cydnerthu cymunedol ac i adnoddau pwrpasol ddarparu arweiniad i bobl ifanc.

Aelodau eraill a oedd yn cefnogi'r Cynnig oedd y Cynghorydd Heesom a groesawodd yr elfen arweinyddiaeth i ddarpariaeth pobl ifanc, a'r Cynghorydd Veronica Gay a siaradodd am ymgysylltiad cynghorau tref â phobl ifanc ar hyn o bryd. Awgrymodd y Cynghorydd Hilary McGuill y dylid cynnwys aelod o Gyngor yr Ifanc ar y Bwrdd Gwasanaethau Cyhoeddus yn y dyfodol a gwnaeth y Cynghorydd Peers awgrym ynglŷn â chydlynu â Chynghorau yr Ifanc eraill.

Er ei fod yn cytuno â'r Cynnig mewn egwyddor, nid oedd y Cynghorydd Clive Carver yn gallu ei gefnogi ar ei ffurf presennol gan ei fod yn teimlo bod angen rhoi mwy o ystyriaeth i'r cynnig er mwyn sicrhau fod pobl ifanc yn cymryd rhan gynaliadwy er mwyn cyflawni'r canlyniadau cywir i bawb. Mewn ymateb, dywedodd y Prif Weithredwr mai'r nod oedd cytuno mewn egwyddor â Chyngor yr Ifanc fel dilyniant naturiol i'r trefniadau presennol, a byddai'r manylion yn destun trafodaeth a mewnbwn gan bobl ifanc.

Roedd y Cynghorydd Chris Bithell yn cefnogi'r Cynnig a oedd yn ceisio datblygu trefniadau lleol ledled y sir.

Pleidleisiwyd o blaid y Rhybudd o Gynnig.

PENDERFYNWYD:

- (a) Bod y Rhybudd o Gynnig fel y'i diwygiwyd ar gyfer Tai Cyngor Newydd yn cael ei gefnogi fel a ganlyn: 'Mae Cyngor Sir y Fflint yn galw ar Lywodraeth Cymru a Chymdeithas Llywodraeth Leol Cymru (CLILC) i ymgysylltu â Llywodraeth y DU i adolygu'r cap ar fenthycy'r Cyfrif Refeniw Tai yng Nghymru, i ganiatáu'r cyfle i ystyried adeiladu mwy o dai cyngor a lliniaru'r argyfwng yn y galw am dai, gan gefnogi twf economaidd lleol yn Sir y Fflint.'; a
- (b) Bod y Rhybudd o Gynnig i ddatblygu Cyngor yr Ifanc yn Sir y Fflint yn cael ei gefnogi fel a ganlyn: 'Mae'r Cyngor hwn yn cefnogi sefydlu Cyngor yr Ifanc ar gyfer Sir y Fflint er mwyn trafod materion perthnasol, ymgysylltu â'r rheiny sy'n gwneud penderfyniadau a chyfrannu at wella bywydau pobl ifanc o fewn y Sir.'

24. BWRDD GWASANAETHAU CYHOEDDUS SIR Y FFLINT A'R DDEDDF LLESIANT CENEDLAETHAU'R DYFODOL (CYMRU) 2015

Cyflwynodd y Prif Weithredwr a'r Swyddog Gweithredol Busnes Corfforaethol a Chyfathrebu adroddiad a oedd yn gofyn i Aelodau'r Cyngor newydd nodi'r dyletswyddau deddfwriaethol statudol ac ail-fabwysiadu Amcanion Llesiant y Cyngor (ar ôl eu mabwysiadu'n flaenorol cyn pen y terfyn amser statudol) ar gyfer adolygiad yn y dyfodol.

Cafwyd cyflwyniad yn trafod y meysydd canlynol:

- Trosolwg
- Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015
- Aseiad o Les
- Bwrdd Gwasanaethau Cyhoeddus Sir y Fflint
- Rolau Byrddau Gwasanaethau Cyhoeddus ac Awdurdodau Lleol
- Themâu Blaenoriaeth Bwrdd Gwasanaethau Cyhoeddus Sir y Fflint – Hen a Newydd
- Strategaeth y Dyfodol – Cynllun Llesiant
- Amcanion Lles y Cyngor

Rhannwyd gwybodaeth gefndirol am y saith nod lles a oedd yn sylfaen i'r Ddeddf a fyddai'n cael eu cyflawni drwy weithio mewn partneriaeth. Byddai Aseiad Llesiant y Cyngor yn help i fod yn sail i flaenoriaethau a gynhwysir yn y cynllun llesiant – a ddisgrifiwyd fel strategaeth bartneriaeth – a byddai angen ei chyhoeddi erbyn mis Mai 2018.

Roedd y cyrff statudol a'r cynrychiolwyr gwirfoddol sy'n ffurfio aelodaeth y Bwrdd Gwasanaethau Cyhoeddus wedi gwneud cynnydd da ar weithio mewn partneriaeth. Cytunodd y Prif Weithredwr gyflwyno awgrym blaenorol y

Cynghorydd Hilary McGuill sef cynnwys cynrychiolydd Cyngor yr Ifanc unwaith y bydd wedi'i sefydlu. Cytunodd hefyd argymhell y dylid cael cynrychiolydd busnes lleol, fel yr awgrymwyd gan y Cynghorydd Mike Peers.

PENDERFYNWYD:

- (a) Bod Aelodau'n nodi'r dyletswyddau statudol o dan y Ddeddf Llesiant Cenedlaethau'r Dyfodol a chydabod rôl y Bwrdd Gwasanaethau Cyhoeddus i'w cyflawni; a
- (b) Bod yr Amcanion Llesiant a gyflwynwyd yn y Pwyllgor Arolygu a Chraffu Cabinet ac Adnoddau Corfforaethol blaenorol yn cael eu hail-fabwysiadu.

25. ATODLEN O GYDNABYDDIAETH ARIANNOL

Cyflwynodd y Rheolwr Gwasanaethau Democrataidd atodlen ddrafft o gydnabyddiaeth ariannol ar gyfer 2017/18 yn dilyn penodiadau i 'swyddi cyflogau uwch'. I alluogi'r Cyngor i gwblhau a chyhoeddi'r Atodlen erbyn y terfyn amser statudol, sef 31 Gorffennaf 2017, ceisiwyd caniatâd i'r Rheolwr Gwasanaethau Democrataidd ychwanegu enwau'r ddau aelod cyfetholedig a oedd ar goll o Bwyllgor Cronfa Bensiynau Clwyd cyn ei gyhoeddi. Er bod un wedi'i dderbyn yn ddiweddar, byddai'r ail enw yn cael ei ddweud yng nghyfarfod nesaf y Cyngor.

PENDERFYNWYD:

- (a) Bod yr Atodlen o Gydnabyddiaeth Ariannol a gwblhawyd ar gyfer 2017/18, fel yr atodir wrth yr adroddiad, yn cael ei gymeradwyo i'w gyhoeddi; a
- (b) Bod y Rheolwr Gwasanaethau Democrataidd yn cael awdurdod i ychwanegu enwau'r aelodau cyfetholedig terfynol at yr atodlen cyn ei chyhoeddi.

26. AELODAU O'R WASG A'R CYHOEDD YN BRESENNOL

Roedd un aelod o'r wasg yn bresennol.

(Dechreuodd y cyfarfod am 2.00pm a gorffennodd am 4.10pm)

.....
Cadeirydd

Eitem ar gyfer y Rhaglen 11

Notices of Motion **Flintshire County Council – 27th September 2017**

Councillors Bernie Attridge and Kevin Hughes:

“The disaster at Hillsborough Stadium in Sheffield on 15 April 1989 led to the deaths of 96 innocent people who had left their homes that morning to watch a football match.

Due to crowd control mismanagement, those fans, whose ages ranged from 10 to 67 years old, lost their lives. This disaster directly affected families in Flintshire.

It is saddening to compare the behaviour of those who were in positions of responsibility and public trust with the dignity and courage displayed by the families of the 96, who have continued since 1989 to fight for justice whilst coping with the loss of their loved ones. The Council cannot overlook the hurt and distress caused by the lies and smears printed in The Sun at that time - especially to the families of the 96.

Neither can we overlook The Sun’s stubborn refusal to apologise properly for the hurt it caused until it became clear to the newspaper that public opinion demanded such an apology.

On April 26th 2016 a jury returned verdicts of unlawful killing in relation to each victim. It is this Council’s hope that in due course the conclusions reached by the Hillsborough inquest will come to finally result in justice for the victims of this tragedy.

We express our support for those affected by the disaster and commend the continuing efforts of relatives and friends of the victims in their search for justice. We condemn the behaviour of the Sun newspaper and we as a council will support any Flintshire retailer or newspaper vendor that choose not to sell the Sun newspaper. We lend our support to the campaign ‘Total Eclipse of the Sun’ in solidarity with fellow councils in the North West of the United Kingdom.”

Councillor Clive Carver:

“This Council decries the Welsh Government for promoting the building of more houses whilst at the same time not ensuring that NHS Wales has sufficient GP doctor’s surgeries to cope with the existing population, let alone the increase in population that these houses will bring.”

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 12



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday 27 th September 2017
Report Subject	Council (Improvement) Plan 2017-23
Report Author	Chief Executive

EXECUTIVE SUMMARY

The Council Plan for 2017-23 (formerly the Improvement Plan) has been reviewed and updated to reflect the key priorities of the Council for the 5 year term under the newly elected administration.

The super-structure of the Plan remains the same as previous plans. The Plan now has six priorities with sub-priorities. The six priorities take a long term view of our aims for the next five years.

The Council Plan is published in a similar format to previous years: highlighting objectives and actions and referencing national issues which could impact upon achievement of the priorities. The Plan fits alongside the Medium Term Financial Strategy for 2017-2020.

The Council Plan is in two parts. Part 1 is the statement of our aims and intentions. Part 2 describes the targets and milestones by which the achievements will be measured.

RECOMMENDATIONS

1	To adopt the Council Plan 2017-18 prior to final publication by the end of September.
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REPORT DETAILS

1.00	COUNCIL PLAN 2017-23
1.01	It is a requirement of the Local Government (Wales) Measure 2009 (the Measure) to set Objectives and publish a Council Plan. It is a statutory requirement for the County Council to adopt the Council Plan.
1.02	The title of 'Improvement' Plan has been changed to 'Council' Plan as a more fitting term.
1.03	<p>Improvement Objectives and an accompanying Improvement Plan were first set and adopted by the Council in 2011. For the 2013-14 Plan the Council thoroughly reviewed the priorities. The Council re-set its aims with clearer outcome-based measures. This approach continued through to 2016-17. The objectives have again been reviewed given that it is a newly elected Council and the Well-being for Future Generations (Wales) Act 2015 is in being.</p> <p>This review has resulted in a revised set of six priorities supported by a structure of sub-priorities as endorsed by Cabinet:-</p> <p>Priority: Supportive Council Sub-Priorities: Appropriate and Affordable Homes Modern, Efficient and Adapted Homes Protecting people from Poverty Independent Living Integrated Community Social & Health Services Safeguarding</p> <p>Priority: Ambitious Council Sub-Priority: Business Sector Growth and Regeneration</p> <p>Priority: Learning Council Sub-Priority: High Performing Education</p> <p>Priority: Green Council Sub-Priorities Sustainable Development & Environmental Management Safe and Sustainable Travel Services</p> <p>Priority: Connected Council Sub-Priority: Resilient Communities</p> <p>Priority: Serving Council Sub-Priority: Effective Resource Management</p>

1.04	<p>The Plan format remains largely unchanged, as it has been well received and commented upon favourably. The main change has been the amalgamation of priorities from eight to six. National policy issues have been updated and listed within each sub-priority. These are issues over which we have little control and which may restrict enable or successful and or timely delivery of our priorities. The Plan is linked to the Medium Term Financial Strategy for 2017-2020.</p>
1.05	<p>For 2017-18 a review of the current priorities and sub-priorities has been undertaken to set: -</p> <ul style="list-style-type: none"> • priorities that continue for sustained attention e.g. “New social and affordable homes”; • priorities which could be broadened e.g. “Regional Economic Growth Deal”; • priorities which could be merged e.g. “Housing” and Living Well” • emerging priorities for 2017-18 e.g. Food poverty, Early Help Hub and Youth Council establishment. <p>Sub-priorities have also been set to take into account Cabinet and Overview and Scrutiny priorities, priorities of partners, public views and service demands and national policy and legislation.</p>
1.06	<p>For each sub-priority for 2017-18 there has been a review based on:-</p> <ul style="list-style-type: none"> • the reasoning for the priority status; • what we will do and how we will measure achievement; and • the risks that will need to be managed.
1.07	<p>The Council Plan in totality is presented as two documents; firstly the public version of our statements of intent and, secondly, the targets and milestones on which achievement will be measured (Appendix 2).</p> <p>These targets and milestones in the “How we Measure” document are being considered by the Overview and Scrutiny Committees prior to final agreement by this Cabinet. This will be the document that is used by Cabinet and Overview and Scrutiny Committees to monitor progress during the year.</p> <p>An overview of the considerations from each Overview and Scrutiny Committee is provided in Appendix 3.</p>
1.08	<p>The Corporate Resources and Overview Scrutiny Committee reviewed the ‘public’ version of the document (Part 1) for its structure, format and overall content. The outcomes from this meeting are shown in Appendix 3.</p>
1.09	<p>The final Council Plan will be available as a web-based document published on the website before the end of September.</p>

2.00	RESOURCE IMPLICATIONS
2.01	Resource implications have been considered during preparation of the Medium Term Financial Strategy and will continue to be monitored during the regular budget monitoring and financial planning arrangements.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	All Overview and Scrutiny Committees will have had the opportunity to consider and review the content of the draft Plan priorities including the opportunity to scrutinise measures and targets set for 2017-18. A summary of the considerations is appended.

4.00	RISK MANAGEMENT
4.01	<p>Delivery of the Plan objectives is risk managed within each of the sub priorities of the Council Plan and monitored and reported against quarterly by the Overview and Scrutiny Committees.</p> <p>The risks to the statutory requirements of the Plan include: not publishing the plan within statutory timescales and, not adhering to the prerequisite content.</p> <p>Both these risks are managed through adherence to well established procedures for i) publishing the Plan and ii) ensuring that the content of the plan reflects the requirements of the Measure.</p>

5.00	APPENDICES
5.01	<p>Appendix 1: Council Plan (Part 1) 2017-18. Appendix 2: Council Plan (Part 2) 2017-18 Appendix 3: Considerations of Council Plan (Part 1) by Corporate Resources Overview and Scrutiny Committee Appendix 4: Overview and Scrutiny Committee recommendations – Council Plan (Part 2)</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Karen Armstrong, Corporate Business and Communications Executive Officer Telephone: 01352 702740 E-mail: Karen.armstrong@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Council Plan: the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish a Plan.</p> <p>Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>

Mae'r dudalen hon yn wag yn bwrpasol

Flintshire County Council

Council Plan 2017 to 2023

Contents

Welcome to Flintshire County Council’s Plan for 2017 to 2023	3
Setting Our Priorities and Judging our Performance	4
Priorities for the 2017/18 Council Plan.....	5
Following the Plan – An Easy Guide.....	6
What’s changed for 2017/18?	6
Regulation, Audit and Inspection	7
Other Audit / Regulatory Activity	7
How Consultation Informs our Plan.....	7
Council Plan and ‘How we measure achievement’	8
Priority: Supportive Council.....	9
Sub-Priority: Appropriate and Affordable Homes	9
Sub-Priority: Modern, Efficient and Adapted Homes	11
Sub-Priority: Protecting people from poverty.....	13
Sub-Priority: Independent Living.....	15
Sub-Priority: Integrated Community Social & Health Services	17
Sub-Priority: Safeguarding	19
Priority: Ambitious Council	21
Sub-Priority: Business Sector Growth and Regeneration	21
Priority: Learning Council.....	24
Sub-Priority: High Performing Education	24
Priority: Green Council.....	28
Sub-Priority: Sustainable Development & Environmental Management	28
Sub-Priority: Safe and sustainable travel services	30
Priority: Connected Council	32
Sub-Priority: Resilient Communities	32
Priority: Serving Council.....	35
Sub-Priority: Effective Resource Management	35
Statement of Responsibility.....	38

Welcome to Flintshire County Council's Plan for 2017 to 2023

The new version of our Council Plan sets out our priorities for the forthcoming five years of the Council and what we aim to achieve. It does however focus on the objectives we intend to deliver during 2017/18. Flintshire prides itself on being a council which performs highly for its local communities and one which is motivated by a set of strong social values.

Flintshire is a well-governed and progressive council. We continue to perform well as a direct provider and commissioner of public services, and as a partner to others. Our recent track record in key services such as education, social care, housing, anti-poverty and environment show that we do deliver on what we say we will do.

Everything we do is important to someone, so selecting a set of priorities for the year is never an easy task. We have set six new priorities for the Council itself. The Council's new themed framework of six priorities has been developed to reflect the impact of the medium term financial strategy and protection of core services. Through our priorities we aim to make a real and noticeable impact.

We are under huge financial pressure during this period of unprecedented austerity. Despite this we still aim high on our priorities. If we fall short against our priorities it will be because of under-funding and not because we are not committed or are not capable. For this reason we have changed the name of the plan from the Improvement Plan to Council Plan.

The plan sets out the Council's six priorities and detailed sub-priorities for action, where we aim to achieve impact this year, page by page. An explanation for the choice of each one is given. In addition we have also taken into consideration the Well-being of Future Generations (Wales) Act by linking the impact statements to the Council's well-being objectives.

For 2017/18 a review of previous priorities and sub-priorities has been undertaken to set: -

- priorities that continue into 2017/18 for sustained attention;
- activities that can now be removed as completion of a time-limited piece of work which are now embedded;
- priorities which could be broadened to include more strategic issues e.g. 'growing the local economy', and sustainability of the social care market;
- emerging priority activities for 2017/18 e.g. managing local impact of the full service Universal Credit (UC) roll out .

Over the five year life of the Council, 2017/18 being the first year, the full set of priorities will be underpinned by the development of strategies. As these are developed new measures and actions will emerge in future years.

We hope that you find the Plan both informative and uplifting. Your feedback on the Plan itself, and on what we aim to achieve, would be very welcome.



Colin Everett




Aaron Shotton

Chief Executive

Leader of the Council

Setting Our Priorities and Judging our Performance

The priorities for Flintshire as a County are set by the Council and its local public sector partners. We work together as a Public Services Board (PSB) combining our resources for the benefit of Flintshire.

The sub-priorities shown with a  symbol denote those we share with our partners. These have been selected for special attention where we believe that concentrated effort by the partners working together will make a big difference to the communities of Flintshire. These sub-priorities currently¹ are:

- Independent Living
- Integrated Community Social and Health Services
- Developing and Inspiring Resilient Communities
- Safeguarding

Our Public Services Board partners include: Coleg Cambria, Natural Resources Wales, Public Health Wales, North Wales Police, Betsi Cadwaladr University Health Board, Wales Probation, Flintshire Local Voluntary Council, North Wales Fire & Rescue Service, Coleg Cambria, Glyndwr University and Welsh Government.

The Council has also set a number of priorities for itself as an individual partner organisation. Setting priorities helps us focus our attention and resources on the things that matter most; these priorities are echoed in the Council's business plans. We are legally required to set priorities known as Improvement Objectives (under the Local Government (Wales) Measure 2009). We call these our Council Priorities.

In setting our Council Priorities we have to take a number of factors into account from Welsh Government policy, to the expectations of our key partners, to our legal responsibilities, and to the views of local people.

We then set our targets, and judge our performance against them by using a wide range of information both quantitative (performance judged by numbers) and qualitative (performance judged by feedback, the results of consultation etc).

To ensure that we know how well we are doing in meeting the expectations for our priorities we have a series of 'measures' which we keep under regular review. These performance measures are set out for each of our priorities page by page. They are detailed more fully in the supporting document 'How we measure achievement'. Both these e-documents are linked together by hyperlinks.

Each of our sub-priorities is described individually on the following pages. We provide information about:

- The impact - what difference will be made
- Why the priority is important in 2017/18
- The national policy issues which impact on delivery of the sub-priority
- What we will do
- How we will measure achievement
- What risks we need to manage
- What some of our language means

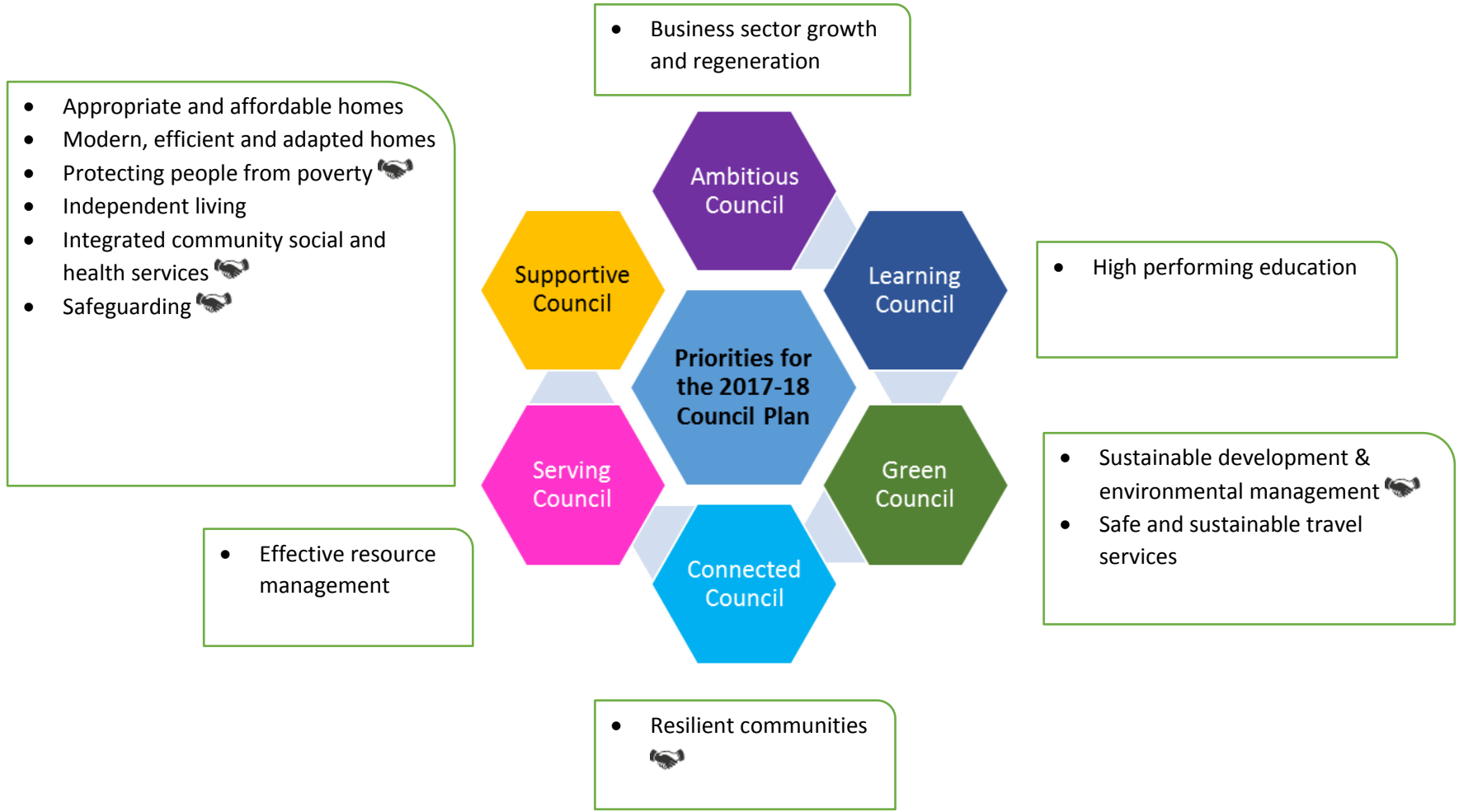
We will let you know how well we have performed against our outcomes in two ways:

- 1) regular reports to the Council's Cabinet and Scrutiny committees, and
- 2) next year's published Annual Performance Report for 2017/18.

¹ The priorities of the Public Services Board are currently under review as part of the development of the County's Well-being Plan, to be published April 2018

Priorities for the 2017/18 Council Plan

Tudalen 28



Following the Plan – An Easy Guide

The previous page sets out the Council's six priorities and the sub-priorities which support them, where we aim to make a positive impact in 2017/18.

Each standing priority is illustrated with a different colour. For example, **Supportive Council** is **amber** and **Ambitious Council** is **dark pink**. This colour coding should make the priorities easier to follow as the reader works through the document and also the supporting document 'How we measure achievement'.

On the graphic illustration we have set out against each priority the impacts we aim to make. Under each impact we list the sub-priorities where action and achievement will help achieve the impact. A sub-priority is simply a specific programme of work on a given theme. Taken together, success in achieving the aims of a set of sub-priorities will deliver the ambition for the bigger, standing priority of the same theme.

Every organisation has to prioritise its attention and its resources to make an impact. The Council has selected a number of the sub-priorities for special attention in the 2017/18 Council year. Each of these selected sub-priorities then has a dedicated page to itself later in the document.

For example on page 24 you will see the priority for **Learning Council**.

This has 3 impacts: -

- **Providing high quality learning opportunities, and learning environments for learners of all ages.**
- **Supporting children and younger people to achieve their potential.**
- **Supporting learners from 3 to 18 years of age to aspire to high levels of educational attainment and achievement.**

This impact has one sub-priority selected for attention in 2017/18. The reason for selection is explained on the dedicated page (pages 24): -

- **High Performing Education**

What's changed for 2017/18?

The Council Plan is now based on 6 new themes which are detailed as priorities. The impact statements are our Well-being objectives which outline our commitment to the Well-being of Future Generations (Wales) Act 2015.

Regulation, Audit and Inspection

As a public organisation the Council is regularly inspected to examine and challenge its performance and effectiveness. This work is mainly undertaken by a number of appointed bodies including Wales Audit Office (WAO), Estyn and the Care and Social Services Inspectorate (CSSIW).

The Council received a favourable Corporate Assessment from the Wales Audit Office in 2015 and has sustained a good level of progress and achievement in subsequent reviews and Annual Improvement Reports.

CSSIW's performance review of Social Services (June 2017) notes sustained progress in meeting the requirements of the Social Services and Wellbeing (Wales) Act 2014, with positive comments regarding the development of the Information, Advice & Assistance Service and the Early Help Hub.

CSSIW's focus themes for last year were carers and adult safeguarding; implementation of the new safeguarding thresholds and guidance will continue as a priority into next year.

Other Audit / Regulatory Activity

The Council prepares an annual summary of all external audit and regulatory activity. The last one was produced in May 2017 and considered by the Council's Audit Committee.

How Consultation Informs our Plan

The priorities set for this Council Plan (and the former Improvement Plans) were, from the outset, based on a wide range of previous consultations in service areas with both partners and representative groups (e.g. community safety, anti-poverty, education, economic development) and, in some cases, service users directly (e.g. housing).

There has been no single intensive consultation exercise on the Plan itself, by local choice, given this background. Elected members, on behalf of the communities they represent, have contributed to setting the priorities of the Council and used their representative role to test the relevance of the Plan against local public opinion. This has been facilitated through the sharing of the draft plan with all elected members and through its presentation at Scrutiny Committees covering all service areas. Feedback has been used to develop this final version of the Plan. In addition, elected members have been consulted on the targets and milestones to be used to measure achievement of the Plan and ensure there is sufficient pace and ambition.

Consultation on all parts of the Plan is continuous with stakeholders and Welsh Government. The Council remains open to feedback on the plan and amending it at any time following receipt of feedback as well as through new service based consultations or local and national policy issues.

Council Plan and 'How we measure achievement'

These 2 documents are linked, with the 'measuring achievement' supporting document providing greater detail about the target performance and milestones we have set ourselves. The documents are hyperlinked at the relevant pages, or this table can be used as a guide.

Council Plan Page Numbers	Priority	Sub-Priority	Impact	Corresponding page numbers in 'How we measure achievement'
9 - 10	Supportive Council	Appropriate and Affordable Homes	Ensuring the supply of affordable and quality council housing of all tenures.	2 - 3
11 - 12		Modern, Efficient and Adapted Homes	Ensuring the supply of affordable and quality housing of all tenures	4 - 6
13 - 14		Protecting people from poverty	Protecting people from poverty by maximising their income and employability	7 - 11
15 - 16		Independent Living	Making early interventions to support healthy and independent living Sustaining a local market of high quality and affordable service provision for those who are highly dependent on care support	12 - 13
17 - 18		Integrated Community Social & Health Services	Enabling more people to live independently and well at home Giving equal opportunity to all to fulfil their lives Providing joined-up services with public and third sector partners which support quality of life in communities and for individuals and families	14 - 16
19 - 20		Safeguarding	Protecting people from the risk of any form of abuse Making communities safe places by working with partners to prevent crime, repeat crime and anti-social behaviour	17 - 20
21 - 23	Ambitious Council	Business Sector Growth and Regeneration	Sustaining economic growth through local and regional business development, employment and training sites Developing the transport infrastructure and employment sites and transport services, widening access to employment and training sites Creating a supply of diverse and quality training and employment opportunities	21 - 23
24 - 27	Learning Council	High Performing Education	Providing high quality learning opportunities, and learning environments for learners of all ages Supporting children and younger people to achieve their potential Supporting learners from 3 to 18 years of age to aspire to high levels of educational attainment and achievement	24 - 28
28 - 29	Green Council	Sustainable Development & Environmental Management	Enhancing the natural environment and promoting access to open and green space Reducing energy consumption and using and developing alternative/renewable energy production Maximising the recovery and recycling of waste	29 - 32
30 - 31		Safe and sustainable travel services	Developing the transport infrastructure and employment sites, and transport services, widening access to employment and training sites	33 - 35
32 - 34	Connected Council	Resilient Communities	Supporting local communities to be resilient and self-supporting Committing to resilient service models to sustain local public services Widening digital access to public services	36 - 40
35 - 37	Serving Council	Effective Resource Management	Continuing to be a high performing and innovative public sector organisation with social values Providing high quality, accessible, responsive and cost effective public services	41 - 45

Priority: Supportive Council

Sub-Priority: Appropriate and Affordable Homes

Impact: Ensuring the supply of affordable and quality housing of all tenures.

This is a priority this year because we need to:

- Prevent homelessness
- Meet the diverse housing and accommodation needs of the local population
- Develop more opportunities for people to access affordable rent and low cost home ownership
- Build the maximum number of Council houses possible as part of the housing supply solution
- Meet the Welsh Government target for all social housing to be brought up to the Welsh Housing Quality Standard (WHQS).

National Policy Issues:

- Welfare Reform and Work Act 2016
- Local Authorities to be able to access grant funding to support new build affordable and social housing
- Sufficiency of resourcing to fulfil the duties of the Wales Housing Act
- Capital limits on borrowing for councils to build new houses.
- Maintaining the funding of Major Repairs Allowance (MRA) so that the council can meet the WHQS by 2020
- Maintaining current rent policy so that the council can achieve WHQS by 2020.

What we will do in 2017/18:

1. Provide new social and affordable homes.

Achievement will be measured through:

- Delivery of HRA and NEW Homes Business Plans by: -

- Building 79 new Council and 62 new affordable homes through the SHARP programme
- Increasing the number of properties managed by NEW Homes to 144 in 2017/18
- Delivering options for new, innovative low rent housing schemes for under 35's.

2. Welsh Housing Quality Standard (WHQS) investment plan targets achieved.

Achievement will be measured through:

- Completing WHQS work schemes in line with the housing asset management strategy.

3. Develop solutions to the increasing frequency of unauthorised gypsy and traveller encampments

Achievement will be measured through:

- Agreed options appraisal identifying a range of measures to address this.

Risks to manage:

- Homelessness will remain a growing area of demand due to the current economic climate
- The supply of affordable housing will continue to be insufficient to meet community needs
- Department for Works and Pension's Welfare Reform Programme, including Universal Credit full service implementation which would place increasing demand on the Council for affordable and social housing
- Land supply for council housing construction
- Capital borrowing limits for council housing.

What we mean by:

WHQS: Welsh Government's physical quality standard for modern social housing.

NEW Homes: North East Wales Homes and Property Management provide a service to increase housing options available to local residents.

HRA: Housing Revenue Account

Welfare Reform Programme: A strategy to manage the impact and implementation of welfare reforms in terms of employment, financial inclusion, and integrated support for the most disadvantaged.

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Priority: Supportive Council

Sub-Priority: Modern, Efficient and Adapted Homes

Impact: Ensuring the supply of affordable and quality housing of all tenures.

This is a priority this year because we need to:

- Meet the needs of vulnerable groups including the need for adapted housing, Extra Care, Learning Disability and transitional social care beds/units
- Improve housing quality in owner occupied and private rented sectors
- Reduce the number of empty properties in the County
- Provide good quality housing for residents and maximise funding to improve homes.

National Policy Issues:

- Practical implementation of Welsh Government's Rent Smart guidelines across the private rented sector in Flintshire
- Influencing the direction of national funding priorities for housing regeneration
- Funding levels needed to address poor housing quality in private rented and owner occupied sectors.

What we will do in 2017/18:

1. Improve standards within the private rented sector.

Achievement will be measured through:

- Working proactively with landlords and tenants to improve the quality of private rented sector properties
- Ensuring landlords and letting agents comply with the Rent Smart code of practice.

2. Deliver the council's housing growth needs.

Achievement will be measured through:

- Increasing the number of new affordable homes agreed through the planning system by 50 during 2017/18
- Delivering social and affordable homes through Welsh Government funding programmes
- Increasing the number of new homes created as a result of bringing empty properties back into use.

3. Meeting the housing needs of vulnerable groups.

Achievement will be measured through:

- Reducing the average number of calendar days taken to deliver a Disabled Facilities Grant (DFG)
- Increasing the number of Extra Care homes and individual units:
 - Constructing Flint Extra Care (Llys Raddington) providing 70 new units
 - Confirming and agreeing plans for Holywell Extra Care providing 55 new units
- Working strategically to address housing needs of adults with learning disabilities and other vulnerable individuals.

Risks to manage:

- Customer expectations for the timeliness of adaptations undertaken through disabled facilities grants may not be met due to competing demands on resources
- Availability of sufficient funding to resource key priorities.

What we mean by:

SHARP: Strategic Housing and Regeneration Programme – programme to build 500 new council and affordable homes over the next four years.

Rent Smart: Service to process registrations and grant licenses to landlords and agents who are required to comply with the Housing (Wales) Act 2014.

Transitional Social Care: Transition from inpatient hospital and community or care homes.

Extra Care homes: Development of high quality apartments for rent to meet varying needs of support, some of which are specifically adapted for older people with memory loss or living with dementia.

Social Housing Grant (SHG): funds housing schemes that meet local needs and priorities as identified by local authorities including providing housing for rent or low cost home ownership through new build or the use of existing buildings.

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Priority: Supportive Council

Sub-Priority: Protecting people from poverty

Impact: Protecting people from poverty by maximising their income and employability

This is a priority this year because we need to:

- Support people to manage the ongoing impact of Welfare Reform
- Help people claim the benefits they are entitled to
- Help people manage their financial commitments
- Reduce the risk of poverty amongst Flintshire households
- Reduce the impact of rises in fuel cost
- Help people access affordable credit
- Help people to manage their income, and provide support to access employment training.

National Policy Issues:

- Sustainability of funding for fuel poverty measures
- European Social Fund (ESF) Programmes affecting delivery of local targets
- Welfare Reform Act 2016
- Welsh Government approach to regeneration programmes.

What we will do in 2017/18:

1. Support Flintshire residents to better manage their financial commitments.

Achievement will be measured through:

- Assisting people with Welfare Reform changes through the effective application of the Council's Discretionary Housing Payment Policy
- Providing advice and support services to help people manage their income, including supporting people to access affordable credit and local Credit Unions
- Timely processing of Housing Benefit claims
- Assisting Flintshire residents to claim additional income to which they are entitled

2. Manage local impact of the full service Universal Credit (UC) roll out.

Achievement will be measured through:

- Achieving the Homeless prevention target
- Delivering the UC Operational board action plan
- Delivering Personal Budgeting and Digital Support Services.

3. Develop and deliver programmes that improve employability and help people to gain employment.

Achievement will be measured through:

- Developing an employability proposal as part of the Regional Economic Growth Bid to seek long term investment via a simple and cost effective programme of support
- Developing an enhanced careers and guidance service for North Wales to match young people to the labour market
- Increasing the number of local people who, following attendance on a programme report they are closer to work or becoming ready to enter work.

4. Develop and deliver programmes to improve domestic energy efficiency to reduce Co2 emissions and fuel poverty.

Achievement will be measured through:

- Reducing the overall annual fuel bill for residents
- Providing advice and support to residents to enable them to switch to a lower cost energy tariff
- Increasing the number of private sector and Council homes receiving energy efficiency measures
- Securing Welsh Government ARBED3 Programme Funding by March 2018.

5. Develop a strategy to address food poverty.

Achievement will be measured through:

- Developing programmes in partnership with the social and third sector to work towards addressing food poverty
- Undertaking feasibility work for the development of a food-based social enterprise by December 2017.

6. Assist residents of Flintshire to access affordable credit

Achievement will be measured through:

- Develop effective partnerships with local Credit Unions to enable residents to access banking services and affordable credit.

Risks to manage:

- Universal Credit Full Service roll out - negative impact upon FCC services
- Demand for advice and support services will not be met
- Debt levels will rise if tenants are unable to afford to pay their rent or council tax
- The local economy will suffer if residents have less income to spend
- Residents do not take up the energy efficiency measures available
- Available funding for energy efficiency measures falls short of public demand.

What we mean by:

Welfare Reform: A range of measures introduced by Central Government to reform the Welfare Benefits system.

Discretionary Housing Policy: Aims to provide a fair and consistent approach to help customers who require further financial assistance with their housing costs.

Universal Credit Full Service roll out: a new way of paying benefits on a monthly basis; now being expanded to cover all claimants.

Regional Economic Growth Bid: The proposals for economic growth in North Wales produced by local government, business leaders and the further and higher education sectors.

Credit Unions: Regulated financial cooperative which and subject to broadly the same scrutiny by the Financial Conduct Authority as any other bank or building society. Credit Unions are also part of the Government backed Financial Service to provide loans and saving schemes.

ARBED 3 Programme: A programme to support our commitment to reducing climate change, help eradicate fuel poverty, and boost economic development and regeneration.

Priority: Supportive Council

Sub-Priority: Independent Living

- Impacts:** 1) Making early interventions to support healthy and independent living.
2) Sustaining a local market of high quality and affordable service provision for those who are highly dependent on care support.

This is a priority this year because we need to:

- Help people to live independently as they get older
- Support people with dementia
- Develop a model of support for persons with a disability which enables independent living
- Support families to support each other to live independently
- Ensure the sustainability of social care models.

National Policy Issues:

- Implementation of the Social Services & Well-being Act (Wales) 2014
- Registration and Inspection Act
- Living wage issues for care providers
- Care market fragility
- Insufficient national funding to meet escalating social care costs
- Aging population locally and nationally
- Welfare Reform Act 2016.

What we will do in 2017/18:

1. Ensure care home provision within Flintshire enables people to live well and have a good quality of life.

Achievement will be measured through:

- Agreeing the business model to increase direct provision of residential care and sustain domiciliary care roles to support the wider market
- Supporting care home providers to ensure service sustainability and delivering Progress for Providers
- Delivering dementia awareness training to the care homes workforce
- Working with Betsi Cadwaladr University Health Board (BCUHB) to develop an action plan to support the quality and breadth of nursing provision
- Delivering a strategy for independent sector domiciliary care agencies to support service sustainability.

2. Support greater independence for individuals with a frailty and / or disability, including those at risk of isolation.

Achievement will be measured through:

- Adults who are satisfied with their care and support
- Implementation of a joint Community Resource Team (CRT) with BCUHB which is able to offer advice and support through the Single Point of Access (SPOA)
- Ensuring that the workforce are equipped to provide person centred care in line with the requirements of the Social Services and Well-being Act (Wales) 2014.

3. Improve outcomes for looked after children.

Achievement will be measured through:

- Supporting children in stable, local placements
- Strengthening partnership working with BCUHB to ensure timely access to health assessments including CAMHS.

Risks to manage:

- Delivery of social care is insufficient to meet increasing demand
- Demand outstrips supply for residential and nursing care home bed availability.

What we mean by:

Registration and Inspection Act: Registration process to ensure all social workers and social care workers are suitable for work in social care.

Welfare Reform Act 2016: A range of measures introduced by Central Government to reform the Welfare Benefits system.

CAMHS: Child and Adolescent Mental Health Services – NHS – Provision of mental health services for children, generally until school leaving age in the UK.

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Priority: Supportive Council

Sub-Priority: Integrated Community Social & Health Services

- Impacts:**
- 1) Enabling more people to live independently and well at home.
 - 2) Giving equal opportunity to all to fulfil their lives.
 - 3) Providing joined-up services with public and third sector partners which support quality of life in communities and for individuals and families.

This is a priority this year because we need to:

- Work with Betsi Cadwaladr University Health Board (BCUHB) to develop Health and Social Care models for the future
- Avoid unnecessary admissions to hospital and support early and successful discharges
- Co-ordinate the provision of support for service users more effectively with BCUHB and other providers
- Work together with BCUHB to support people with dementia within the local community
- Work with the Public Services Board to identify and engage families early, who are at greater risk of escalating needs.

National Policy Issues:

- National trend for increasing demand on Children's Services
- National focus on supporting integrated approaches between health and social care
- NHS Service pressures and capacity
- Parity of funding between local authorities and NHS funded provision.

What we will do in 2017/18:

1. Ensure that effective services to support carers are in place as part of collaborative social and health services.
Achievement will be measured through:
 - Increasing the number of carers identified through the Single Point of Access (SPOA)
 - Increasing the number of carers that feel supported
 - Evidencing improved outcomes for carers
 - Developing the Carers' Action Plan.
2. Further develop the use of Integrated Care Fund (ICF) to support effective discharge from hospital and ensure a smoother transition between Health and Social Care services.
Achievement will be measured through:
 - Creating essential additional services such as Step Up/Step Down beds providing choice when leaving hospital
 - Maintaining the rate of delayed transfers of care for social care reasons.
3. Establish an Early Help Hub, involving all statutory partners and the third sector.
Achievement will be measured through:
 - Establishing the Early Help Hub to provide effective and timely support to families
 - Reducing referrals that result in "no further action".

4. Further develop dementia awareness across the county.

Achievement will be measured through:

- The number of dementia friendly cafes in Flintshire
- Increasing number of dementia friendly communities in Flintshire.

Risks to manage:

- Annual allocation of ICF - Short term funding may undermine medium term service delivery.
- Early Help Hub cannot deliver effective outcomes.

What we mean by:

Integrated Care Fund (ICF): Funding from Welsh Government being used to support older people to maintain their independence and remain in their own home for as long as possible.

Looked After Children: Children who are being looked after by their local authority, including with foster parents, at home with their parents under the supervision of social services, in residential children's homes or in other residential settings like schools or secure units.

Child and Adolescent Mental Health Services (CAMHS): NHS-provided mental health services for children, generally until school-leaving age, in the UK.

Early Help Hub: The newly developed multi-agency Hub in Flintshire. The Hub provides a collective response to support families with greater needs to build their resilience and wellbeing.

Step Up/Step Down beds: Step-down beds are used for people who are not well enough to move from hospital straight to their home, but don't need to be in an acute hospital bed. Step-down beds are usually provided by care homes, and provide care for the interim period until the person is well enough to return home. Similarly, these beds can be used as a "step up" for people who become ill enough to need care, but don't need to be in an acute hospital environment.

Priority: Supportive Council

Sub-Priority: Safeguarding

- Impacts:**
- 1) Protecting people from the risk of any form of abuse.
 - 2) Making communities safe places by working with partners to prevent crime, repeat crime and anti-social behaviour.

This is a priority this year because we need to:

- Have a Council wide approach to safeguard and protect vulnerable people
- Develop further awareness and support for the Council's approach to safeguarding including the prevention of human trafficking, modern slavery and child sexual exploitation (CSE)
- Comply with the new codes of practice for Safeguarding within the Social Services and Well-being Act (Wales) 2014
- Ensure the wider council workforce are aware of the Council's approach to Safeguarding
- Develop a consistent approach to regional collaboration for Community Safety
- Support achievement of the regional priorities set by the Police and Crime Commissioner.

National Policy Issues:

- Implementation of the Social Services and Well-being Act 2014
- Development of the National Safeguarding Board and structures
- Management of response to Child Sexual Exploitation
- Sustainability of short-term grant funded schemes.

What we will do in 2017/18:

1. Strengthen arrangements within all council portfolios to have clear responsibilities to address safeguarding.

Achievement will be measured through:

- Increasing referral rates from within Council services other than Social Services
- Completion of the online child and adult safeguarding module
- Council officers completing safeguarding awareness training
- Embedding processes and best practice across the council
- Reviewing corporate service policies and procedures to identify breadth and depth of safeguarding coverage
- Implement the safeguarding policy across all Council Services.

2. Ensure that our response rates to referrals remain within statutory targets.

Achievement will be measured through:

- Meeting statutory procedural targets for child and adult protection.

3. Preventative approach towards Child Sexual Exploitation (CSE).

Achievement will be measured through:

- Developing a corporate plan linked to regional work to combat CSE
- Cascading of North Wales Police CSE videos to all portfolios.

4. Identify and address the signs and symptoms of domestic abuse and sexual violence.

Achievement will be measured through:

- Delivering the level 1 training programme for all Council employees
- Implementing training for Council employees to meet the requirements of the Domestic Abuse and Sexual Violence (DASV) National Training Framework
- The number of incidents of Domestic Abuse and Sexual Violence reported.

5. Strengthen regional community safety through collaboration and partnership arrangements.

Achievement will be measured through:

- Adopting and achieving the priorities of the North Wales Safer Communities Board Plan through formulation of a local delivery plan, which also includes locally identified priorities, and overseen by the Public Services Board.

Priorities of the North Wales Safer Communities Board include:

- Domestic Abuse
- Modern Slavery
- Organised Crime
- Sexual Abuse (Including Child Sexual Exploitation)
- Delivering Safer Neighbourhoods

6. Ensure we meet the requirements of the North Wales Contest Board.

Achievement will be measured through:

- Develop a plan to identify and monitor progress of the prevent duties as outlined within the Counter Terrorism and Security Act 2015.

Risks to manage:

- Rate of increase of adult safeguarding referrals will outstrip current resources
- DoLS assessment waiting list increases
- Knowledge and awareness of safeguarding not sufficiently developed in all portfolios
- Failure to implement training may impact on cases not being recognised at an early stage.

What we mean by:

Child sexual exploitation (CSE): a type of sexual abuse in which children are sexually exploited for money, power or status. Children or young people may be tricked into believing they're in a loving, consensual relationship. They might be invited to parties and given drugs and alcohol, and may also be groomed online.

Social Services and Well Being (Wales) Act 2014 (SSWB): An Act to reform social services law to make provision about improving well-being outcomes.

Prevent Duty: Forms 1 of the 4 stands of the Government's Counter Terrorism Strategy, known as 'Contest'. The object of this strand is to prevent individuals from within communities becoming radicalised. The Counter Terrorism and Security Act 2015 place statutory requirement on local authorities to meet what is known as 'The Prevent Duties' necessitating the need for effective processes and mechanisms to prevent radicalisation.

Police and Crime Commissioner: The North Wales Police and Crime Commissioner is the local governing body for policing in our area, and the role replaced North Wales Police Authority. The Commissioner has an

overarching duty to secure an efficient and effective police force, which demonstrates value for money and, above all, cuts crime.

Priority: Ambitious Council

Sub-Priority: Business Sector Growth and Regeneration

- Impacts:**
- 1) Sustaining economic growth through local and regional business development, employment and training sites.
 - 2) Developing the transport infrastructure and employment sites and transport services, widening access to employment and training sites
 - 3) Creating a supply of diverse and quality training and employment opportunities.

This is a priority this year because we need to:

- Continue to grow the local and regional economy
- Secure infrastructure investment needed to facilitate growth both regionally and locally
- Continue to build upon the success of the advanced manufacturing sector in Flintshire
- Protect the economic viability of our town centres and rural areas providing focus on the wider economic growth approach and, housing and employment impact
- Work collaboratively to achieve key priorities for major infrastructure projects which will support economic growth projects
- Develop transport access solutions for our key employment sites
- Continue to support and grow our tourism sector as part of the North Wales tourism and cultural offer.

National Policy Issues:

- Confirmed support for growth deals following the general election
- Devolution of powers to support economic growth in North Wales: opportunity and possible threat if powers are insufficient and do not match those across the UK
- Infrastructure investment to create the platform for advancing economic growth
- Uncertainty over Welsh Government approach to regeneration
- Recognition of the potential impacts on the local and sub-regional economy of global trading patterns and workforce migration of the Brexit negotiations.

What we will do in 2017/18:

1. The Regional Economic Growth Deal will be submitted to UK and Welsh Governments this year and will set out the main priorities for economic development across North Wales.

Achievement will be measured through:

- Contributing to the development of a new governance framework for the North Wales Economic Ambition Board
- The success of the region in achieving a Regional Growth Deal Bid for Government Investment in the regional economy
- Developing a strategy for delivery of the parts of the Regional Growth Deal which will directly benefit Flintshire
- Developing the Local Development Plan (LDP) economic strategy
- Supporting the development of the Wales Advanced Manufacturing Institute by Welsh Government with a successful planning application.

2. Guide the development of the Deeside Enterprise Zone (DEZ) and Northern Gateway mixed use development site. Ensure that the developments maximise economic and social value for the County and that they deliver the commitments made in the Regional Economic Growth Deal.

Achievement will be measured through:

- Providing clear and responsive guidance to potential developers within the DEZ and Northern Gateway
- Seeking a revised strategic framework from the Northern Gateway developers
- Completing phase 1 enabling works by Welsh Government
- Securing Welsh Government agreement for phase 2 and / or phase 3 enabling works.

3. Develop long term strategic approach to Council's economic estate and land.

Achievement will be measured through:

- Completing a review of the Council's economic estate and land.

4. Expand the scale and quality of apprenticeships both regionally and locally and make best use of the Apprenticeship Training Levy (ATL)

Achievement will be measured through:

- Ensuring apprenticeships feature in the Regional Economic Growth Deal proposal.

5. Develop a new approach to supporting town centre vitality and regeneration that maximises their role as shop windows for the County and enables them to derive benefit from wider economic growth.

Achievement will be measured through:

- Developing and agreeing a multi-agency plan
- Identifying options to develop new land uses in town centres, especially for residential use.

6. Ensure that the development of regional and local transport strategy and initiatives maximises the potential for economic benefits, especially access to employment and tourism.

Achievement will be measured through:

- Ensuring that transport infrastructure features in the Regional Economic Growth Deal proposal
- Implementing the Deeside Plan to co-ordinate transport and economic development programmes
- The performance of the local and sub-regional economy with public sector interventions in investment.

Risks to manage:

- Infrastructure investment does not keep pace with needs and business is lost to the economy
- Support for businesses in Flintshire doesn't meet their needs and fails to encourage investment
- The stability of the local and sub-regional economies
- The region having a sufficient voice at Welsh Government and UK Government levels to protect its interests.

What we mean by:

Northern Powerhouse: A collaboration concerned with redressing the North-South economic imbalance, aiming to attract investment into northern cities and towns.

LDP Strategy: Delivering sustainable development in the County from 2017 – 2030.

Regional Economic Growth Deal: The North Wales Economic Ambition Board proposal to UK and Welsh Governments to create new employment and housing.

Apprenticeship Tax Levy: The Apprenticeship Levy is a UK-wide employment tax introduced by the UK Government that came into force on 6 April 2017. The Levy applies to all UK employers, and employers with an annual 'pay bill' of £3 million or more will have to pay the Levy.

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Priority: Learning Council

Sub-Priority: High Performing Education

- Impacts:**
- 1) Providing high quality learning opportunities, and learning environments for learners of all ages.**
 - 2) Supporting children and younger people to achieve their potential.**
 - 3) Supporting learners from 3 to 18 years of age to aspire to high levels of educational attainment and achievement.**

This is a priority this year because we need to:

- Utilise resources effectively to achieve the best possible educational outcomes
- Support the national Welsh Government priorities to improve literacy and numeracy outcomes and reduce the impact of poverty on educational attainment
- Improve digital literacy and skills to deliver digital curriculum and enable access to modern employment and economic development opportunities
- Work collaboratively to develop national reforms to curriculum, assessment and professional development models
- Work effectively with partners across the region to secure efficiency and improved outcomes from educational improvement programmes
- Reduce barriers to engagement, ensure equality of access and participation opportunities
- Make more efficient use of education resources through programmes of School Modernisation
- Engage young people more fully.

National Policy Issues:

- Sustainability of Welsh Government short term grant funding
- Rationalisation of the provision, planning and accountability processes for education related specific grants
- Affordability of the 21st Century Schools programme
- Simplification of the process for school place planning and provision
- Additional learning needs reforms
- Increase in national child care offer
- European funding schemes
- Capital provision for schools' repair and maintenance
- Inadequate revenue funding for schools.

What we will do in 2017/18:

1. Develop Education and Integrated Youth Services by:
 - Continuing to work with the Regional School Improvement Service (GwE) to:
 - Provide support and challenge to all schools to achieve the best possible educational outcomes for all learners;
 - Identify and target support for those schools most in need;
 - Develop the capacity of schools to respond to national initiatives and curriculum reforms;

➤ Improve skills in digital literacy, literacy and numeracy.

- Maintaining relative performance in Mathematics, English/Welsh first Language and Core Subject Indicators at Key Stage 2 and Key Stage 3
- Improving outcomes in Foundation Phase
- Improving outcomes in Key Stage 4
- Raising standards achieved by learners who are entitled to free school meals
- Developing strategies to support broader well-being needs of children and young people
- Improving attendance
- Developing an effective local approach to national inclusion reforms
- Implementing proposed reforms for the portfolio Pupil Referral Unit including relocation onto a single site to improve quality provision
- Developing a sustainable strategy for the Flintshire Music Service
- Embedding Welsh in the Education Strategic Plan
- Maintaining levels of 16 year olds in education, employment and training above benchmark position
- Further developing the Youth Engagement and Progression work programme for learners in danger of disengaging
- Create a vibrant Youth Council to provide meaningful input from Flintshire young people to our democratic process.
- Developing and implementing a plan for the next phase of Schools Modernisation, through the 21st Century School programme
- Maintaining a schedule of repairs and maintenance of school buildings.

Achievement will be measured through:

- Delivering the portfolio's Education Improvement & Modernisation Strategy
- Delivering and embedding the Families First Programme and Flintshire's Integrated Youth Services Strategy "Delivering Together"
- Targeting vocational and employability skills
- Enhancing personal support, including coaching, mentoring and help with transition
- Realising the benefits of regional European Social Fund programmes
- Measuring reduction in first time entrance to the youth justice system
- Improving the number of hours in education, training or employment that young people in the youth justice system can access
- Improving outcomes for targeted groups of vulnerable learners, e.g. Looked After Children and young people exiting the Youth Justice System.

- Create a vibrant Youth Council to provide meaningful input from Flintshire young people to our democratic process.

Achievement will be measured through:

- Creating a delivery plan for the launch of the young peoples' council by October 2017.

- Developing and implementing a plan for the next phase of Schools Modernisation, through the 21st Century School programme
Achievement will be measured through:
 - Completing key milestones in the Schools Modernisation programme.
- Maintaining a schedule of repairs and maintenance of school buildings
Achievement will be measured through:
 - By maintaining an annual repairs and maintenance programme of school buildings through the Council's Capital programme.

2. Enhance skills to improve employment opportunities by:

Achievement will be measured through:

- Working with the public, private and voluntary sectors to maximise the number of apprenticeships, traineeships and work experience opportunities
- Increasing training and apprenticeship opportunities through the Futureworks Flintshire Apprenticeship Academy and major capital programmes
- Strengthening and cultivating attractive routes into education for the workforce
- Embedding regional skills strategy for Science, Technology, English and Maths (STEM)
- Securing schools' active participation in events and activities to promote the development of young people's work-related skills.

3. Implementing the Welsh Government pilot of the 30 hour childcare offer by:

Achievement will be measured through:

- Implementation of the Childcare Pilot project plan from October 2017
- The number of registered settings and the numbers of children accessing the offer.

4. Families First Collaborative Programme

Achievement will be measured through:

- Implementation of a Collaborative Families First strategy from 2017 – 2020
- The number of people accessing the 'offer'.

Risks to manage:

- Those schools who do not recognise their need for improvement and external support
- Leadership capacity does not match school needs
- Impact of Additional Learning Needs reforms
- Local employers and learning providers do not work closely enough to identify and meet the skills based needs of the future
- Sustainability of funding streams.
- Numbers of school places not matching the changing demographics
- Limited funding to address the backlog of known repair and maintenance works in Education & Youth assets.

What we mean by:

Regional School Improvement Service (GwE): School Effectiveness and Improvement Service for North Wales, works alongside and on behalf of the Local Authorities to develop excellent schools across the region.

European Social Fund (ESF) Programmes: To increase the employability of local people (aged 25 and over) who have complex barriers to employment.

Core Subject Indicator: Learners achieve the expected level in Mathematics, English or Welsh 1st language and Science.

21st Century Schools: A national programme of funding to improve school buildings and environments.

School Modernisation: The process by which the Local Authority ensures there are a sufficient number of high quality school places, of the right type in the right locations

Youth Justice Service: Aims to prevent children and young people under 18 from offending or re-offending.

Childcare Offer: Welsh Government initiative to offer working parents of 3-4 year olds 30 hours of funded early education and childcare per week (up to 48 weeks of the year).

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Priority: Green Council

Sub-Priority: Sustainable Development & Environmental Management

- Impacts:**
- 1) Enhancing the natural environment and promoting access to open and green space.
 - 2) Reducing energy consumption and using and developing alternative/renewable energy production.
 - 3) Maximising the recovery and recycling of waste.

This is a priority this year because we need to:

- Address the requirements of the sustainable development principles of the Well-being of Future Generations Act and Environment Bill
- Balance the need for sustainable development with the protection of the natural environment
- Continue to reduce our carbon emissions to meet Welsh Government targets and play our part in helping to address the consequences of climate change.

National Issues:

- Reduction of the Single Environment Grant whilst delivering the priority area of natural resource management
- Reliance on external funding for large scale developments
- Government cap on financial support for solar farms
- Capacity and funding to address flood risks.

What we will do in 2017/18:

1. Improve, protect and enhance the built environment.

Achievement will be measured through:

- Adoption of a Local Heritage Strategy.

2. Manage our natural environment and accessible green-space networks to deliver health, well-being and resilience goals.

Achievement will be measured through:

- Reviewing rights of way improvement plan
- Delivering projects set out within the ESD grant application.

3. Maximise the potential of the Council's estate and assets for energy efficiency and renewable energy production, reducing the reliance on fossil fuels.

Achievement will be measured through:

- Delivery of the renewable energy plan for the Council's estates and assets which was adopted in 2015
- Increasing usage of environmentally efficient vehicles
- Reducing our carbon footprint across our Council buildings (non housing).

4. Maximise the recovery and recycling of waste with a view to reducing the reliance on landfill.

Achievement will be measured through:

- Improving recycling performance
- Recycling rates per Household Recycling Centre (HRC)
- Modernisation of the HRC site network.

5. Strengthen regional air quality collaboration to help promote better health and well-being outcomes.

Achievement will be measured through:

- Developing a regional strategic approach to the collation of air quality data.

6. Identification of the Local Development Plan preferred strategy.

Achievement will be measured through:

- Adoption of the Local Development Plan to support Sustainable Development & Environmental Management.

Risks to manage:

- Reduction of the Single Environment Grant
- Limitations on suitable Council sites with sufficient area for larger scale renewables schemes and suitable connections to the electric grid
- Funding will not be secured for priority flood alleviation schemes
- Customer expectations around the delivery of flood alleviation schemes are not effectively managed
- Lack of holistic air quality data across the region leading to on cost for the Council to manage its own review.

What we mean by:

Well-being of Future Generations Act and Environment Bill: Welsh Government (WG) approaches to managing the country's natural resources.

Single Environment Grant: A WG grant to support integrated delivery of natural resource management, waste and resource efficiency and local environmental quality.

LDP Strategy: Delivering sustainable development in the County from 2017 – 2030.

Local Heritage Strategy: To ensure that the distinct heritage of Flintshire County is fully appreciated and recognised, and enhanced for the overall benefit of the community.

ESD Grant (Environment and Sustainable Development): A Welsh Government grant to support integrated delivery of natural resource management, waste & resource efficiency and local environmental quality.

Civic Amenity Site Network: A network of collection spaces at fixed locations to increase recycling and raise awareness of the positive impact of selective collection.

Single Air Quality Review and Assessment: A strategy which aims to protect people's health and the environment under the provisions of the Environment Act 1995

Priority: Green Council

Sub-Priority: Safe and sustainable travel services

Impact: Developing the transport infrastructure and employment sites, and transport services, widening access to employment and training sites.

This is a priority this year because we need to:

- Enable people to access key services and link communities across Flintshire
- Minimise congestion and delays on our highway network
- Maximise the benefits of available funding
- Include local transport solutions in the regional Economic Growth Deal bid.

National Policy Issues:

- Uncertainty of future grant funding
- Rail franchise renewal
- Impact of major road and rail infrastructure decisions
- Reductions in bus subsidies
- Outcomes of regional Economic Growth Bid deal.

What we will do in 2017/18:

1. Access and use available grant funding to support Council priorities for accessing employment, health, leisure and education.

Achievement will be measured through:

- Successfully delivering projects and services through national grant funded schemes
 - Local transport fund
 - Rural Communities and Development Fund
 - Road Safety
 - Safe Routes
 - Bus Service Support Grant
 - Active Travel integrated network map
- Development of sub-regional and Metro inter-modal transport projects.

2. Prioritise the Council's road infrastructure for repairs and maintenance and implement programmes of work within available funding in order to improve the resilience, efficiency and reliability of the transport network.

Achievement will be measured through:

- Monitoring the condition of the highway's infrastructure
- Undertaking inspections to ensure reinstatements meet the required standards and raise the standard of works undertaken on Flintshire's network
- Delivery of the Highways Asset Management Plan.

3. Work closely with the communities to develop innovative and sustainable community based transport schemes.

Achievement will be measured through:

- Development of community based transport schemes within available funding
- Developing and supporting community based transport schemes to complement the core network of bus services.

4. Deliver a compliant, safe and integrated transport service.

Achievement will be measured through:

- Increasing the number of financially compliant contracts
- Increasing the number of safety compliant checks
- Ensure safety compliant checks for transport services are maintained.

Risks to manage:

- Sufficient funding to ensure our highways infrastructure remains safe and capable of supporting economic growth
- Sufficient funding will not be found to continue to provide subsidised bus services.
- Supply chain resilience
- Adverse weather conditions on the highway network
- Lack of community support for transport options.

What we mean by:

Infrastructure: Facilities, systems, sites and networks that are necessary for the County to function.

“Active Travel”: Walking or cycling as an alternative means to motorised transport for the purpose of making every day journeys.

Community Transport: Passenger transport schemes which are owned and operated by local community groups.

Commercial bus services: Following changes made in the 1980s, the majority of local bus services in Wales are commercially operated by bus companies.

Regional Economic Growth Deal bid: the North Wales Economic Ambition Board proposal to UK and Welsh Governments to create new employment and housing.

Priority: Connected Council

Sub-Priority: Resilient Communities

- Impact:**
- 1) Supporting local communities to be resilient and self-supporting.
 - 2) Committing to resilient service models to sustain local public services.
 - 3) Widening digital access to public services.

This is a priority this year because we need to:

- Build on what has been completed in 2016/17 with support for local communities. In year two this will concentrate on:
 - Developing the community and social sectors to support local communities to be more self-sufficient
 - Creating alternative delivery models within the community and social sector to sustain valued public services
 - Developing social enterprises, who are able to act for the benefit of local communities and create both employment and economic opportunities
 - Realising social benefits in the community e.g. increasing volunteering and training opportunities for young people; keeping local money in the community.
- Ensuring our Armed Forces Community and their families are recognised for their commitment.

National Policy Issues:

- Lack of support programmes for the development of alternative delivery models
- Role of Town and Community Councils in cooperative working and local governance as detailed in the Local Government Bill 2015
- Strengthening of the social sector to be more commercial and less reliant on grant funding.

What we will do in 2017/18:

1. Build stronger social enterprises with the sector itself leading development of the sector.

Achievement will be measured through:

- Develop a strategy to grow existing social enterprises.

2. Grow the capacity of the social enterprise sector and Alternative Delivery Models (ADMs) to become more self-sustaining.

Achievement will be measured through:

- Monitoring the level of efficiencies ADMs have supported
- Establishing two new social enterprises operating in Flintshire through the ADM and Community Asset Transfer Programme
- Monitoring community benefits delivered by Community Asset Transfers.

3. Implement the Digital Strategy and resources to meet future customer needs.

Achievement will be measured through:

- Development of an action plan to improve community access to digital services and to raise skill levels
- Review the Charter between Welsh Government and the Council for digital business to maximise the value of WG support to businesses in the County.

4. Ensuring and delivering community benefits.

Achievement will be measured through:

- Establishing a Community Benefits Board with an action plan
- Work with the third sector to increase its capacity to successfully bid for and undertake contracts on behalf of the Council
- Monitoring the percentage of community benefit clauses included in new procurement contracts.

5. Enabling the third sector to maximise their contribution.

Achievement will be measured through:

- Increasing the number of volunteering placements.

6. Getting Flintshire active through partnership objectives via the Public Services Board.

Achievement will be measured through:

- Increasing participation in activities that contribute to physical and mental well-being including libraries, theatre and countryside
- Increasing community assets
- Identity and equality of participation.

7. Ensure our Armed Forces Community and their families are not disadvantaged when accessing Council Services.

Achievement will be measured through:

- Revising portfolio policies to reflect the ambitions of the Armed Forces Covenant
- Achieving Silver status for our Employee Recognition Scheme
- Optimising the value of the regional grant monies to support a 2 year programme.

Risks to manage:

- The capacity and appetite of the community and social sectors
- The willingness of the workforce and Trade Unions to embrace change
- Market conditions which the new alternative delivery models face
- Limitations on public funding to subsidise alternative models
- Procurement regulations stifling our ability to develop local community and third sector markets
- Newly established Social Enterprises and Community Asset Transfers failing in their early stages of development.

What we mean by:

Social Enterprise: Businesses with primarily social objectives whose surpluses are mainly reinvested for that purpose in the business or community.

Community Benefit Clauses: Benefits to local communities from major procurements e.g. training and employment opportunities, community facilities.

Alternative Delivery Models (ADMs): New approaches to service delivery designed to sustain important services and meet future need.

Community Asset Transfers (CAT): The leasehold transfer of a Flintshire County Council asset to an organisation with a social purpose who plans to use it for the benefit of the local community.

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Priority: Serving Council

Sub-Priority: Effective Resource Management

- Impacts:** 1) Continuing to be a high performing and innovative public sector organisation with social values.
2) Providing high quality, accessible, responsive and cost effective public services.

This is a priority this year because we need to:

- Manage with reducing resources
- Continue to aim high despite reduced financial and people resources
- Make the best use of our capability and capacity in challenging times
- Have the right buildings in the right places for the right uses
- Make our money go further through smarter purchasing
- Achieve the highest possible standards of customer services.

National Policy Issues:

- Reduction in capital investment and resources
- Ongoing austerity policies
- Non-funding of new legislative and policy commitments.

What we will do in 2017/18:

1. Develop and implement a renewed five year financial plan that reflects anticipated funding, costs and efficiencies to support strategic decision making over the life of the new council.

Achievement will be measured through:

- Increasing achievement rate of the budgeted efficiency targets to 95%
- Revising our plan to meet the relevant funding gap for 2017-2022
- Matching our priorities with revenue and capital investment
- Ensure sustainable business plans for service portfolios
- Develop a range of operational financial performance indicators.

2. Through the People Strategy we aim to operate effectively as a smaller organisation.

Achievement will be measured through:

- Improving attendance
- Increasing the number of managers and employees attending and accessing stress related / management programmes
- Percentage of employees who have secured employment following completion of apprenticeship training
- A single consolidated workforce plan and supporting action plan
- Attainment of appraisal targets.

3. Maximise benefits from spending power through optimised purchasing efficiencies by exploiting technology and making efficient use of local, regional and national procurement arrangements.

Achievement will be measured through:

- Percentage of goods, services and works procured through purchasing arrangements established by the National Procurement Service (NPS)
- Percentage of Council spend with Welsh businesses
- Percentage of Council spend with Flintshire businesses
- Percentage of Council spend with businesses within the Mersey Dee Alliance (MDA).

4. Develop and deliver a programme of activity to support local businesses, increasing their capacity and competency to respond to Council contracts.

Achievement will be measured through:

- Development of a programme to support local businesses
- Developing and delivering training and support to improve the inclusion of community benefits in Council contracts
- Developing a system to record and monitor Community Benefits centrally.

5. Delivery of key annualised objectives from the Digital Strategy and Customer Strategies.

Achievement will be measured through:

- Increasing the number of services available online and via the Flintshire App
- Increasing the number of completed transactions using online services
- Responding to customer feedback ensuring information is accessed at first point of contact online
- Development of action plans to deliver the Digital Strategy
- Deliver agreed actions from the Digital Strategy for 2017/18.

6. Delivery of key annualised objectives from the Capital and Asset Management Strategy.

Achievement will be measured through:

- Continuation with the programme of asset rationalisation, ensuring that assets retained are effective, efficient and sustainable to deliver services
- Identify and consider options available to fund capital expenditure that minimises ongoing revenue implications of new and existing investments
- Establish effective arrangements for managing capital projects including assessment of outcomes and achievement of value for money.

Risks to manage:

- The scale of the financial challenge
- The capacity and capability of the organisation to implement necessary changes.

What we mean by:

Procurement Collaborations: Ways of purchasing goods and services within agreed terms and conditions.

NPS – National Procurement Service: Welsh Government sponsored organisation established to procure common and repetitive spend across public sector organisations in Wales.

Flintshire App: ios and android application to enable contact with FCC and find out about available services

Community Benefits: Benefits to the local community through delivery of Alternative Delivery Models and procurement of services and works.

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Statement of Responsibility

On-going review about the Council's priorities and this plan is available through our website where feedback forms are available for the public, our partners, our workforce and businesses. We would like to know what you think about our priorities and those for the future. We would value your feedback and hope that you can spend a few minutes to tell us what you think.

In the meantime our contacts for any initial observations are:

Corporate Business and Communications Team:

Tel: 01352 701457

Email: corporatebusiness@flintshire.gov.uk

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Mae'r dudalen hon yn wag yn bwrpasol

FLINTSHIRE COUNTY COUNCIL

Council Plan 2017/2023

**How achievement will be measured -
Supporting milestones and measures**

Priority	Sub-Priority	Impact
Supportive Council	Appropriate & Affordable Homes	Ensuring the supply of affordable and quality housing of all tenures

What we will do in 2017/18:

1. Provide new social and affordable homes.

Achievement will be measured through:

- Delivery of HRA and NEW Homes Business Plans.

Achievement Milestones for strategy and action plans:

- Delivering options for new, innovative low rent housing schemes for under 35's by March 2018.

Tudale 04	Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
	¹ The numbers of new Council homes delivered through the SHARP programme	Chief Officer – Community and Enterprise	12	79	206
	² The numbers of new affordable homes delivered through the SHARP programme		0	62	6
	The number of properties managed by NEW Homes		61	144	179

¹ Aspirational targets are based on current business plans which may be subject to change for 2018/19

² The aspirational target of 6 for 2018/19 reflects delivery of properties where definitive proposals are in place

2. Welsh Housing Quality Standard (WHQS) investment plan targets achieved.

Achievement Milestones for strategy and action plans:

- Completing WHQS work schemes in line with the housing asset management strategy by March 2018.

3. Develop solutions to the increasing frequency of unauthorised gypsy and traveller encampments.

Achievement Milestones for strategy and action plans:

- Agreed options appraisal identifying a range of measures to address this by March 2018.

Tudalen 65

Priority	Sub-Priority	Impact
Supportive Council	Modern, Efficient and Adapted Homes	Ensuring the supply of affordable and quality Council housing of all tenures

What we will do in 2017/18:

1. Improve standards within the private rented sector.

Achievement will be measured through:

- Working proactively with landlords and tenants to improve the quality of private rented sector properties
- Ensuring landlords and letting agents comply with the Rent Smart code of practice.

Tudala Tudala Tudala	Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
	The percentage of landlords and letting agents compliant with the Rent Smart code of practice	Chief Officer – Planning and Environment	N/A	65%	70%
	The percentage of landlords that have complied with improvement notices		N/A	80%	85%
	The percentage of tenants protected from unsuitable living conditions		N/A	100%	100%

N/A is denoted by new measures where baseline data is not available

2. Deliver the Council’s housing growth needs.**Achievement will be measured through:**

- Increasing the number of new affordable homes agreed through the planning system by 50 during 2017/18
- Delivering social and affordable homes through Welsh Government funding programmes
- Increasing the number of new homes created as a result of bringing empty properties back into use.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of new affordable homes provided through the planning system	Chief Officer – Community and Enterprise	42	50	50
³ The number of additional affordable units provided through the SHG Programme		24	193	TBC
PAM/014 The number of new homes created as a result of bringing empty properties back into use		38	38	38

Tudalen 67

³ The Social Housing Grant funding for 2018/19 is not known therefore the aspirational target will remain to be confirmed

3. Meeting the housing needs of vulnerable groups.

Achievement will be measured through:

- Reducing the average number of calendar days taken to deliver a Disabled Facilities Grant (DFG)
- Increasing the numbers of Extra Care homes and individual units:
 - Constructing Flint Extra Care (Llys Raddington) providing 70 new units
 - Confirming and agreeing plans for Holywell Extra Care providing 55 new units
- Working strategically to address housing needs of adults with learning disabilities and other vulnerable individuals.

Achievement Milestones for strategy and action plans:

- Confirming and agreeing plans by March 2018 for Holywell Extra Care providing 55 new units
- Develop a plan to address housing needs of adults with learning disabilities and other vulnerable individuals by March 2018.

Tudalen 88	Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
	PAM/015 Average number of calendar days taken to deliver a DFG	Chief Officer – Community and Enterprise	248	240	230
	⁴ The number of Flint Extra Care (Llys Raddington) units created		0	70	70
	The number of Extra Care units provided across Flintshire	Chief Officer – Social Services	111	180	240

⁴ Aspirational target for the number of Flint Extra Care (Llys Raddington) units created is based on current business plans which may be subject to change for 2018/19

Priority	Sub-Priority	Impact
Supportive Council	Protecting People from Poverty	Protecting people from poverty by maximising their income and employability

What we will do in 2017/18:

1. Support Flintshire residents to better manage their financial commitments.

Achievement will be measured through:

- Assisting people with Welfare Reform changes through the effective application of the Council’s Discretionary Housing Payment Policy
- Providing advice and support services to help people manage their income, including supporting people to access affordable credit and local Credit Unions
- Timely processing of Housing Benefit claims
- Assisting Flintshire residents to claim additional income to which they are entitled.

Achievement Milestones for strategy and action plans:

- Develop a plan to assist people with Welfare Reform changes through the effective application of the Council’s Discretionary Housing Payment Policy
- Providing support and guidance, though personal budgeting to help people manage their income, including support to access affordable credit and local Credit Unions.

Tudalen 69

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Number of days to process new housing benefit claims	Chief Officer – Community and Enterprise	20	20	20
Number of days to process change of circumstances for housing benefit		8	8	8
The amount of additional income paid to Flintshire residents as a result of the anti-poverty work undertaken by the Council		£1.5m	£1.5m	£1.5m

2. Manage local impact of the full Universal Credit (UC) roll out.

Achievement will be measured through:

- Achieving the Homeless prevention target
- Delivering the UC Operational board action plan
- Delivering Personal Budgeting and Digital Support Services.

Achievement Milestones for strategy and action plans:

- Delivering the UC Operational board action plan.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/012 Percentage of households successfully prevented from becoming homeless	Chief Officer – Community and Enterprise	87%	89%	89%
⁵ The number of people on UC that have received personal budgeting support		N/A	590	590
The number of people on UC that have received digital support		N/A	640	640

⁵ Aspiration targets dependent on continuation of funding and the number of people receiving Universal Credit

N/A is denoted by new measures where baseline data is not available

3. Develop and deliver programmes that improve employability and help people to gain employment.

Achievement will be measured through:

- Developing an employability proposal as part of the Regional Economic Growth Bid to seek long term investment via a simple and cost effective programme of support
- Developing an enhanced careers and guidance service for North Wales to match young people to the labour market
- Increasing the number of local people who, following attendance on a programme report they are closer to work or becoming ready to enter work.

Achievement Milestones for strategy and action plans:

- Developing an employability proposal as part of the Regional Economic Growth Bid to seek long term investment via a simple and cost effective programme of support by March 2018
- Develop a plan for an enhanced careers and guidance service for North Wales to match young people to the labour market by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Number of people completing programmes commissioned by the Council which deliver job and training outcomes	Chief Officer – Community and Enterprise	323	400	500

Tudalen 71

4. Develop and deliver programmes to improve domestic efficiency to reduce Co2 emissions and fuel poverty.

Achievement will be measured through:

- Reducing the overall annual fuel bill for residents
- Providing advice and support to residents to enable them to switch to a lower cost energy tariff
- Increasing the number of private sector and Council homes receiving energy efficiency measures
- Securing Welsh Government ARBED3 Programme Funding.

Achievement Milestones for strategy and action plans:

- Secure Welsh Government ARBED3 Programme Funding by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Annual reduction of domestic fuel bills for residents of Flintshire	Chief Officer – Community and Enterprise	£288,000	£140,000	£250,000
The number of residents supported to lower their energy tariff		N/A	150	200
The number of people receiving the warm home discount		N/A	50	100
The number of people who receive a full healthy homes healthy people/ affordable warmth/HHSRS home visit and tailored advice		N/A	500	1000
The number of private sector homes receiving efficiency measures		227	140	200
The number of Council homes receiving efficiency measures		650	300	600

5. Develop a strategy to address food poverty.

Achievement will be measured through:

- Developing programmes in partnership with the social and third sector to work towards addressing food poverty
- Undertaking feasibility work for the development of a food-based social enterprise.

Achievement Milestones will be measured through:

- Developing programmes in partnership with the social and third sector to work towards addressing food poverty by March 2018
- Undertaking feasibility work for the development of a food-based social enterprise by December 2017.

6. Assist residents of Flintshire to access affordable credit.

Achievement will be measured through:

- Develop effective partnerships with local Credit Unions to enable residents to access banking services and affordable credit.

Achievement Milestones will be measured through:

- Develop service level agreements with local Credit Unions to enable residents to access banking services and affordable credit by March 2018.

Tudalen 73

Priority	Sub-Priority	Impact
Supportive Council	Independent Living	<ul style="list-style-type: none"> • Making early interventions to support healthy and independent living • Sustaining a local market of high quality and affordable service provision for those who are highly dependent on care support

1. Ensure care home provision within Flintshire enables people to live well and have a good quality of life.

Achievement will be measured through:

- Agreeing the business model to increase direct provision of residential care and sustain domiciliary care roles to support the wider market
- Supporting care home providers to ensure service sustainability and delivering Progress for Providers
- Delivering dementia awareness training to the care homes workforce
- Working with Betsi Cadwaladr University Health Board (BCUHB) to develop an action plan to support the quality and breadth of nursing provision
- Delivering a strategy for independent sector domiciliary care agencies to support service sustainability.

Achievement Milestones for strategy and action plans:

- Agreeing the business model to increase direct provision of residential care and sustain domiciliary care roles to support the wider market by March 2019
- Develop a plan to help support care home providers to ensure service sustainability by October 2017
- Working with Betsi Cadwaladr University Health Board (BCUHB) to develop an action plan to support the quality and breadth of nursing provision by, September 2018
- Delivering a strategy for independent sector domiciliary care agencies to support service sustainability by October 2017.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of care homes who have implemented the new Progress for Providers Programme	Chief Officer – Social Services	N/A	20	25
The percentage of care homes registered on the programme that have achieved the bronze standard for Progress for Providers		N/A	50%	75%
The percentage of care homes that have achieved bronze standard who have also achieved silver standard for Progress for Providers		N/A	25%	35%
Sustaining existing care homes within Flintshire		N/A	100%	100%
The percentage occupancy within Flintshire care homes		N/A	95%	95%

N/A is denoted by new measures where baseline data is not available

2. Support greater independence for individuals with a frailty and / or disability, including those at risk of isolation.

Achievement will be measured through:

- Adults who are satisfied with their care and support
- Implementation of a joint Community Resource Team (CRT) with BCUHB which is able to offer advice and support through the Single Point of Access (SPOA)
- Ensuring that the workforce are equipped to provide person centred care in line with the requirements of the Social Services and Well-being Act (Wales) 2014.

Achievement Milestones for strategy and action plans:

- Implementation of a joint CRT with BCUHB which is able to offer advice and support through the SPOA by December 2017.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/024 Percentage of adults satisfied with their care and support	Chief Officer – Social Services	82%	85%	87%
The number of extra hours provided for advice and support through the Single Point of Access		40	47	57
The Percentage of employees trained in Person Centred Care in line with the Social Services and Well-being Act (Wales) 2014		80%	100%	100%

3. Improve outcomes for looked after children.

Achievement will be measured through:

- Supporting children in stable, local placements
- Strengthening partnership working with BCUHB to ensure timely access to health assessments including CAMHS.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/028 Percentage of child assessments completed in time	Chief Officer - Social Services	84%	84%	87%
PAM/029 Percentage of children in care who had to move 2 or more times		13%	10%	7%
Percentage of children assessed by CAMHS within 28 days by BCUHB		N/A	95%	97%

N/A is denoted by new measures where baseline data is not available

Priority	Sub-Priority	Impact
Supportive Council	Integrated community social and health services	<ul style="list-style-type: none"> Enabling more people to live independently and well at home Giving equal opportunity to all to fulfil their lives Providing joined-up services with public and third sector partners which support quality of life in communities and for individuals and families

1. Ensure that effective services to support carers are in place as part of collaborative social and health services.

Achievement will be measured through:

- Increasing the number of carers identified through the Single Point of Access (SPOA)
- Increasing the number of carers that feel supported
- Evidencing improved outcomes for carers
- Developing the Carers' Action Plan.

Achievement Milestones for strategy and action plans:

- Evidencing improved outcomes for carers by enabling them to continue with their caring role by March 2018
- Development of the regional Carer's Action Plan by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Number of adult carers identified.	Chief Officer – Social Services	867	900	1000
PAM/026 Percentage of carers that feel supported		67%	75%	80%

2. Further develop the use of Integrated Care Fund (ICF) to support effective discharge from hospital and ensure a smoother transition between Health and Social Care services.

Achievement will be measured through:

- Creating essential additional services such as Step Up/Step Down beds providing choice when leaving hospital
- Maintaining the rate of delayed transfers of care for social care reasons.

Achievement Milestones for strategy and action plans:

- Creating essential additional services such as Step Up/Step Down beds providing choice when leaving hospital by March 2020.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/025 Percentage of people kept in hospital while waiting for social care per 1,000 population aged 75+	Chief Officer – Social Services	1.78%	1.78%	1.78%

3. Establish an Early Help Hub, involving all statutory partners and the third sector.

Achievement will be measured through:

- Establishing the Early Help Hub to provide effective and timely support to families
- Reducing referrals that result in “no further action”.

Achievement Milestones for strategy and action plans:

- Establishment of the Early Help Hub to provide effective and timely support to families by October 2017.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Percentage of child protection referrals that result in “no further action”.	Chief Officer – Social Services	37.6%	35%	30%

4. Further develop dementia awareness across the county.

Achievement will be measured through:

- The number of dementia cafes in Flintshire
- Increasing number of dementia friendly communities in Flintshire.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of dementia cafes in Flintshire	Chief Officer – Social Services	3	6	6
The number of dementia friendly communities in Flintshire		2	3	4

Tudalen 78

Priority	Sub-Priority	Impact
Supportive Council	Safeguarding	<ul style="list-style-type: none"> Protecting people from the risk of any form of abuse Making communities safe places by working with partners to prevent crime, repeat crime and anti-social behaviour

1. Strengthen arrangements within all council portfolios to have clear responsibilities to address safeguarding.

Achievement will be measured through:

- Increasing referral rates from within Council services other than Social Services.
- Completion of the online child and adult safeguarding module
- Council officers completing safeguarding awareness training
- Embedding processes and best practice across the council
- Reviewing corporate service policies and procedures to identify breadth and depth of safeguarding coverage
- Implement the safeguarding policy across all Council Services.

Achievement Milestones for strategy and action plans:

- Embedding processes and best practice across the Council by March 2018
- Reviewing corporate service policies and procedures to identify breadth and depth of safeguarding coverage by September 2017
- Implement safeguarding policy across all Council Services by September 2017
- Ensure all contracts include appropriate obligations to promote safeguarding best practice by March 2018.

79	Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
	Increased referral rates from services other than Social Services.	Chief Officer – Social Services	3	30	30
	The number of officers who have completed the specialist ‘AFTA Thought’ safeguarding awareness training.		0	350	700

2. Ensure that our response rates to referrals remain within statutory targets.**Achievement will be measured through**

- Meeting statutory procedural targets for child and adult protection.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Percentage of adult protection enquiries completed within 7 days	Chief Officer – Social Services	74%	78%	80%
Percentage of initial child protection conferences due in the year and held within timescales		74%	95%	95%
Percentage of reviews of children on the child protection register due in the year and held within timescales		98%	98%	98%

3. Preventative approach towards Child Sexual Exploitation (CSE).**Achievement will be measured through:**

- Developing a corporate plan linked to regional work to combat CSE
- Cascading of North Wales Police CSE videos to all portfolios.

Achievement Milestones for strategy and action plans:

- Develop a corporate plan linked to regional work to combat CSE by October 2017
- Raising awareness of CSE for senior managers through Change Exchange.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The percentage of portfolio senior management teams that have viewed the North Wales Police CSE information videos	Chief Officer – Social Services	N/A	100%	100%

Further measures will be adopted for 2018/19 with partner agencies following development of a plan to combat CSE by October 2017.

4. Identify and address the signs and symptoms of domestic abuse and sexual violence.

Achievement will be measured through:

- Delivery of the level 1 training programme for all Council employees
- Implementing training for Council employees to meet the requirements of the Domestic Abuse and Sexual Violence (DASV) National Training Framework.
- The number of incidents of Domestic Abuse and Sexual Violence reported.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The Percentage of employees who have completed the level 1 e-learning training package to meet the requirements of the Domestic Abuse and Sexual Violence National Training Framework	Chief Officer – Planning and Environment	N/A	25%	50%
⁶ Number of reported incidents of Domestic Abuse and Sexual Violence		1502	N/A	N/A
Number of Domestic Abuse incidents reported to North Wales Police		1101	N/A	N/A
Number of incidents of Sexual Assault reported to North Wales Police		401	N/A	N/A
To support the forthcoming Violence Against Women, Domestic Abuse & Sexual Violence Strategy which is expected to be in place by March 2018 Welsh Government are intending to publish a set of national indicators across all public services.				

181

5. Strengthen regional community safety through collaboration and partnership arrangements.

Achievement will be measured through:

- Adopting and achieving of the priorities of the North Wales Safer Communities’ Board Plan through; formulation of a local delivery plan, which also includes locally identified priorities, and overseen by the Public Services Board by March 2018.

Achievement Milestones for strategy and action plans:

- Development of a local delivery plan, which also includes locally identified priorities, and overseen by the Public Services Board by March 2018.

⁶ Trend analysis will be monitored throughout the year against reported incidents of Domestic Abuse and Sexual Violence

6. Ensure we meet the requirements of the North Wales Contest Board.

Achievement will be measured through:

- Develop a plan to identify and monitor progress of the prevent duties as outlined within the Counter Terrorism and Security Act 2015.

Achievement Milestones for strategy and action plans:

- Develop a plan to identify and monitor progress of the prevent duties as outlined within the Counter Terrorism and Security Act 2015 by December 2017.

Tudalen 82

Priority	Sub-Priority	Impact
Ambitious Council	Business Sector Growth and Regeneration	<ul style="list-style-type: none"> • Sustaining economic growth through local and regional business development, employment and training sites • Developing the transport infrastructure and employment sites and transport services, widening access to employment and training sites • Creating a supply of diverse and quality training and employment opportunities

What we will do in 2017/18:

1. The Regional Economic Growth Deal will be submitted to UK and Welsh Governments this year and will set out the main priorities for economic development across North Wales.

Achievement will be measured through:

- Contributing to the development of a new governance framework for the North Wales Economic Ambition Board
- The success of the region in achieving a Regional Growth Deal Bid for Government Investment in the regional economy
- Developing a strategy for delivery of the parts of the Regional Growth Deal which will directly benefit Flintshire
- Developing the Local Development Plan (LDP) economic strategy
- Supporting the development of the Wales Advanced Manufacturing Institute by Welsh Government with a successful planning application.

Achievement Milestones for strategy and action plans:

- Contributing to the development of a new governance framework for the North Wales Economic Ambition Board by October 2017
- Securing a Regional Growth Deal Bid for Government Investment in the regional economy by March 2018
- Developing a strategy for delivery of the parts of the Regional Growth Deal which will directly benefit Flintshire by October 2017
- Developing the Local Development Plan (LDP) economic strategy by October 2017
- Supporting the development of the Wales Advanced Manufacturing Institute by Welsh Government with a successful planning application by March 2018.

2. Guide the development of the Deeside Enterprise Zone (DEZ) and Northern Gateway mixed use development site. Ensure that developments maximise economic and social value for the County and that they deliver the commitments made in the Regional Economic Growth Deal.

Achievement will be measured through:

- Providing clear and responsive guidance to potential developers within the DEZ and Northern Gateway
- Seeking a revised strategic framework from the Northern Gateway developers
- Completing phase 1 enabling works by Welsh Government
- Securing Welsh Government agreement for phase 2 and / or phase 3 enabling works.

Achievement Milestones for strategy and action plans:

- Providing clear and responsive guidance to potential developers within the DEZ and Northern Gateway
- Seeking a revised strategic framework from the Northern Gateway developers by March 2018
- Completing phase 1 enabling works by Welsh Government by April 2018
- Securing Welsh Government agreement for phase 2 and / or phase 3 enabling works by December 2018.

3. Develop long term strategic approach to Council’s economic estate and land.

Achievement will be measured through:

- Completing a review of the Council’s economic estate and land.

Achievement Milestones for strategy and action plans:

- Review of the Council’s economic estate and land by March 2018.

4. Expand the scale and quality of apprenticeships both regionally and locally, and make the best use of the Apprenticeship Training Levy (ATL).

Achievement will be measured through:

- Ensuring apprenticeships feature in the Regional Economic Growth Deal proposal.

Achievement Milestones for strategy and action plans:

- Ensuring apprenticeships feature in the Regional Economic Growth Deal proposal by July 2017.

Tudalen 84

5. Develop a new approach to supporting town centre vitality and regeneration that maximises their role as shop windows for the County and enables them to derive benefit from wider economic growth.

Achievement will be measured through:

- Developing and agreeing a multi-agency plan
- Identifying options to develop new land uses in town centres, especially for residential use.

Achievement Milestones for strategy and action plans:

- Developing and agreeing a multi-agency plan by March 2018
- Identifying options to develop new land uses in town centres, especially for residential use by December 2018.

6. Ensure that the development of regional and local transport strategy initiatives maximise the potential for economic benefits, especially access to employment and tourism.

Achievement will be measured through:

- Ensuring that transport infrastructure features in the Regional Economic Growth Deal proposal
- Implementing the Deeside Plan to co-ordinate transport and economic development programmes
- The performance of the local and sub-regional economy with public sector interventions in investment.

Achievement Milestones for strategy and action plans:

- Ensuring that transport infrastructure features in the Regional Economic Growth Deal proposal by July 2018
- Implementing the Deeside Plan to co-ordinate transport and economic development programmes by December 2017.

Measures are to be adopted by all partner councils as part of the Regional Economic Growth Deal Bid between November and March 2018

Priority	Sub-Priority	Impact
Learning Council	High Performing Education	<ul style="list-style-type: none"> • Providing high quality learning opportunities, and learning environments for learners of all ages • Supporting children and younger people to achieve their potential • Supporting learners from 3 to 18 years of age to aspire to high levels of educational attainment and achievement

What we will do in 2017/18:

1. Develop Education and Integrated Youth Services.

- **Continuing to work with the Regional School Improvement Service (GwE) to: -**
 - Provide support and challenge to all schools to achieve the best possible educational outcomes for all learners;
 - Identify and target support for those schools most in need;
 - Develop the capacity of schools to respond to national initiatives and curriculum reforms;
 - Improve skills in digital literacy, literacy and numeracy
- Maintaining relative performance in Mathematics, English/Welsh first Language and Core Subject Indicators at Key Stage 2 and Key Stage 3
- Improving outcomes in Foundation Phase
- Improving outcomes in Key Stage 4
- Raising standards achieved by learners who are entitled to free school meals
- Developing strategies to support broader well-being needs of children and young people
- Improving attendance
- Developing an effective local approach to national inclusion reforms
- Implementing proposed reforms for the portfolio Pupil Referral Unit including relocation onto a single site to improve quality provision
- Developing a sustainable strategy for the Flintshire Music Service
- Embedding Welsh in the Education Strategic Plan
- Maintaining levels of 16 year olds in education, employment and training above benchmark position
- Further developing the Youth Engagement and Progression work programme for learners in danger of disengaging
- Create a vibrant Youth Council to provide meaningful input from Flintshire young people to our democratic process.
- Developing and implementing a plan for the next phase of Schools Modernisation, through the 21st Century School programme
- Maintaining a schedule of repairs and maintenance of school buildings

Achievement will be measured through:

- The number of learners achieving or exceeding the expected outcome levels at key assessment points eg age 7,11,14 and 16
- Delivering the portfolio’s Education Improvement & Modernisation Strategy, GwE Business Plan and Welsh in Education Strategic Plan to achieve key milestones
- Delivering and embedding the Families First Programme and Flintshire’s Integrated Youth Services Strategy “Delivering Together”
- Targeting vocational and employability skills
- Enhancing personal support, including coaching, mentoring and help with transition
- Realising the benefits of regional European Social Fund programmes
- Measuring reduction in first time entrance to the youth justice system
- Improving outcomes for targeted groups of vulnerable learners, e.g. Looked After Children and young people exiting the Youth Justice System
- Create a vibrant Youth Council to provide meaningful input from Flintshire young people to our democratic process.
- Developing and implementing a plan for the next phase of Schools Modernisation, through the 21st Century School programme
- Improving the number of hours in education, training or employment that young people in the youth justice system can access; and
- Maintaining a schedule of repairs and maintenance of school buildings.

Achievement Milestones for strategy and action plans:

- Delivering the portfolio’s Education Improvement & Modernisation Strategy
- Delivering and embedding the Families First Programme and Flintshire’s Integrated Youth Services Strategy “Delivering Together” by March 2018
- Targeting vocational and employability skills by March 2018
- Enhancing personal support, including coaching, mentoring and help with transition by March 2018
- Realising the benefits of regional European Social Fund programmes by March 2018
- Create a delivery plan for the launch of the young peoples’ council by October 2017
- Completing key milestones in the Schools Modernisation programme by March 2018
- Maintain an annual repairs and maintenance programme of school buildings through the Council’s Capital programme.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/003 Percentage of pupils achieving the expected outcome at the end of the Foundation Phase (FPOI)		86.9%	89.9%	90.8%
Percentage of pupils who receive free school meals, achieving the expected outcome at the end of the Foundation Phase (FPOI)		71.5%	78.7%	67.8%
PAM/004 Percentage of pupils achieving the expected outcome at the end of key stage 2. (CSI)		90.1%	91.3%	93.1%
Percentage of pupils who receive free school meals, achieving the expected outcome at the end of key stage 2. (CSI)		82.3%	74.7%	75.2%

N/A is denoted by new measures where baseline data is not available

Council Plan 2017/23: Appendix 2 – ‘How we Measure’

PAM/005 Percentage of pupils achieving the expected outcome at the end of key stage 3. (CSI)	Chief Officer – Education and Youth	88.4%	90.9%	93.3%
Percentage of pupils who receive free school meals achieving the expected outcome at the end of key stage 3.		76.2%	80.2%	82.1%
PAM/006 Percentage of pupils achieving the expected outcome at the end of key stage 4. Level 2 inclusive threshold 5 GCSE A* - C incl E/W and Maths		82.6%	85.1%	86.0%
Percentage of pupils who receive free school meals achieving the expected outcome at the end of key stage 4. Level 2 inclusive threshold 5 GCSE A* - C incl E/W and Maths		33.1%	38.6%	42.5%
PAM/007 Percentage of pupil attendance in primary schools		94.7%	95.3%	95.4%
PAM/008 Percentage of pupil attendance in secondary schools		94.3%	94.9%	95%
PAM/009 Percentage of year 11 leavers not in education, training, or employment.		1.1%	1.1%	1.1%
Percentage reduction in first time entrance to the youth justice system		12%	15%	20%
The percentage of young people under 16 years old in the youth justice system offered education, training or employment.		71%	80%	90%
The percentage of young people aged 16 – 18 in the youth justice system offered 16 hours of education, training or employment		58%	60%	80%
The percentage of year 13 learners who complete level three courses in Maths within Flintshire Schools		27%	29%	30%
The percentage of year 13 learners who complete level three courses in Science within Flintshire Schools		16%	18%	20%
The percentage of attendance across the portfolio PRU		64%	70%	75%
Further measures will be included for 2018/19 following a review of attendance across the portfolio of the Pupil Referral Unit by March 2018				

2. Enhance skills to improve employment opportunities.

Achievement will be measured through:

- Working with the public, private and voluntary sectors to maximise the number of apprenticeships, traineeships and work experience opportunities
- Increasing training and apprenticeship opportunities through the Futureworks Flintshire Apprenticeship Academy and major capital programmes
- Strengthening and cultivating attractive routes into education for the workforce
- Embedding regional skills strategy for Science, Technology, English and Maths (STEM).
- Securing schools’ active participation in events and activities to promote the development of young people’s work-related skills.

Achievement Milestones for strategy and action plans:

- Develop a plan to Increase training and apprenticeship opportunities through the Futureworks Flintshire Apprenticeship Academy and major capital programmes by March 2018
- Develop a plan to strengthening and cultivate attractive routes into education for the workforce by March 2018
- Embedding regional skills strategy for Science, Technology, English and Maths (STEM) by March 2018
- Develop a plan to secure schools’ active participation in events and activities to promote the development of young people’s work-related skills by March 2018.

Tudalen 99 Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of training opportunities created through major capital programmes	Chief Officer – Community and Enterprise	32	9	9
The number of apprenticeships started during 2017/18 through major capital programmes		15	10	8

3. Implementing the Welsh Government pilot of the 30 hour childcare offer.

Achievement will be measured through:

- Implementation of the Childcare Pilot project plan
- The number of registered settings and the numbers of children accessing the offer.

Achievement Milestones for strategy and action plans:

- Implementation of the Childcare Pilot project plan from October 2017.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of registered settings to deliver the Childcare offer	Chief Officer – Education and Youth	N/A	122	128
The number of children accessing the Childcare offer		N/A	748	785

4. Families First Collaborative Programme.

Achievement will be measured through:

- Implementation of a Collaborative Families First strategy from 2017 - 2020
- Number of people accessing the ‘offer’.

Achievement Milestones for strategy and action plans:

- Develop a fully commissioned collaborative Families First Programme for 2017 – 2020 by March 2018
- Implementation of commissioned plan for delivery of the Families First Programme by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of people accessing the offer	Chief Officer – Education and Youth	7700	6200	6500

Priority	Sub-Priority	Impact
Green Council	Sustainable Development and Environmental Management	<ul style="list-style-type: none"> Enhancing the natural environment and promoting access to open and green space Reducing energy consumption and using and developing alternative/renewable energy production Maximising the recovery and recycling of waste

1. Improve, protect and enhance the built environment.

Achievement will be measured through:

- Adoption of a Local Heritage Strategy.

Achievement Milestones for strategy and action plans:

- Adoption of a Local Heritage Strategy by March 2018.

Measures will be included for 2018/19 following adoption of the Local Heritage Strategy by March 2018

2. Manage our natural environment and accessible green-space networks to deliver health, well-being and resilience goals.

Achievement will be measured through:

- Reviewing rights of way improvement plan
- Delivering projects set out within the ESD grant application.

Achievement Milestones for strategy and action plans:

- Reviewing rights of way improvement plan – draft plan available for consultation by February 2018
- Delivering projects set out within the ESD grant application including flood defence, biodiversity duty and green-space enhancement by March 2018.

Measures will be adopted and included for 2018/19 following a review of the rights of way improvement plan and, delivery of projects set out within the ESD grant application by March 2018.

3. Maximise the potential of the Council’s assets for energy efficiency and renewable estate and renewable energy production, reducing the reliance on fossil fuels.

Achievement will be measured through:

- Delivery of the renewable energy plan for the Council’s estates and assets which was adopted in 2015
- Increasing usage of environmentally efficient vehicles
- Reducing our carbon footprint across our Council buildings (non housing).

Achievement Milestones for strategy and action plans:

- Delivery of Phase 2 of the renewable energy action plan (10 year plan adopted in 2015).

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Percentage of environmentally efficient front line operational vehicles to Euro 6 standard.	Chief Officer Street Scene and Transportation	N/A	80%	100%
Number of street furniture and street light units replaced with LED lighting.		N/A	6000	6000
Reduce our carbon footprint across our Council buildings (non housing)		3.69%	4%	4%

4. Maximise the recovery and recycling of waste with a view to reducing the reliance on landfill.

Achievement will be measured through:

- Improving recycling performance
- Recycling rates per Household Recycling Centre (HRC)
- Modernisation of the HRC site network.

Achievement Milestones for strategy and action plans:

- Delivery of the Modernisation Programme of the HRC network by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/030 Percentage of waste reused, recycled or composted	Chief Officer Street Scene and Transportation	68.13%	68%	68%
Average recycling rate across all HRC sites		77%	80%	90%

5. Strengthen regional air quality collaboration to help promote better health and well-being outcomes.

Achievement will be measured through:

- Developing a regional strategic approach to the collation of air quality data.

Achievement Milestones for strategy and action plans:

- Developing a regional strategic approach to the collation of air quality data by March 2018.

Measures are to be adopted for 2018/19 by all partner councils as part of the development plan for a regional approach to the collation of air quality data March 2018

6. Identification of the Local Development Plan preferred strategy
<p>Achievement will be measured through:</p> <ul style="list-style-type: none"> • Adoption of the Local Development Plan to support Sustainable Development & Environmental Management. <p>Achievement Milestones for strategy and action plans:</p> <ul style="list-style-type: none"> • Adoption of the Local Development Strategy to support Sustainable Development and Environmental Management by March 2018.
<p>Measures will be developed for 2018/19 following adoption of the Local Development Strategy by March 2018</p>

Tudalen 94

Priority	Sub-Priority	Impact
Green Council	Safe and Sustainable Travel Services	<ul style="list-style-type: none"> Developing the transport infrastructure and employment sites, and transport services, widening access to employment and training sites

1. Access and use available grant funding to support Council priorities for accessing employment, health, leisure and education

Achievement will be measured through:

- Successfully delivering projects and services through national grant funded schemes
 - Local transport fund
 - Rural Communities and Development Fund
 - Road Safety
 - Safe Routes
 - Bus Service Support Grant
 - Active Travel integrated network map
- Development of sub-regional and Metro inter-modal transport projects.

Achievement Milestones for strategy and action plans:

- Submission of funding bids to Welsh Government by January 2018
- Delivering of projects and services that have received successful funding by March 2018
- Development of sub-regional and Metro inter-modal transport projects by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
⁷ The number of projects and services delivered through national grant funded schemes	Chief Officer Street Scene and Transportation	N/A	6	TBC

⁷ The aspirational target is dependent on the level of national grant funding which is not yet known

N/A is denoted by new measures where baseline data is not available

2. Prioritise the Council’s road infrastructure for repairs and maintenance and implement programmes of work within available funding in order to improve the resilience, efficiency and reliability of the transport network.

Achievement will be measured through:

- Monitoring the condition of the highways infrastructure
- Undertaking inspections to ensure reinstatements meet the required standards and raise the standard of works undertaken on Flintshire’s network
- Delivery of the Highways Asset Management Plan.

Achievement Milestones for strategy and action plans:

- Delivery of the highways asset management plan by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/020 Percentage of A roads in overall poor condition	Chief Officer Street Scene and Transportation	1.5%	5%	5%
PAM/021 Percentage of B roads in overall poor condition		1.3%	5%	5%
PAM/022 Percentage of C roads in overall poor condition		5.0%	7%	7%
Percentage of inspections undertaken to ensure reinstatements meet the required standards		14.25%	14%	14%

3. Work closely with the communities to develop innovative and sustainable community based transport schemes.

Achievement will be measured through:

- Development of community based transport schemes within available funding
- Developing and supporting community based transport scheme strategies to compliment the core network of bus services.

Achievement Milestones for strategy and action plans:

- Developing and supporting community based transport scheme strategies to complement the core network of bus services.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Percentage of community based transport schemes developed against plan	Chief Officer Street Scene and Transportation	1	5	5

N/A is denoted by new measures where baseline data is not available

4. Deliver a compliant, safe and integrated transport service.

Achievement will be measured through:

- Increasing the number of financially compliant contracts
- Increasing the number of safety compliant checks
- Ensure safety compliant checks for transport services are maintained.

Achievement Milestones for strategy and action plans:

- Development of a robust procedure for safety compliant checks for transport services by December 2017.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Percentage of contracts awarded that are financially compliant	Chief Officer Street Scene and Transportation	N/A	100%	100%
The percentage of safety compliant checks delivered		N/A	100%	100%

Tudalen 97

Priority	Sub-Priority	Impact
Connected Council	Resilient Communities	<ul style="list-style-type: none"> Supporting local communities to be resilient and self-supporting Committing to resilient service models to sustain local public services Widening digital access to public services

1. Build stronger social enterprises with the sector itself leading development of the sector.

Achievement will be measured through:

- Develop a strategy to grow existing social enterprises.

Achievement Milestones for strategy and action plans:

- Develop a range of tools such as community shares that enable existing social enterprises to grow and develop by March 2018.

Measures are to be adopted for 2018/19 following development of a strategy to support existing social enterprises by March 2018

Tudalen 98

2. Grow the capacity of the social enterprise sector and Alternative Delivery Models (ADMs) to become more self-sustaining.

Achievement will be measured through:

- Monitoring the level of efficiencies ADMs have supported
- Establishing two new social enterprises operating in Flintshire through the ADM and Community Asset Transfer Programme
- Monitoring community benefits delivered by Community Asset Transfers.

Achievement Milestones for strategy and action plans:

- Establishing two new social enterprises of a significant scale operating in Flintshire through the ADM and Community Asset Transfer Programme by December 2017
- Reporting of community benefits delivered by Community Asset Transfers by March 2018
- Establishing programmes for adults with learning disabilities into secure paid employment by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The monetary value of efficiency supported by ADMs	Chief Officer – Organisational Change	N/A	£0.5M	£1M
The number of primary school meals provided each financial year through the ADM Newydd Catering and Cleaning		5350	5403	5511
The number of secondary school meals provided each financial year through the ADM Newydd Catering and Cleaning		5029	5129	5232
Number of leisure centres and libraries sustained through the community benefits society		11	11	11
The number of key community asset transfers sustained by new social enterprises, Connah’s Quay Swimming Pool, Holywell Leisure Centre, Mynydd Isa Community Centre and Library		3	3	3
Community Benefits delivered by ADMs and CATs to be reported on each year.				

N/A is denoted by new measures where baseline data is not available

3. Implement the Digital Strategy and resources to meet future customer needs.

Achievement will be measured through:

- Development of an action plan to improve community access to digital services and to raise skill levels
- Review the Charter between Welsh Government and the Council for digital business to maximise the value of WG support to businesses in the County.

Achievement Milestones for strategy and action plans:

- Development of an action plan to improve community access to digital services and to raise skill levels by March 2018
- Review the Charter between Welsh Government and the Council for digital business to maximise the value of WG support to businesses in the County by March 2018.

Measures are to be adopted for 2018/19 following development of the action plan to improve community access to digital services and a review of the Charter between WG and the Council by March 2018

4. Ensuring and delivering community benefits.

Achievement will be measured through:

- Establishing a Community Benefits Board with an action plan
- Work with the third sector to increase its capacity to successfully bid for and undertake contracts on behalf of the Council.
- Monitoring the percentage of community benefit clauses included in new procurement contracts.

Achievement Milestones for strategy and action plans:

- Establishing a Community Benefits Board with an action plan by December 2017
- Creation of guidance/handbook on appropriate Community Benefits to include in contracts based on the nature of the contract and the value by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Percentage of community benefit clauses in new procurement contracts above £1M	Chief Officer – Organisational Change	100%	100%	100%
Percentage of community benefit clauses in new procurement contracts under £1M		N/A	100%	100%
Let two contracts that are targeted for third sector/social enterprises; Housing Voids and Household Recycling Centres		0	2	2

N/A is denoted by new measures where baseline data is not available

5. Enabling the third sector to maximise their contribution.

Achievement will be measured through:				
<ul style="list-style-type: none"> Increasing the number of volunteering placements. 				
Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
Number of volunteering placements created	Chief Officer – Organisational Change	548	548	548

6. Getting Flintshire active through partnership objectives via the Public Services Board.

Achievement will be measured through:				
<ul style="list-style-type: none"> Increasing participation in activities that contribute to physical and mental well-being including libraries, theatre and countryside Increasing community assets Identity and equality of participation. 				
Achievement Milestones for strategy and action plans:				
<ul style="list-style-type: none"> Report on the sports and arts development work that has taken place to increase participation by individuals and communities that have lower levels of engagement within sports and arts activity by March 2018. 				
Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/016 Number of visits to libraries per 1000 population	Chief Officer – Organisational Change	3935	4014	4094
PAM/017 Number of visits to leisure centres per 1000 population		8740	7296	7296
Number of visits to the theatre		167,000	175,000	180,000
The number of leisure and cultural assets that are cooperatively supported by a range of partners ensuring they remain accessible to their local communities		2	11	11

7. Ensure our Armed Forces Community and their families are not disadvantaged when accessing Council Services.

Achievement will be measured through:

- Revising portfolio policies to reflect the ambitions of the Armed Forces Covenant
- Achieving Silver status for our Employee Recognition Scheme
- Optimising the value of the regional grant monies to support a 2 year programme.

Achievement Milestones for strategy and action plans:

- Revising portfolio policies to reflect the ambitions of the Armed Forces Covenant by March 2018
- Achieving Silver status for our Employee Recognition Scheme by March 2018
- Optimising the value of the regional grant monies to support the Armed Forces Community by March 2018.

Measures are to be adopted for 2018/19 following revised and updated policies to reflect the ambitions of the Armed Forces Covenant by March 2018

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Priority	Sub-Priority	Impact
Serving Council	Efficient Resource Management	<ul style="list-style-type: none"> Continuing to be a high performing and innovative public sector organisation with social values Providing high quality, accessible, responsive and cost effective public services

1. Develop and implement a renewed five year financial plan that reflects anticipated funding, costs and efficiencies to support strategic decision making over the life of the new council.

Achievement will be measured through:

- Increasing achievement rate of the budgeted efficiency targets to 95%
- Revising our plan to meet the relevant funding gap for 2017-2022
- Matching our priorities with revenue and capital investment
- Ensure sustainable business plans for service portfolios
- Develop a range of operational financial performance indicators.

Achievement Milestones for strategy and action plans:

- Revising our plan to meet the relevant funding gap for 2017-2022 by March 2018
- Matching our priorities with revenue and capital investment by March 2018
- Ensure sustainable business plans for service portfolios by March 2018
- Develop a range of operational financial performance indicators by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
⁸ The amount of efficiency targets achieved	Chief Executive	£9,557,000	£8,433,000	TBC
The percentage of planned efficiencies achieved		91%	95%	100%
The percentage variance between the revenue budget out-turn and the budget set		-0.81%	0.49%	0%

⁸ The aspirational target will be a minimum of 95% of the agreed figure for 2018/19

N/A is denoted by new measures where baseline data is not available

2. Through the People Strategy we aim to operate effectively as a smaller organisation.

Achievement will be measured through:

- Improving attendance
- Increasing the number of managers and employees attending and accessing stress related / management programmes
- Percentage of employees who have secured employment following completion of apprenticeship training
- A single consolidated workforce plan and supporting action plan
- Attainment of appraisal targets.

Achievement Milestones for strategy and action plans:

- Development of a single consolidated workforce plan and supporting action plans by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
PAM/001 The number of working days per full time equivalent (FTE) local authority employees lost due to sickness absence	Chief Executive	9.82	9	8.5
Percentage of Managers completing stress related programmes		N/A	25%	50%
Percentage of employees completing stress related programmes		N/A	25%	50%
Percentage of apprentices securing employment with Flintshire Council		60%	65%	70%
Percentage of eligible employees receiving an annual appraisal		65%	100%	100%

N/A is denoted by new measures where baseline data is not available

3. Maximise benefits from spending power through optimised purchasing efficiencies by exploiting technology and making efficient use of local, regional and national procurement arrangements.

Achievement will be measured through:

- Percentage of goods, services and works procured through purchasing arrangements established by the National Procurement Service (NPS)
- Percentage of Council spend with Welsh businesses
- Percentage of Council spend with Flintshire businesses
- Percentage of Council spend with businesses within the Merseyside Dee Alliance (MDA).

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The percentage of goods, services and works procured through purchasing arrangements established by the National Procurement Service (NPS)	Chief Officer - Governance	N/A	8%	10%
The percentage of Council spend with Welsh businesses		48%	50%	52%
The percentage of Council spend with Flintshire businesses		26%	28%	30%
Percentage of Council spend with businesses within the regional MDA		32%	32%	34%

4. Develop and deliver a programme of activity to support local businesses, increasing their capacity and competency to respond to Council contracts.

Achievement will be measured through:

- Development of a programme to support local businesses
- Developing and delivering training and support to improve the inclusion of community benefits in Council contracts
- Developing a system to record and monitor Community Benefits centrally.

Achievement Milestones for strategy and action plans:

- Develop a programme to support local businesses by November 2017
- Develop and deliver training and support to improve the inclusion of community benefits in Council contracts by January 2018
- Develop a system to record and monitor Community Benefits centrally by January 2018.

Measures are to be adopted by the Council for 2018/19 following development of the Community Benefits and other support programmes.

5. Delivery of key annualised objectives from the Digital Strategy and Customer Strategies.

Achievement will be measured through:

- Increasing the number of services available online and via the Flintshire App
- Increasing the number of completed transactions using online services
- Responding to customer feedback ensuring information is accessed at first point of contact online
- Development of action plans to deliver the Digital Strategy
- Deliver agreed actions from the Digital Strategy for 2017/18.

Achievement Milestones for strategy and action plans:

- Develop a plan to improve the take-up of online service by March 2018
- Development of action plans to deliver the Digital Strategy by March 2018
- Deliver agreed actions from the Digital Strategy for 2017/18.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The number of services available online and via the Flintshire App	Chief Officer – Community and Enterprise	124	149	179
The number of completed transactions using online services		26,350	31,620	37,950

6. Delivery of key annualised objectives from the Capital and Asset Management Strategy.

Achievement will be measured through:

- Continuation with the programme of asset rationalisation, ensuring that assets retained are effective, efficient and sustainable to deliver services
- Identify and consider options available to fund capital expenditure that minimises ongoing revenue implications of new and existing investments
- Establish effective arrangements for managing capital projects including assessment of outcomes and achievement of value for money.

Achievement Milestones for strategy and action plans:

- Critically challenge our current estate, continue with the programme of asset rationalisation, ensuring that assets retained are effective, efficient and sustainable to deliver services by March 2018
- Identify and consider options available to fund capital expenditure that minimises the ongoing revenue implications of historic capital expenditure of new and existing investments by March 2018
- Establish effective arrangements for managing capital projects including assessment of outcomes and achievement of value for money by March 2018.

Achievement Measures	Lead Officer	Baseline Data (2016/17)	2017/18 Target	2018/19 Aspirational Target
The percentage of major capital projects which are completed on time	Chief Officer – Organisational Change	100%	100%	100%
The percentage of major capital projects which are completed within budget		100%	100%	100%

Measures are to be adopted for 2018/19 following a review of our current estate and options available to fund capital expenditure by March 2018

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Corporate Resources Overview & Scrutiny Committee
13 July 2017

Council Plan 2017-23 considerations

The Corporate Resources Overview and Scrutiny Committee meeting held on Thursday 13 July considered the format, structure and content of the draft Council Plan 2017-23.

The committee approved both the structure and format of the draft Plan, but made a number of suggestions about the content of the Plan.

These are itemised below with a view as to how they can be addressed (with red text to indicate the additional wording). Explanations are made if the suggestion is not thought to be within the remit of the plan, but covered elsewhere.

'Gaps' Consideration	Proposed inclusion in Plan	Proposed Inclusion
No mention of tourism	Yes	<p>Priority: Ambitious Council Sub-Priority: Business Sector Growth and Regeneration</p> <p>Priority this year because we need to:</p> <ul style="list-style-type: none"> • Continue to support and grow our tourism sector as part of the North Wales tourism and cultural offer <p>Add to point 6: Ensure that the development of regional and local transport strategy and initiatives maximises their potential for economic benefits, especially access to employment and tourism.</p> <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> • The performance of the local and sub-regional economy with public sector interventions in investment
Including mention of Brexit as a potential future threat to local economy.	Yes	<p>Priority: Ambitious Council Sub-Priority: Business Sector Growth and Regeneration</p> <p>National Policy Issues:</p> <ul style="list-style-type: none"> • Recognition of the potential impacts on the local and sub-regional economy of global trading patterns and workforce migration of the Brexit negotiations <p>Risks to manage:</p> <ul style="list-style-type: none"> • The stability of the local and sub-regional economies • The region having a sufficient voice at Welsh Government and UK Government levels to protect its interests <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> • The performance of the local and sub-regional economy with public sector interventions in investment • The success of the region in achieving a Regional Growth Deal Bid for Government investment in the regional economy

'Gaps' Consideration	Proposed inclusion in Plan	Proposed Inclusion
Matching education training to future skills	No	This is already covered in the Plan – in particular in relation to developing a regional skills strategy for Science, Technology, English and Maths (STEM).
Defining poverty levels to help measure costs	No	These are covered in the Measures and Milestones document by measures around: fuel poverty, food poverty, credit unions and managing the impact of Universal Credit.
Environment issues such as dog fouling	No	As explained at the meeting; this is a 'business as usual' operational function.
Safeguarding children from drug abuse	No	As explained at the meeting there are already Regional Strategies in place for both Safeguarding and Community Safety (drug abuse).

Other Issues	Reference in Plan	Other comments
Reference to supporting strategies and documents with hyperlinks		Continue current practice and clearly reference in each theme.
Include MRP and any other abbreviations in glossary.	No – the MRP is not referenced	The Minimum Revenue Provision (MRP) was referenced in a further agenda item for the Medium Term Financial Strategy (item number 7 p.125)
Too great a use of the word 'impact' rather than 'effect' or similar		The term 'impact' is widely used now across many strategy documents and has been an accepted term in the recent year's Improvement Plans. Retain wording and provide a definition.
Concern at the lack of mechanisms to get from plans to outcomes		The mechanisms are referenced in the Measures and Milestones document which provides the detail of what is proposed to achieve the outcomes.
How social housing fits in with SARTH		An explanation was provided at the meeting as to how both social and private sector housing are referenced in the Plan.
HMOs- concerns at consistency of policy with regard to attic /loft conversions		This is an issue that is more suited to the Community and Enterprise Overview and Scrutiny Committee.
To include on front of document 'in conjunction with statutory or essential partners'	Yes	This will be referenced in the final Council Plan by more prominence of the 'shaking hands' symbol against partnership priorities.

Council Plan (Part 2) – Considerations by Overview and Scrutiny Committees

The draft Council Plan (Part 2) 2017/18 is to be considered by the following Overview and Scrutiny Committees:

Social and Health Care	20th July
Education and Youth	28 th July
Environment	19 th September
Community and Enterprise	20 th September
Corporate Resources	21 st September
Organisational Change	25 th September

All Committee Members endorsed the contents of the draft plan and targets with the following exceptions.

Overview and Scrutiny Committee	Comment	Response
Social and Health Care		No comments
Education and Youth		No Comments
Environment		TBA
Community and Enterprise		TBA
Corporate Resources		TBA
Organisational Change		TBA

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Eitem ar gyfer y Rhaglen 13



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday 27 th September 2017
Report Subject	Statement of Accounts 2016/17 and Supplementary Financial Information to Statement of Accounts 2016/17
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

The report presents the:

- Final version of the Statement of Accounts 2016/17 incorporating those changes agreed with Wales Audit Office (WAO) during the course of the audit for Member approval (Appendix 1).
- WAO's reports in connection with the audit of the 2016/17 financial statements for Flintshire County Council and the Clwyd Pension Fund (Appendices 2 and 3).
- Letters of Representation for Flintshire County Council and the Clwyd Pension Fund for Member approval (Appendices 4 and 5).
- Supplementary information to the Statement of Accounts 2016/17 on full time equivalent pay, in excess of £60,000, as requested by a notice of motion approved by Council on 29th January 2013 (Appendix 6).

WAO presented their reports in full to the Audit Committee on the morning of the 27th September 2017, and will be in attendance at the meeting to summarise their findings to Council.

If the Audit Committee recommend any changes to the Statement of Accounts or wish to make any specific comments to Council, these will be reported verbally at the meeting.

RECOMMENDATIONS

1	Council approve the final version of the Statement of Accounts 2016/17.
2	Council approve: the Letter of Representation - Flintshire County Council; and the Letter of Representation - Clwyd Pension Fund.
3	Council note the Supplementary Financial Information to the Statement of Accounts 2016/17.

REPORT DETAILS

1.00	EXPLAINING THE STATEMENT OF ACCOUNTS
1.01	The statutory deadline for the approval of the Statement of Accounts is 30 th September. The audit of the 2016/17 accounts has now been substantially completed. The statutory audit completion notice will be reported in the press in due course.
1.02	As part of the final accounts process, WAO presented to the Audit Committee on 27 th September 2016 the ISA 260 reports 'Audit of the Financial Statements - Flintshire County Council' and 'Audit of the Financial Statements - Clwyd Pension Fund', attached as Appendices 2 and 3 respectively. The ISA (International Standards on Auditing) 260 requires the auditor to communicate relevant matters relating to the audit of the financial statements to those charged with governance of the entity.
1.03	During the audit, changes were made to the draft Statement of Accounts agreed with WAO and these have been incorporated into the document attached (Appendix 1).
1.04	If the Audit Committee recommend any changes to the Statement of Accounts or wish to make any specific comments to Council, these will be reported verbally at the meeting.
1.05	The Letter of Representation - Flintshire County Council, and the Letter of Representation - Clwyd Pension Fund are attached as Appendices 4 and 5 respectively. The Letter of Representation requires the Council to confirm the accuracy of the audit. In such letters, the Council confirms to the WAO that all the information contained within the financial statements is true and accurate and that all information has been disclosed.
	<u>Supplementary Financial Information to Statement of Accounts 2016/17</u>
1.06	Flintshire County Council approved the following Notice of Motion on 29 th January 2013: <i>In the interests of openness and transparency, this Motion calls for the Council to publish a separate supplementary report to coincide with and accompany the presentation to Council of the Annual Statement of Accounts.</i>

	<p><i>This supplementary report to contain, in the same style and presentation as the existing ‘Senior Employee Emoluments – Salary over £150,000’ and ‘Salary over £60,000 per year’, the same financial information for ALL council employees, consultants and ‘non-permanent posts’ with a salary over £60,000 per year who are NOT listed within the existing framework of the Annual Statement of Accounts.</i></p> <p><i>In instances where those employees are in post for less than the financial year, then both their actual salary and equivalent annualised salary are to be shown.</i></p> <p>The information was presented to the Audit Committee at its meeting on 19th July 2017. The Committee had no observations or matters to draw to Council’s attention.</p>
1.07	<p>Appendix 6 contains the information requested above in respect of financial year 2016/17.</p> <p>For clarity the information has been split into 3 categories described in paragraphs below:</p> <ul style="list-style-type: none"> • Table 1 – Council Employees • Table 2 – Posts covered by interim or temporary arrangements • Table 3 – Payments to Consultants and Non-Permanent Posts
1.08	<p>Table 1 contains costs (including termination benefits where applicable) for council employees only. For the purpose of this report council employees have been defined as permanent members of staff paid via Flintshire County Council’s payroll system.</p> <p>As the Notice of Motion requests, the detail of any council employee already included in the ‘Senior Employee Emoluments’ note in the Statement of Accounts 2016/17 has not been included.</p>
1.09	<p>Table 2 shows the number of interim or temporary arrangements in place to cover posts during 2016/17. Where such arrangements are in place, the Council has procured the services of individuals to fulfil the requirements of the post through a contract with another organisation. The Council paid the organisation, and that organisation employed and paid a salary to the individual. Table 2 shows the amounts paid to those organisations for such arrangements in 2016/17. Please note these amounts DO NOT reflect the individuals’ salaries.</p>
1.10	<p>Table 3 contains payments made for consultants and non-permanent posts. It is important that Members note that actual costs incurred by the Council in 2016/17 are in bold in the third column in table 3.</p> <p>The fourth column, theoretical annual costs, has been supplied to provide an equivalent annualised salary as requested by the Notice of Motion. Figures have been calculated by taking the daily (or hourly costs in some cases) and grossing up assuming a 37 hour standard week and that 48 weeks per year are worked. As is clear from the difference between both columns the majority were in post for significantly less than a year.</p>

1.11	<p>The Council has adopted the following definition to describe a ‘consultant’. Corporate Resources Overview and Scrutiny Report extract – March 2016 <i>A consultant is an organisation or an individual contracted to provide specific services to the Council for a limited period of time. These are services where the Council does not have the expertise ‘in-house’ to be self-sufficient or where the Council has some expertise but insufficient capacity. It is not possible for the Council to be wholly self-sufficient and it would be a poor use of resources to employ specialist individuals to maintain an internal expertise which is only required occasionally or indeed once.</i></p> <p>Consultants are classified into 2 groups:</p> <ul style="list-style-type: none"> • <i>Retained consultant: with a contract in place for the periodic provision of advice; and</i> • <i>Project consultant: to work on defined and time limited projects on ‘strategy, structure or management.’</i>
1.12	<p>The Notice of Motion specifically requests information on salaries of consultants and non-permanent posts.</p> <p>Figures have been taken from the general ledger on codes used for consultancy that are categorised on the basis of the ‘Retained Consultant’ and ‘Project Consultant’ definitions and agency workers. These will be on an accruals rather than a cash basis, therefore relating to costs of services provided during the year, rather than amounts physically paid during the year.</p>
1.13	<p>Flintshire County Council leads on a number of collaborative projects with partner Local Authorities, examples include; the North Wales Regional Waste Treatment Project, and Regional Emergency Planning service. Members are advised that the information supplied in appendix 6 does not include the costs of any individual working for joint arrangements, given that the expenditure has been incurred by the partnership and not Flintshire County Council. Joint arrangements that are set up as Joint committees publish their own separate accounts.</p>

2.00	RESOURCE IMPLICATIONS
2.01	Financial implications are as set out in the report. There are no other resource implications as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required and none undertaken.

4.00	RISK MANAGEMENT
4.01	Actions will be taken in year (2017/18) to address recommendations from the WAOs reports.

5.00	APPENDICES
5.01	<ol style="list-style-type: none"> 1. Statement of Accounts 2016/17 2. Audit of the Financial Statements – Flintshire County Council 3. Audit of the Financial Statements – Clwyd Pension Fund 4. Letter of Representation – Flintshire County Council 5. Letter of Representation – Clwyd Pension Fund 6. Supplementary Financial Information to Statement of Accounts 2016/17

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Liz Thomas – Technical Finance Manager Telephone: 01352 702289 E-mail: liz.thomas@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Financial Audit: The annual external audit of the Council’s Statement of Accounts.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Material: A concept used to inform judgements regarding the accuracy of the Council’s Statement of Accounts. The basis could be quantitative with an assigned value or qualitative and affected by issues that are legal, regulatory, or politically sensitive.</p> <p>Statement of Accounts / Final Accounts / Financial Accounts or Statements: The Council’s annual finance report providing details of the Council’s financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p> <p>Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>

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STATEMENT OF ACCOUNTS

2016-17



CONTENTS

	Page
Flintshire County Council:	
Narrative Report	1 - 9
Statement of Responsibilities for the Statement of Accounts	10
Expenditure and Funding Analysis	11
Core Financial Statements:	
Comprehensive Income and Expenditure Statement for the year ended 31 st March 2017	12
Movement in Reserves Statement for the year ended 31 st March 2017	13
Balance Sheet as at 31 st March 2017	14 - 15
Cash Flow Statement for the year ended 31 st March 2017	16
Notes to the Core Financial Statements:	
1. Note to Expenditure and Funding Analysis	17 - 18
2. Segmental Income and Expenditure	19
3. Income and Expenditure Analysed by Nature	19
4. Other Operating Expenditure	20
5. Financing and Investment Income and Expenditure	20
6. Local Taxation & Non Specific Grant Income	20 - 22
7. Material Items of Income and Expenditure	22
8. Adjustments between Accounting and Funding Basis Under Regulations	23 - 24
9. Property, Plant and Equipment	25 - 27
10. Investment Properties and Agricultural Estate	28 - 29
11. Assets Held For Sale	30 - 31
12. Intangible Assets	31
13. Long Term Debtors	32
14. Inventories	32
15. Short Term Debtors	33
16. Short Term Investments	33
17. Cash and Cash Equivalents	33
18. Borrowing Repayable On Demand Or Within 12 Months	33
19. Creditors	34
20. Grant Income	34 - 35
21. Provisions	36 - 37
22. Long Term Borrowing	38
23. Usable Reserves	38 - 40
24. Unusable Reserves	40 - 44
25. Cash Flow Statement – Operating Activities	44
26. Cash Flow Statement – Investment Activities	45
27. Cash Flow Statement – Financing Activities	45
28. Officers Remuneration (Including Exit Packages)	45 - 47
29. Members' Allowances	47 - 48
30. Related Parties	48 - 50
31. Audit Fees	50

32. Agency Services	51
33. National Health Services (Wales) Act 2006	51 - 52
34. Joint Arrangements	52
35. Other Funds Administered By The Authority	53
36. Contingent Liabilities	53
37. Contingent Asset	53
38. Critical Judgments and Assumptions Made	54 - 55
39. Provision for Repayment of External Loans	55
40. Capital Expenditure and Capital Financing	56
41. Future Capital Commitments	56
42. Leasing	57 - 58
43. Accounting Standards Issued but Not Yet Adopted	58
44. Financial Instruments	59 - 63
45. Pensions	63 - 67

Supplementary Financial Statements:

Housing Revenue Account Income and Expenditure Account for the Year Ended 31 st March 2017	68
Movement on the Housing Revenue Account Statement for the Year Ended 31 st March 2017	68
Notes to the Housing Revenue Account for the Year Ended 31 st March 2017	69 - 71
Accounting Policies	72 - 88

Group Accounts:

Flintshire County Council's Single Entity Financial Statements combined with its subsidiary North East Wales Homes	89 - 94
--	---------

Clwyd Pension Fund:

Clwyd Pension Fund Accounts for the Year Ended 31 st March 2017	95 - 120
--	----------

Flintshire County Council and Clwyd Pension Fund:

Independent Auditor's Report to the Members of Flintshire County Council	121 - 122
--	-----------

Annual Governance Statement:

	123 - 144
--	-----------

NARRATIVE REPORT

INTRODUCTION

Flintshire County Council's Statement of Accounts for 2016/17 details the income and expenditure on service provision for the year 1st April 2016 to 31st March 2017 and the value of the Council's assets and liabilities as at 31st March 2017. The Group Accounts incorporates the Council's Financial Statements with that of its wholly owned subsidiary North East Wales Homes (NEW Homes).

The Accounts have been prepared in accordance with the requirements of the 2016/17 Code of Practice on Local Authority Accounting which is based on International Financial Reporting Standards (IFRS).

As always the production of this comprehensive and complex set of accounts has required an enormous effort from many people across the Council, both within finance and within service portfolio areas. However, the Council has still managed to prepare and submit the Accounts to the Council's External Auditors by the legislative deadline of 30th June 2017.

The Council set its budget for the 2016/17 financial year in the context of a continuing reduction in public sector funding and a rising demand for its services. Despite facing significant challenges in-year such as an underachievement of £964k on its programme of efficiencies, the Council was still able to limit spending to £2,039k less than its approved budget, due to a combination of one-off savings and good financial management and control. The most significant impact was a change in year to the Council's Minimum Revenue Provision Policy which had a positive effect of £2,886k.

The revenue outturn position, explained below, is important to residents and rent payers, it records only those expenses which statute allows to be charged against the Council's annual budget and amounts collected from council tax and rents. Revenue outturn differs from the Comprehensive Income and Expenditure Statement (CIES) as it includes charges for items such as depreciation, impairment, capital grants and pension charges which are accounting adjustments not included in the outturn.

In addition to meeting the statutory deadline for producing the Accounts, the finance service also aspires to develop a Statement of Accounts that is more accessible to users. Flintshire County Council is a large and diverse organisation and the information contained in these Accounts is technical and complex. The aim of this narrative statement, therefore, is to provide a general guide to the items of interest and highlights some of the more significant matters that have determined this position for the financial year ending 31 March 2017.

COUNCIL PERFORMANCE DURING THE YEAR

The Council's Improvement Plan for 2016/17 set the Council's priorities for the year; the areas where service change or focus was needed. The Plan has eight 'standing' priorities and a changing number of sub-priorities dependent upon the focus of attention for the year. The plan is published on the Council's website and is a user friendly document which clearly explains for each sub-priority why it is a priority, what we intend to achieve and how we will measure those achievements. A separate linked document is also published which describes in more detail the actual measures and 'milestones' in making improvements or change throughout the year.

Public reports which measure our progress against this document are published quarterly, with the latest report for Quarter 3 (September to December), reported to Cabinet in March 2017, available on the Council's website. The end of year report, available mid July 2017, alongside a fuller assessment of achievements for the year.

NARRATIVE REPORT

FINANCIAL PERFORMANCE DURING THE YEAR

The revenue budget is that which covers the Council's day-to-day expenditure and income on such items as salaries and wages, running costs of services and the financing costs of capital expenditure. The capital programme covers expenditure on the acquisition of significant assets which will be of use or benefit to the Council in providing its services beyond the year of account, such as the enhancement or replacement of roads, buildings and other structures.

Economic climate

Approximately 73% of the budget requirement for Council services comes from Welsh Government through Aggregate External Funding (Revenue Support Grant and Non Domestic Rates). In 2016/17, there was a decrease in funding of 1.7% which combined with significant cost pressures from factors outside of the Council's control from policy directions or new legislation from UK and Welsh Government. These unfunded pressures are expected to be met by the Council without extra funds being set aside by Government and include; inflation, demographic growth, additional workforce cost pressures and a general increase in demand for Council services. The impact of funding not keeping pace with increasing costs had significant consequences and will continue to do so in future years as this position is not expected to improve and this is reflected in our latest refresh of our Medium Term Financial Strategy.

Despite this financial challenge, portfolio business plans and corporate financing options enabled us to plan for £10,521k of new efficiencies in our 2016/17 budget, enabling the Council to invest in priorities such as school budgets, social care and providing resources to re-shape services.

Revenue outturn compared to budget

The Council Fund budget for 2016/17 was set at £251,991k and approved by Council on 16th February 2016. Budget monitoring information was reported to Cabinet on a monthly basis throughout the year, with final outturn reported on 18th July 2017.

The budget strategy for 2016/17 was based on an organisational strategy to reduce costs to shield and protect local services. It includes a package of measures and proposals which combine corporate financing options, portfolio level business plan proposals, review of pressures and workforce numbers, as well as maximisation of income generation and a review of reserves and balances.

Total net expenditure for 2016/17 amounted to £249,952k (expenditure of £250,396k reduced by £444k resources in excess of what was anticipated) against the budget of £251,991k.

NARRATIVE REPORT

	2016/17 Budget £000	2016/17 Actual £000	Variance £000
Corporate Services :			
Chief Executive	2,930	2,892	(38)
People and Resources	4,660	4,574	(86)
Governance	7,722	7,779	57
	<u>15,312</u>	<u>15,245</u>	<u>(67)</u>
Social Services	60,551	60,821	270
Community and Enterprise	12,492	12,312	(180)
Streetscene and Transportation	28,556	29,364	808
Planning and Environment	5,052	5,368	316
Education and Youth	99,140	98,947	(193)
Organisational Change	8,465	8,079	(386)
Net expenditure on services	229,568	230,136	568
Central loans and investment account	15,223	12,147	(3,076)
Central and Corporate Finance	8,623	9,536	913
Total net expenditure	253,414	251,819	(1,595)
Contribution from reserves	(1,423)	(1,423)	0
Budget requirement	251,991	250,396	(1,595)
Financed by			
Council tax (net of community council precepts expenditure)	67,241	67,685	(444)
General grants	138,899	138,899	0
Non-domestic rates redistribution	45,851	45,851	0
Total resources	251,991	252,435	(444)
Net variance - (underspend)	0	(2,039)	(2,039)

The underspend of £1,595k, increased to £2,039k by way of additional Council Tax income of £444k, served with other agreed funding transfers to produce year-end Council fund revenue reserves of £31,478k.

NARRATIVE REPORT

The table below shows the position for the Housing Revenue Account for the year:

	2016/17 Budget £000	2016/17 Actual £000	Variance £000
Estate Management	1,530	1,531	1
Landlord Services	1,207	1,273	66
Repairs & Maintenance	8,252	7,974	(278)
HRA Projects	0	111	111
Finance & Support	1,246	1,019	(227)
Revenue contributions to fund Capital Expenditure	10,077	11,566	1,489
Net expenditure on services	22,312	23,474	1,162
Central loans and investment account	7,209	6,941	(268)
Support Services	1,062	913	(149)
Total net expenditure	30,583	31,328	745
Contribution from reserves	(80)	125	205
Budget requirement	30,503	31,453	950
Financed by			
Rents	29,824	30,175	(351)
Grants and Other Income	679	1,278	(599)
Total resources	30,503	31,453	(950)
Net variance	0	0	0

2016/17 was the second of a 6 year programme of capital schemes to improve the quality of its housing stock and achieve the Welsh Housing Quality Standard which is in part funded by revenue contributions. Overall, a decision was made during the year to increase the capital programme funded by additional revenue contributions. The ensuing planned overspend was more than mitigated by underspends on other budget headings and additional income generated, resulting in a net contribution to HRA reserves of £125k bringing the total HRA reserves as at 31st March 2017 to £1,642k.

Capital Programme Budget, Outturn and Financing

Each year the Council approves a programme of capital works, which provides for investment in assets such as land, buildings and road improvements. The 2016/17 Capital Programme was approved in the sum of £47,076k (Housing Revenue Account £25,933k and Council Fund £21,143k); this figure moved during the course of the year to a final programme total of £65,968k, (Housing Revenue Account £29,911k and Council Fund £36,057k). Capital Programme budget monitoring information was reported to Cabinet on a quarterly basis throughout the year, with final outturn reported on 18th July 2017.

NARRATIVE REPORT

Expenditure incurred is set out in the table below presented on the basis of those 'service blocks' used by Welsh Government in collecting capital data by way of the Capital Outturn Return (COR) form, for its published Local Government Finance Statistics. Schemes and projects include; investment in the Council's housing stock as part of the plan to achieve the Welsh Housing Quality Standard, and the 21st Century Schools building programme which includes building a new all through school for ages 3 to 16 at Holywell and a 'hub' for post 16 education in Deeside in partnership with Coleg Cambria.

	2017
	£000
Education	14,445
Social services	391
Transport	2,591
Housing	37,121
Agriculture and fisheries *	209
Sport and recreation	356
Other environmental services	8,380
Outturn	63,493

* Incorporating land drainage and flood prevention/coast protection (to which the Council's expenditure relates)

The programme was financed as follows -

	2017
	£000
Supported borrowing *	4,137
Other borrowing (including Salix loans)	27,068
Capital receipts	2,329
Capital grants and contributions	17,104
Capital reserves/capital expenditure funded from revenue account	12,855
Core financing	63,493

* Cash reserves used in place of borrowing as detailed in Borrowing Facilities note on page 6.

Strategic Housing and Regeneration Programme (SHARP)

The Council has embarked on an ambitious house building programme as part of its Strategic Housing and Regeneration Programme (SHARP). Over a 5 year period 500 new homes will be built at a range of sites across the county, a mixture of new council houses and affordable homes, alongside commissioning a range of linked regeneration initiatives and community benefits.

During the year the first batch of new Council Housing, all funded through the Housing Revenue Account, was completed with 12 homes built and occupied at Custom House Lane, Connah's Quay. Substantial work was completed towards building 30 new properties at The Walks site in Flint (one of the former maisonette sites) and work began to develop another 40 homes on a further 5 sites in Mold, Leeswood and Connah's Quay. Total costs during the year totaled £4,817k (included within the housing figure in the Capital Outturn above). Agreement in principle was also given during the year for a further 195 properties on several sites.

NARRATIVE REPORT

Affordable homes are being developed through the Council's wholly owned subsidiary North East Wales Homes (NEW Homes) in partnership with the Council. During the year the NEW Homes board approved the development of 62 new affordable homes for rent at The Walks site in Flint (one of the former maisonette sites). Following a thorough appraisal of capital funding options available the board's preferred option was to seek approval to borrow the capital finance required directly from the Council. The Council approved the loan with £3,409k drawn down during the year (also included within the housing figure in the Capital Outturn).

Borrowing

No long term Public Works Loan Board (PWLB)/financial institution borrowing was undertaken during 2016/17 - the Council continues to use cash reserves to fund capital expenditure in place of new borrowing. The balance sheet (long term) borrowing total of £250,998k includes; the sum of £378k relating to interest free loans from Salix Finance Ltd. - an independent company funded by the Carbon Trust to help improve energy efficiency in the public sector buildings – with new loans taken out during the year to improve the energy efficiency of street lighting, and loans totaling £860k from Welsh Government for regeneration initiatives in Deeside under the Vibrant and Viable Places Scheme within the Capital Programme.

Financial Position at 31st March 2017

Reserves and Provisions

The Council sets funding aside to meet future liabilities and service developments in provisions and reserves held on the Balance Sheet at 31st March 2017.

Provisions are based on past events that places an obligation on the Council which is likely to result in a future financial liability, but there is uncertainty over the timing and precise value of the liability. Provisions are disclosed in Note 21.

The Council has established a number of revenue reserves, falling outside the definition of a provision, which are summarised in the table below. The Council fund balance is a measure of the uncommitted reserves the Council holds prudently to meet cash flow requirements and unforeseen future events.

	2017	Net	Other	2016
	£000	Underspend	£000	£000
Council fund (unearmarked) balance	10,953	2,039	(1,230)	10,144
Earmarked council fund reserves	18,969	0	(6,470)	25,439
Locally managed schools	1,556	0	(750)	2,306
Housing Revenue Account reserves	1,642	(62)	187	1,517
Total revenue reserves	33,120	1,977	(8,263)	39,406

Pension Liability

The liability recorded in the balance sheet (£395,050k) has increased by £86,371k during the year, mainly as a result of changes to the financial assumptions used by the pension fund Actuary. The main change relates to the decrease in the discount rate used to discount the future cash flows of the fund. These assumptions are determined by the Actuary and represent the market conditions at the balance sheet date. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate the liability. Disclosures in Note 45 are in accordance with International Accounting Standard 19 (IAS 19), accounting in full for the pension liability, that is the total projected deficit over the life of the fund. IAS 19 has no impact on Council tax levels or housing finance, but the liability does impact on the net worth of the Authority as reflected in the balance sheet total of £43,518k (£168,190k as at 31st March 2016).

NARRATIVE REPORT

Revaluation of Non-Current Assets

All non-current assets must be revalued every five years - the Council meets this requirement by revaluing a proportion of the total asset portfolio each year; during 2016/17 (the second year of the current cycle, commencing 1st April 2015) 13% of operational non-dwelling assets were revalued. The exception to this arrangement being Council Dwellings which were all valued in 2015/16. The overall impact of the 2016/17 revaluation process was a net decrease in the value of non-current property assets - property, plant and equipment, investment properties and the agricultural estate - recorded in the balance sheet (from £709,764k to £695,644k).

FINANCIAL OUTLOOK FOR THE COUNCIL

The Council has a Medium Term Financial Strategy (MTFS) which forecasts the amount of resource that the Council is likely to have over the next 3 years, identify any funding gap, and enable specific actions to be identified to balance the budget and manage resources.

The MTFS is under constant review to reflect budget developments at a national and local level. The Council has adopted a principled but high risk approach to finding solutions to the unprecedented level of budget savings to be found for 2017/18 and beyond and a revised version is due to be published later in 2017.

The Council was able to set a balanced budget for 2017/18 at its meeting in February 2017 although the latest forecast is that a further £12m will need to be found for 2018/19. This forecast continues to be developed, alongside the development of a refreshed medium term forecast over the next 3 to 5 years, to incorporate budget developments at a national and local level.

Flintshire, as a low funded Council, has made the case that it is particularly exposed to the significant annual reductions to public sector funding to meet current and new cost burdens. The Council continues to work with Welsh Government to address this as part of its overall financial strategy.

Regular updates will be provided to Cabinet and relevant Scrutiny committees throughout the year as part of the budget process which will include public engagement and external stakeholder sessions.

PRINCIPAL RISKS AND UNCERTAINTIES

The Council has a comprehensive risk management policy and strategy. All the priority areas within the annual Improvement Plan identify the risks which may prevent or hinder successful delivery of our aims. These risks are assessed and then tracked throughout the year on a minimum quarterly basis. Risk management are also embedded within our ways of working – for example, through partnerships, business plan efficiency reports and within each report submitted to Cabinet or Overview and Scrutiny Committees.

The Audit Committee receives a summary of the Council's strategic risks at both mid-year and end of year. The end of year risk register was reported to Audit Committee in June and is available on the Council's website.

CHANGES AND FUTURE CHANGES TO THE STATEMENT OF ACCOUNTS

During the year significant changes have been introduced to the Council's Statement of Accounts.

The format of the Comprehensive Income and Expenditure Statement has changed, the statement is now presented on the same basis as the Council's reporting segments (service portfolios) in revenue budget monitoring reports rather than standard prescribed categories. A new principal statement has been introduced called the Expenditure and Funding Analysis which is also produced per service portfolio and shows; annual expenditure incurred, how the expenditure has been funded from resources available to the Council. This is compared with the same information presented in the Comprehensive Income and Expenditure Statement in accordance with generally accepted accounting practices. The aim of the changes is to strengthen the link between in year budget monitoring reports and the year-end Statement of Accounts. As a result minor presentational changes have been made to the Movement in Reserves Statement.

NARRATIVE REPORT

Future changes affecting the Statement of Accounts:

- During the year the Council has approved the set-up of various alternative service delivery models which will impact on the Council's future Statements of Accounts and Group Accounts. A local authority trading company delivering Facility Management Services (Catering and Cleaning) will be established on 1st May 2017, and a Community Benefit Society to deliver Leisure and Library Services will be established on 1st July 2017.
- Welsh Government have consulted on proposed changes to the Accounts and Audit (Wales) Regulations during the year. The draft regulations have not yet come into force but are expected soon which would bring forward the timetable for preparing and publishing statement of accounts of all local authorities in Wales. The Council is actively preparing for having to produce its accounts earlier in conjunction with its external auditors. The draft regulations also remove the requirement for pension fund statements to be included in the administering bodies' accounts.

CHANGE IN ACCOUNTING POLICIES

Minor changes to accounting policies have been made during 2016/17 to reflect changes in the Code of Practice and the way in which Council services are delivered. The changes stem from changes made to the Comprehensive Income and Expenditure Statement referenced earlier. Costs of centrally provided support services and administrative buildings are no longer apportioned to standard prescribed services determined by the Service Reporting Code of Practice, they are charged to service portfolios as shown on the face of the Comprehensive Income and Expenditure Statements.

EXPLAINING THE ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Council's income and expenditure for the year (2016/17) and provides details of the Council's financial position at 31st March 2017. The Statement is comprised of core and supplementary statements, together with disclosure notes. The information presented on pages 11 - 94 is in accordance with the requirements of the 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) based on International Financial Reporting Standards (IFRSs), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- The core financial statements –
 - **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory Council Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

At 31st March 2017 usable reserves were £47,803k and unusable reserves were negative £4,285k;

- **Comprehensive Income and Expenditure Statement** – this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from local taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The 2016/17 deficit on the provision of services is £52,062k; which is carried into the movement in reserves statement.

NARRATIVE REPORT

- **Balance Sheet** - the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The net worth of the Council was £43,518k as at 31st March 2017 representing a decrease from the balance sheet total of £168,190k as at 31st March 2016.

- **Cash Flow Statement** - the Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.
- The supplementary financial statements comprising of –
 - **The Housing Revenue Account Income and Expenditure Statement** – The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

During 2016/17 the HRA balance moved from £1,517k to £1,642k

- The group accounts and associated notes, incorporate the financial accounts of North East Wales Homes and Property Management with the Council's.
- The pension fund accounts reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme on behalf of members of the Clwyd Pension Fund, presented in accordance with required guidance.
- The Annual Governance Statement sets out the governance structures of the Council and its key internal controls.

FURTHER INFORMATION

The Statement of Accounts is available on the internet (www.flintshire.gov.uk); with further information available on accounts and budgets available on request from the Corporate Finance Manager, Flintshire County Council, County Hall, Mold, CH7 6NA.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to :-

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, this is the Corporate Finance Manager as Chief Finance Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

Signed :

**Cllr Brian Lloyd
Chair to the County Council**

Date :

THE CHIEF FINANCE OFFICER'S RESPONSIBILITIES

The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with the proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this statement of accounts, the Chief Finance Officer has :-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Chief Finance Officer has also :-

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The statement of accounts presents a true and fair view of the financial position of the Authority at 31st March 2017, and its income and expenditure for the year then ended.

In addition the statement presents a true and fair view of the financial transactions of the Clwyd Pension Fund during the year ended 31st March 2017 and the amount and disposition at that date of its assets and liabilities.

Signed :

**Gary Ferguson CPFA
Corporate Finance Manager (Chief Finance Officer)**

Date :

Tudalen 132

EXPENDITURE AND FUNDING ANALYSIS

for the year ended 31st March 2017

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2016/17	Net Portfolio Final Outturn Reported £000	Adjustments for Movements (to)/from Earmarked Reserves £000	Chargeable to C F / HRA Reserves £000	Adjustments between Funding & Accounting Basis £000	Net Expenditure - CI&ES £000
Note	2	1			
Chief Executives	2,892	78	2,970	(74)	2,896
Community & Enterprise	11,868	192	12,060	532	12,592
Education & Youth	98,947	2,047	100,994	24,792	125,786
Governance	7,779	271	8,050	974	9,024
Organisational Change	8,079	276	8,355	5,462	13,817
People & Resources	4,574	63	4,637	(171)	4,466
Planning & Environment	5,368	(32)	5,336	2,255	7,591
Social Services	60,821	880	61,701	(810)	60,891
Streetscene & Transportation	29,364	625	29,989	5,213	35,202
Corporate & Central Finance	20,260	3,999	24,259	(17,824)	6,435
Housing revenue account (HRA)	0	(126)	(126)	11,702	11,576
Theatr Clwyd	0	(182)	(182)	(63)	(245)
Cost of services	249,952	8,091	258,043	31,988	290,031
Other Income and Expenditure	(251,991)	234	(251,757)	13,788	(237,969)
(Surplus)/deficit on the provision of services	(2,039)	8,325	6,286	45,776	52,062
Opening Council Fund / HRA Reserves			39,406		
In Year Revenue Surplus / Deficit					
Council Fund (CF)			(6,411)		
Housing Revenue Account (HRA)			125		
Closing Council Fund / HRA Reserves			33,120		
2015/16	Net Portfolio Final Outturn Reported £000	Adjustments for Movements (to)/from Earmarked Reserves £000	Chargeable to C F / HRA Reserves £000	Adjustments between Funding & Accounting Basis £000	Net Expenditure - CI&ES £000
Note	2	1			
Chief Executives	2,965	71	3,036	(43)	2,993
Community & Enterprise	11,822	(533)	11,289	2,294	13,583
Education & Youth	97,174	(285)	96,889	11,059	107,948
Governance	8,784	(261)	8,523	1,273	9,796
Organisational Change	8,661	(502)	8,159	6,361	14,520
People & Resources	4,496	(14)	4,482	(100)	4,382
Planning & Environment	5,512	(835)	4,677	287	4,964
Social Services	59,194	467	59,661	(108)	59,553
Streetscene & Transportation	29,360	(202)	29,158	4,880	34,038
Corporate & Central Finance	22,000	6,439	28,439	(18,911)	9,528
Housing revenue account (HRA)	293	(300)	(7)	123,883	123,876
Theatr Clwyd	0	2	2	(22)	(20)
Cost of services	250,261	4,047	254,308	130,853	385,161
Other Income and Expenditure	(251,457)	0	(251,457)	2,792	(248,665)
(Surplus)/deficit on the provision of services	(1,196)	4,047	2,851	133,645	136,496
Opening Council Fund / HRA Reserves			42,257		
In Year Revenue Surplus / Deficit					
Council Fund (CF)			(2,858)		
Housing Revenue Account (HRA)			7		
Closing Council Fund / HRA Reserves			39,406		

Tudalen 133

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31st March 2017

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from local taxation. Authorities raise local taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

		2017		Restated 2016			
	Note	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£000	£000	£000	£000	£000	£000
Service Expenditure Analysis							
Chief Executives		2,933	(37)	2,896	3,066	(73)	2,993
Community & Enterprise		64,710	(52,118)	12,592	64,401	(50,818)	13,583
Education & Youth		147,935	(22,149)	125,786	130,078	(22,130)	107,948
Governance		9,778	(754)	9,024	10,712	(916)	9,796
Organisational Change		23,757	(9,940)	13,817	23,122	(8,602)	14,520
People & Resources		4,797	(331)	4,466	4,650	(268)	4,382
Planning & Environment		10,894	(3,303)	7,591	8,680	(3,716)	4,964
Social Services		79,137	(18,246)	60,891	75,352	(15,799)	59,553
Streetscene & Transportation		46,391	(11,189)	35,202	45,281	(11,243)	34,038
Corporate & Central Finance		7,163	(728)	6,435	10,303	(775)	9,528
Housing revenue account (HRA)		43,751	(31,909)	11,842	39,778	(30,065)	9,713
Housing revenue account (HRA) - Settlement Payment	7	0	0	0	79,248	0	79,248
Housing revenue account (HRA) - Valuations Dwellings	7	(266)	0	(266)	34,915	0	34,915
Theatr Clwyd		5,768	(6,013)	(245)	4,589	(4,609)	(20)
Cost of services		446,748	(156,717)	290,031	534,175	(149,014)	385,161
Other Operating Expenditure	4			23,535			23,438
Financing and Investment Income and Expenditure	5			22,669			20,761
Taxation and Non-Specific Grant Income	6			(284,173)			(292,864)
(Surplus)/deficit on the provision of services	3			52,062			136,496
(Surplus)/deficit arising on revaluation of non-current assets				(7,949)			351
(Surplus)/deficit arising on revaluation of available-for-sale financial assets				0			0
Actuarial (gains) or losses on pension assets and liabilities				80,557			(33,827)
Total comprehensive income and expenditure				124,670			103,020

MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2017

The movement in reserves statement shows the movement in the year on the different reserves held by the Council, analysed into Usable Reserves (those that can be applied to fund expenditure or reduce local taxation) and other (Unusable) Reserves.

The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Council Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

The Increase / Decrease in the year shows the Statutory Council Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves as shown in Note 23.

	Council Fund Reserves	Housing Revenue Account Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves of the Authority
Note	£000	£000	£000	£000	£000	£000	£000
At 31st March 2016	37,889	1,517	7,969	3,336	50,711	117,479	168,190
In Year Movement in Reserves							
Total comprehensive income and expenditure	(36,713)	(15,349)	0	0	(52,062)	(72,608)	(124,670)
Adjustments between accounting and funding basis under	8 30,302	15,474	2,702	676	49,154	(49,154)	(0)
Increase/(decrease) in year	(6,411)	125	2,702	676	(2,908)	(121,763)	(124,670)
At 31st March 2017	31,478	1,642	10,671	4,012	47,803	(4,285)	43,518

	Council Fund Reserves	Housing Revenue Account Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves of the Authority
Note	£000	£000	£000	£000	£000	£000	£000
At 31st March 2015	40,747	1,510	6,764	4,814	53,835	217,375	271,210
In Year Movement in Reserves							
Total comprehensive income and expenditure	(7,729)	(128,767)	0	0	(136,496)	33,476	(103,020)
Adjustments between accounting and funding basis under	8 4,871	128,774	1,205	(1,478)	133,372	(133,372)	0
Increase/(decrease) in year	(2,858)	7	1,205	(1,478)	(3,124)	(99,896)	(103,020)
At 31st March 2016	37,889	1,517	7,969	3,336	50,711	117,479	168,190

BALANCE SHEET

as at 31st March 2017

	Note	£000	£000	£000	£000
NON-CURRENT ASSETS					
Property, Plant & Equipment	9				
Council dwellings		210,912		216,186	
Other land and buildings		271,556		259,963	
Vehicles, plant, furniture and equipment		15,918		14,962	
Surplus assets		9,008		8,693	
Infrastructure assets		151,232		153,549	
Community assets		4,721		4,711	
Assets under construction		3,789		21,089	
Total Property, Plant & Equipment			667,136		679,153
Investment properties and Agricultural Estate	10		28,508		30,611
Intangible assets	12		110		227
Long term debtors	13		2,211		2,111
NON-CURRENT ASSETS TOTAL			697,965		712,102
CURRENT ASSETS					
Inventories	14	1,075		1,069	
Short term debtors (net of impairment provision)*	15	40,266		31,902	
Short term investments	16	0		6,014	
Cash and cash equivalents	17	6,962		25,063	
Assets held for sale	11	4,243		3,556	
CURRENT ASSETS TOTAL			52,546		67,604
CURRENT LIABILITIES					
Borrowing repayable on demand or within 12 months	18	(14,377)		(2,785)	
Short term creditors*	19	(32,404)		(30,801)	
Provision for accumulated absences	21	(2,651)		(1,891)	
Deferred liabilities	42	(565)		(580)	
Grants receipts in advance	20	(1,528)		(858)	
Provisions	21	(418)		(2,492)	
CURRENT LIABILITIES TOTAL			(51,943)		(39,407)
NON-CURRENT LIABILITIES					
Long term creditors	19	(240)		(2,266)	
Long term borrowing	22	(250,998)		(251,901)	
Deferred liabilities	42	(5,386)		(5,951)	
Provisions	21	(994)		(1,042)	
Other long term liabilities	45	(395,050)		(308,679)	
Grants receipts in advance	20	(2,382)		(2,270)	
NON-CURRENT LIABILITIES TOTAL			(655,050)		(572,109)
NET ASSETS			43,518		168,190

*In producing the 2016-17 accounts it was noted that the 2015-16 NDR creditor balance of £2,580k had been incorrectly included in the debtor balance. Opening creditor and debtor balances have subsequently been amended.

BALANCE SHEET

		2017		2016	
	Note	£000	£000	£000	£000
USABLE RESERVES	23				
Capital receipts reserve		10,671		7,969	
Capital grants unapplied		4,012		3,336	
Council fund		10,953		10,144	
Earmarked reserves		20,525		27,745	
Housing revenue account		1,642		1,517	
USABLE RESERVES TOTAL			47,803		50,711
UNUSABLE RESERVES	24				
Revaluation reserve		59,697		55,016	
Capital adjustment account		340,435		380,112	
Financial instruments adjustment account		(6,814)		(7,177)	
Pensions reserve		(395,050)		(308,679)	
Deferred capital receipts		98		98	
Accumulated absences account		(2,651)		(1,891)	
UNUSABLE RESERVES TOTAL			(4,285)		117,479
TOTAL RESERVES			43,518		168,190

The Balance Sheet shows the value at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories –

- Usable Reserves - those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- Unusable Reserves - those reserves that the Authority is unable to use to provide services, including reserves that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

CASH FLOW STATEMENT
for the year ended 31st March 2017

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

The cash flow statement is reported using the indirect method, whereby net surplus or deficit on the provision of services is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

	Note	2017		2016	
		£000	£000	£000	£000
Net surplus or (deficit) on the provision of services		(52,062)		(136,496)	
Adjustment to surplus or deficit on the provision of services for non-cash movements		68,900		92,716	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		<u>(22,811)</u>		<u>(26,757)</u>	
Net cash flows from operating activities	25		(5,973)		(70,537)
Net cash flows from investing activities	26	(22,245)		(25,468)	
Net cash flows from financing activities	27	<u>10,117</u>		<u>78,389</u>	
Net increase or decrease in cash and cash equivalents			<u>(12,128)</u>		<u>52,921</u>
			(18,101)		(17,616)
Cash and cash equivalents at the beginning of the reporting period	17		25,063		42,679
Cash and cash equivalents at the end of the reporting period	17		6,962		25,063

NOTES TO THE CORE FINANCIAL STATEMENTS

for the year ended 31st March 2017

INTRODUCTION TO NOTES

The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) and the Council's accounting policies. The notes that follow (1 to 45) set out supplementary information to assist readers of the accounts.

1. NOTE TO EXPENDITURE AND FUNDING ANALYSIS

The adjustments between the funding and accounting basis within the Expenditure and Funding Analysis is explained in more detail below.

Adjustments from Council Fund / HRA to arrive at CI&ES Amounts	2016/17			Total Adjustments £000
	Adjustments for Capital Purposes £000	Adjustments for Employee Benefit Purposes £000	Other Adjustments £000	
	a	b	c	
Chief Executives	0	(74)	0	(74)
Community & Enterprise	4,051	(208)	(3,311)	532
Education & Youth	26,748	(1,826)	(130)	24,792
Governance	1,218	(152)	(92)	974
Organisational Change	5,005	(470)	927	5,462
People & Resources	33	(204)	0	(171)
Planning & Environment	2,575	(237)	(83)	2,255
Social Services	213	(1,023)	0	(810)
Streetscene & Transportation	6,845	(478)	(1,154)	5,213
Corporate & Central Finance	1,147	136	(19,107)	(17,824)
Housing revenue account (HRA)	30,453	(210)	(18,541)	11,702
Theatr Clwyd	0	(63)	0	(63)
Cost of services	78,288	(4,809)	(41,491)	31,988
Other Income and Expenditure from the EFA	(16,166)	11,383	18,571	13,788
Differences between CF / HRA surplus / deficit and CI&ES surplus / deficit	62,122	6,574	(22,920)	45,776

Adjustments from Council Fund / HRA to arrive at CI&ES Amounts	2015/16			Total Adjustments £000
	Adjustments for Capital Purposes £000	Adjustments for Employee Benefit Purposes £000	Other Adjustments £000	
	a	b	c	
Chief Executives	0	(43)	0	(43)
Community & Enterprise	5,407	(118)	(2,995)	2,294
Education & Youth	13,802	(2,616)	(127)	11,059
Governance	1,555	(128)	(154)	1,273
Organisational Change	5,420	(324)	1,265	6,361
People & Resources	58	(157)	(1)	(100)
Planning & Environment	670	(149)	(234)	287
Social Services	336	(445)	1	(108)
Streetscene & Transportation	6,526	(406)	(1,240)	4,880
Corporate & Central Finance	1,145	832	(20,888)	(18,911)
Housing revenue account (HRA)	140,753	(124)	(16,746)	123,883
Theatr Clwyd	0	(23)	1	(22)
Cost of services	175,672	(3,701)	(41,118)	130,853
Other Income and Expenditure from the EFA	(24,695)	10,828	16,659	2,792
Differences between CF / HRA surplus / deficit and CI&ES surplus / deficit	130,977	7,127	(24,459)	133,645

NOTES TO THE CORE FINANCIAL STATEMENTS

a. Adjustments for Capital Purposes

This column adds in capital accounting adjustments that are not reported within a portfolio's final outturn but are required in the Comprehensive Income and Expenditure Statement by the Code of Practice and includes; depreciation, impairments, revaluation losses, amortisation, and revenue expenditure funded from capital under statute (REFCUS).

Net gains and losses on the disposal of non-current assets (included within other operating expenditure) and capital grants and contributions (included within taxation and non-specific grant income and expenditure) are reported in the Comprehensive Income and Expenditure Statement but not in the final outturn report and therefore are included within capital accounting adjustments.

b. Adjustments for Employee Benefit Purposes

This column adds in accounting adjustments related to IAS 19 Employee Benefits that are not reported within a portfolio's final outturn but are required in the Comprehensive Income and Expenditure Statement by the Code of Practice and includes; pension adjustments – removing the employer pension contributions made to the pension funds during the year, and replacing with the current service and past service costs (being the calculated benefit earned during the year), and the movement on the accumulated absences provision (being the accounting cost of leave entitlements earned by employees but not taken before the year-end which is carried forward into the next financial year).

The administrative expenses and the net interest on the net defined benefit liability (included within other operating expenditure and financing and investment income and expenditure respectively) are reported in the Comprehensive Income and Expenditure Statement but not in the final outturn report and therefore are included within employee benefit accounting adjustments.

c. Other Adjustments

This column contains all other accounting adjustments required in the Comprehensive Income and Expenditure Statement by the Code of Practice that are not reported within a portfolio's final outturn and includes; Capital grants received to fund REFCUS, removal of charges to revenue to fund capital schemes, removal of statutory provision for the financing of capital expenditure (Minimum Revenue Provision) and debt rescheduling.

In addition, the column also includes adjustments for transactions reported within a portfolio's final outturn required by the Code of Practice to be reported below the Cost of Services line within the Comprehensive Income and Expenditure Statement and includes; income and expenditure related to investment properties (included within financing and investment income and expenditure), interest payable and interest and investment income (included within financing and investment income and expenditure).

NOTES TO THE CORE FINANCIAL STATEMENTS

2. SEGMENTAL INCOME AND EXPENDITURE

Income and expenditure reported on a segmental basis included within the column 'Net Portfolio Final Outturn' in the Expenditure and Funding Analysis as required by the Code of Practice is shown below

2016/17	CE £000	C&E £000	E&Y £000	Gov £000	OC £000	P&R £000	P&E £000	SS £000	S&T £000	Central and Corporate			Total £000
										Finance £000	Theatr Clwyd £000	HRA £000	
Revenues from External Customers	(16)	(3,124)	(2,326)	(560)	(10,953)	(331)	(1,859)	(9,611)	(7,469)	(695)	(4,178)	(31,809)	(72,931)
Revenues from Transactions with other Operating Segments	0	(95)	(3,455)	(935)	(3,772)	(7)	(164)	(153)	(934)	0	(41)	0	(9,556)
Interest Revenues	0	0	0	0	0	0	0	0	0	(224)	0	0	(224)
Interest Expense	0	0	0	0	0	0	0	0	0	7,774	0	4,815	12,589

2015/16	CE £000	C&E £000	E&Y £000	Gov £000	OC £000	P&R £000	P&E £000	SS £000	S&T £000	Central and Corporate			Total £000
										Finance £000	Theatr Clwyd £000	HRA £000	
Revenues from External Customers	(33)	(3,340)	(2,323)	(469)	(11,021)	(262)	(2,572)	(8,064)	(5,839)	(1,417)	(2,679)	(30,094)	(68,113)
Revenues from Transactions with other Operating Segments	0	(103)	(3,275)	(605)	(3,391)	(19)	(168)	(168)	(912)	0	(45)	0	(8,686)
Interest Revenues	0	0	0	0	0	0	0	0	0	(380)	0	0	(380)
Interest Expense	0	0	0	0	0	0	0	0	0	7,719	0	4,875	12,594

3. INCOME AND EXPENDITURE ANALYSED BY NATURE

Income and Expenditure reported within the Comprehensive Income and Expenditure Statement is analysed as follows

Nature of Expenses	2016/17 £000	2015/16 £000
Expenditure		
Employee Benefit Expenses	177,470	175,937
Other Service Expenses	203,115	279,602
Depreciation, Amortisation & Impairment	78,524	90,270
Interest Payments	13,401	13,727
Precept and Levies	24,684	24,116
Gain or loss on disposal of fixed assets	(2,089)	(1,084)
Total Expenditure	495,105	582,568
Income		
Fees, Charges and Other Service Income	(72,006)	(65,939)
Grants and Contributions	(237,687)	(250,708)
Interest and Investment Income	(2,153)	(4,194)
Income from Council Tax and Non-Domestic Rates	(131,197)	(125,231)
Total Income	(443,043)	(446,072)
Surplus or Deficit on the Provision of Services	52,062	136,496

NOTES TO THE CORE FINANCIAL STATEMENTS

4. OTHER OPERATING EXPENDITURE

	2017	2016
	£000	£000
Precept - Office of North Wales Police and Crime Commissioner	15,070	14,596
Other preceptors - Community Councils	2,591	2,487
Levy - North Wales Fire and Rescue Authority	7,023	7,033
Net gain on the disposal of non-current assets	(2,089)	(1,084)
Admin. expenses on the net defined benefit liability	940	406
	23,535	23,438

5. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

An aggregate net financing and investment income and expenditure total of £22,669k (£20,761k in 2015/16), incorporates the investment losses and investment expenditure detailed below.

	2017	2016
	£000	£000
Interest payable and similar charges	13,401	13,727
Investment losses and investment expenditure	2,454	3,109
Net interest on the net defined benefit liability (see note 45)	10,443	10,422
Interest and investment income	(3,629)	(6,497)
	22,669	20,761

6. LOCAL TAXATION AND NON-SPECIFIC GRANT INCOME

	2017	2016
	£000	£000
Council tax income	(85,346)	(81,355)
Non-domestic rates	(45,851)	(43,876)
Non-ringfenced government grants	(138,899)	(144,022)
Capital grants and contributions	(14,077)	(23,611)
	(284,173)	(292,864)

Council Tax

All domestic properties are included in the Council Tax Valuation List which is issued and maintained by the Valuation Office Agency, part of HMRC. Each property is placed in one of nine property bands (Band A to Band I) depending on the open market valuation of the dwelling at 1st April 2003 (otherwise known as the valuation date). A tenth band (A-) is only available to those taxpayers who live in band 'A' properties and are entitled to a disabled banding reduction.

Council Tax is payable based on the valuation band into which a property has been placed by the Valuation Office Agency. Gross charges are calculated by dividing the total income requirements of the County Council, Police and Crime Commissioner for North Wales and Town/Community Councils by the council tax base.

The tax base is the total of all the properties in each band expressed as Band 'D' equivalent numbers and adjusted for exemptions, discounts and disregards. Allowances are also made within the tax base for bad or doubtful debts.

The tax base for 2016/17 was 62,759 band 'D' equivalent properties (61,993 in 2015/16) as calculated in the following table:

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NOTES TO THE CORE FINANCIAL STATEMENTS

	Valuation Band										Total			
	A -	A	B	C	D	E	F	G	H	I				
Chargeable Dwellings														
Number of chargeable dwellings		3,981	8,906	19,500	12,340	10,218	6,996	3,084	565	226	65,816			
Dwellings with disabled reliefs		15	48	112	101	125	78	37	9	19	544			
Adjusted chargeable dwellings	15	4,014	8,970	19,489	12,364	10,171	6,955	3,056	575	207	65,816			
Adjusted Chargeable Dwellings														
Dwellings with no discounts	8	1,312	4,879	12,648	8,687	7,716	5,708	2,616	481	178	44,233			
Dwellings with one discount	7	2,702	4,088	6,833	3,667	2,447	1,239	432	77	24	21,516			
Dwellings with two discounts	0	0	3	8	10	8	8	8	17	5	67			
Discounted chargeable dwellings	15	4,014	8,970	19,489	12,364	10,171	6,955	3,056	575	207	65,816			
Discounted Chargeable Dwellings														
Total discounted dwellings	13	3,339	7,947	17,777	11,442	9,555	6,641	2,944	547	199	-			
Ratio to band "D"	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	-			
Band "D" equivalent	7	2,226	6,181	15,802	11,442	11,679	9,593	4,907	1,095	463	63,393			
												Collection rate adjustment (at 1%)	(634)	
													Exempt properties adjustment	0
													Council Tax Base 2016/17	62,759

The Flintshire County Council precept for a band 'D' property in 2016/17 was £1,071.41 (£1,025.27 in 2015/16). Council tax bills were based on the following multipliers for bands A- to I :-

Band	A-	A	B	C	D	E	F	G	H	I
Multiplier	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9

Other precepts added to 2016/17 Council Tax demand notices included the North Wales Police and Crime Commissioner precept in the sum of £15,070k (£14,596k in 2015/16) and 34 Town and Community Councils who collectively raised precepts totalling £2,591k (£2,487k in 2015/16).

Analysis of the net proceeds from Council tax:

	2017	2016
	£000	£000
Council tax collected	85,578	81,646
Increase/Decrease in bad debts provision	0	(5)
Less - Amounts written off to provision	(232)	(286)
	<u>85,346</u>	<u>81,355</u>
Less - Payable to North Wales Police and Crime Commissioner	(15,070)	(14,596)
	<u>70,276</u>	<u>66,759</u>

Non-Domestic Rates (NDR)

NDR is organised on a national basis. The government sets the rate poundage which in 2016/17 was 48.6p for all properties (48.2p in 2015/16). The Council is responsible for collecting the rates in its area, which are paid into the NDR pool administered by the Welsh Government.

The Welsh Government distributes NDR pool receipts to local authorities on the basis of a fixed amount per head of population. 2016/17 NDR income paid into the pool was £65,805k after relief and provisions (£65,423k in 2015/16), based on a year end rateable value total of £154,991k (£153,296k in 2015/16).

NOTES TO THE CORE FINANCIAL STATEMENTS

Analysis of the net proceeds from non-domestic rates:

	2017	2016
	£000	£000
Non-domestic rates collected	65,973	65,040
Less - Paid into NDR pool	(65,805)	(65,423)
Less - Cost of collection	(341)	(338)
Increase/Decrease in bad debts provision	168	303
Relief Schemes	5	418
	<u>0</u>	<u>0</u>
Receipts from pool	45,851	43,876
	<u>45,851</u>	<u>43,876</u>

7. MATERIAL ITEMS OF INCOME AND EXPENDITURE

HRA Settlement Payment – 2015/16

On 2nd April 2015 all 11 stock (Council housing) retaining authorities in Wales signed a voluntary agreement with the UK and Welsh Governments to change the financing arrangements for council housing in Wales.

The negative subsidy system in operation, which required Flintshire to make annual payments of circa £6m in negative subsidy to Welsh Government and on to UK Treasury, ended. This was replaced with interest payments on Public Works Loan Board (PWLB) loans that the Council borrowed to exit the subsidy system as part of the agreement. The PWLB loans, called the settlement payment (a one-off lump sum payment classed as capital expenditure), was paid to Welsh Government (WG) and on to UK Treasury. For Flintshire this amounted to £79,248k, the payment is shown separately of the face of the Housing Revenue Account and the Comprehensive Income and Expenditure Statement as a material item of expenditure.

The agreement will generate revenue savings allowing the Council to increase its investment in existing stock, and support the delivery of additional supply of housing. It will also provide more local accountability to tenants.

HRA Valuations – Dwellings – 2015/16

During 2015/16 the Council's Housing Stock was revalued. The carrying net book value of the Council Dwellings decreased by £34,915k which was debited to the HRA line of the Comprehensive Income and Expenditure Account representing a downwards movement in the valuation of the Council's housing stock since the last revaluation on 1st April 2011. Shown on the face of the Housing Revenue Account and the Comprehensive Income and Expenditure Statement as a material item of expenditure.

NOTES TO THE CORE FINANCIAL STATEMENTS

8. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The debit adjustment for the year is £49,154k (£133,372k in 2015/16)

	Usable Reserves				Unusable Reserves
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
2016/17	£000	£000	£000	£000	£000
Adjustments involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):					
Charges for depreciation and impairment of non current assets	19,980	30,716	0	0	(50,696)
Revaluation losses on Property, Plant and Equipment	18,764	(266)	0	0	(18,498)
Movements in the market value of Investment Properties	235	0	0	0	(235)
Amortisation of intangible assets	114	3	0	0	(117)
Capital grants and contributions applied	0	0	0	(17,104)	17,104
Revenue expenditure funded from capital under statute	8,978	0	0	0	(8,978)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	1,845	1,106	0	0	(2,951)
Inclusion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	(4,101)	(2,132)	0	0	6,233
Capital expenditure charged against the Council Fund and HRA balances	(1,289)	(11,566)	0	0	12,855
Adjustments involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to CIES	(17,780)	0	0	17,780	0
Adjustments involving the Capital Receipts Reserve:					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(2,262)	(2,778)	5,033	0	7
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(2,331)	0	2,331
Adjustments involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(362)	(3)	0	0	365
Adjustments involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	29,204	1,623	0	0	(30,827)
Employer's pensions contributions and direct payments to pensioners payable in the year	(23,783)	(1,230)	0	0	25,013
Adjustment involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	759	1	0	0	(760)
Adjustments involving the Deferred Capital Receipts Account:					
Transfer from CIES to deferred Capital Receipts Reserve	0	0	0	0	0
Adjustments between accounting basis & funding basis under regulations	30,302	15,474	2,702	676	(49,154)

NOTES TO THE CORE FINANCIAL STATEMENTS

	Usable Reserves				Unusable Reserves
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000
2015/16					
Adjustments involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):					
Charges for depreciation and impairment of non current assets	18,672	26,197	0	0	(44,869)
Revaluation losses on Property, Plant and Equipment	3,338	35,305	0	0	(38,643)
Movements in the market value of Investment Properties	(905)	0	0	0	905
Amortisation of intangible assets	164	3	0	0	(167)
Capital grants and contributions applied	0	0	0	(28,982)	28,982
Revenue expenditure funded from capital under statute	12,750	79,248	0	0	(91,998)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	1,208	905	0	0	(2,113)
Inclusion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	(7,151)	(513)	0	0	7,664
Capital expenditure charged against the Council Fund and HRA balances	(348)	(11,288)	0	0	11,636
Adjustments involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to CIES	(27,504)	0	0	27,504	0
Adjustments involving the Capital Receipts Reserve:					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(1,733)	(1,463)	3,253	0	(57)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(2,066)	0	2,066
Adjustments involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(327)	(40)	0	0	367
Adjustments involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the CIES	31,213	1,554	0	0	(32,767)
Employer's pensions contributions and direct payments to pensioners payable in the year	(23,151)	(1,084)	0	0	24,235
Adjustment involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,355)	(50)	0	0	1,405
Adjustments involving the Deferred Capital Receipts Account:					
Transfer from CIES to deferred Capital Receipts Reserve	0	0	18	0	(18)
Adjustments between accounting basis & funding basis under regulations	4,871	128,774	1,205	(1,478)	(133,372)

NOTES TO THE CORE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

Council dwellings, other land and buildings, vehicles, plant, furniture and equipment that are held, occupied, used or contracted to be used on behalf of the Authority, or consumed in the direct delivery of services. Included are dwellings and other housing properties, office buildings, schools, libraries, sports centres and pools, residential homes/day centres, depots and workshops, cemetery buildings, off street car parks, vehicles, mechanical plant, fixtures and fittings and other equipment.

Infrastructure assets are inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Included are highways, footpaths, bridges, water and drainage facilities and coastal defences.

Community assets are assets that the Authority intends to hold in perpetuity, that have no determinable useful life and which may, in addition, have restrictions on their disposal. There is little prospect of sale and change of use. Included are parks and open spaces, recreation grounds, play areas and cemetery land.

Movements 2016/17

	Council Dwellings & Garages	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Infrastructure Assets	Community Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1st April, 2016	242,376	302,265	27,505	8,721	222,108	4,711	21,089	828,775
Additions and Acquisitions	26,232	13,711	4,329	20	3,397	10	3,419	51,118
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(14)	7,951	0	(230)	0	0	0	7,707
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	(14,697)	(346)	(209)	0	0	0	(15,252)
Assets Derecognised	0	(4,940)	(3,287)		0	0	0	(8,227)
Reclassifications	(874)	(4,714)	0	664	0	0	0	(4,924)
Other movements in cost or valuation	0	21,410	0	150	0	0	(20,719)	841
At 31st March 2017	<u>267,720</u>	<u>320,986</u>	<u>28,201</u>	<u>9,116</u>	<u>225,505</u>	<u>4,721</u>	<u>3,789</u>	<u>860,038</u>
Accumulated Depreciation and Impairment								
As At 1st April, 2016	(26,190)	(42,303)	(12,544)	(27)	(68,559)	0	0	(149,623)
Depreciation charge	(5,050)	(10,315)	(2,940)	(61)	(5,714)	0	0	(24,080)
Depreciation written out to the Revaluation Reserve	16	3,896	0	84	0	0	0	3,996
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	224	94	0	0	0	0	318
Impairments written out to the Revaluation Reserve	0	(260)	0	72	0	0	0	(188)
Impairments recognised in the Revaluation Reserve	0	(4,094)	0	(2)	0	0	0	(4,096)
Reversal of Impairments recognised in the Surplus/Deficit	0	2,167	0	121	0	0	0	2,288
Impairments written out to Surplus/Deficit on the Provision of Services	0	97	0	(121)	0	0	0	(24)
Impairments recognised in the Surplus/Deficit on the Provision of Services	(25,584)	(3,938)	(180)	(18)	0	0	0	(29,720)
Assets Derecognised	0	4,940	3,287	0	0	0	0	8,227
Assets reclassified (to)/from Held for Sale	0	156	0	(156)	0	0	0	0
At 31st March 2017	<u>(56,808)</u>	<u>(49,430)</u>	<u>(12,283)</u>	<u>(108)</u>	<u>(74,273)</u>	<u>0</u>	<u>0</u>	<u>(192,902)</u>
Balance Sheet at 31st March 2017	<u>210,912</u>	<u>271,556</u>	<u>15,918</u>	<u>9,008</u>	<u>151,232</u>	<u>4,721</u>	<u>3,789</u>	<u>667,136</u>
Balance Sheet at 1st April 2016	<u>216,186</u>	<u>259,962</u>	<u>14,961</u>	<u>8,694</u>	<u>153,549</u>	<u>4,711</u>	<u>21,089</u>	<u>679,152</u>
Nature of Asset Holding								
Owned	210,912	271,556	10,680	9,008	151,232	4,721	3,789	661,898
Finance Lease	0	0	5,238	0	0	0	0	5,238
At 31st March 2017	<u>210,912</u>	<u>271,556</u>	<u>15,918</u>	<u>9,008</u>	<u>151,232</u>	<u>4,721</u>	<u>3,789</u>	<u>667,136</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

Movements 2015/16

	Council Dwellings & Garages	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Infrastructure Assets	Community Assets	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1st April, 2015	305,413	307,228	27,252	7,946	219,685	4,543	3,771	875,838
Additions and Acquisitions	21,130	4,467	2,046	4	2,423	168	17,386	47,624
Revaluation increases / (decreases) recognised in the Revaluation Reserve	442	(1,407)	0	166	0	0	0	(799)
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(84,143)	(3,497)	0	(2,802)	0	0	0	(90,442)
Assets Derecognised	0	(1,822)	(1,792)	0	0	0	0	(3,614)
Reclassifications	(466)	(3,286)	0	2,717	0	0	0	(1,035)
Other movements in cost or valuation	0	583	0	688	0	0	(68)	1,203
At 31st March 2016	242,376	302,266	27,506	8,719	222,108	4,711	21,089	828,775

Accumulated Depreciation and Impairment

As At 1st April, 2015	(49,067)	(35,532)	(10,980)	(520)	(62,904)	0	0	(159,003)
Depreciation charge	(5,060)	(8,734)	(3,357)	(23)	(5,655)	0	0	(22,829)
Depreciation written out to the Revaluation Reserve	35	1,181	0	8	0	0	0	1,224
Depreciation written out to the Surplus/Deficit on the Provision of Services	20,691	161	0	304	0	0	0	21,156
Impairments written out to the Revaluation Reserve	28	105	0	(8)	0	0	0	125
Impairments recognised in the Revaluation Reserve	0	(1,352)	0	0	0	0	0	(1,352)
Reversal of Impairments recognised in the Surplus/Deficit	0	650	0	36	0	0	0	686
Impairments written out to Surplus/Deficit on the Provision of Services	28,313	1,977	0	377	0	0	0	30,667
Impairments recognised in the Surplus/Deficit on the Provision of Services	(21,130)	(2,777)	0	(4)	0	0	0	(23,911)
Assets Derecognised	0	1,822	1,793	0	0	0	0	3,615
Assets reclassified (to)/from Held for Sale	0	196	0	(196)	0	0	0	0
At 31st March 2016	(26,190)	(42,303)	(12,544)	(26)	(68,559)	0	0	(149,622)
Balance Sheet at 31st March 2016	216,186	259,963	14,962	8,693	153,549	4,711	21,089	679,153
Balance Sheet at 1st April 2015	256,346	271,696	16,272	7,426	156,781	4,543	3,771	716,835

Nature of Asset Holding

Owned	216,186	259,963	9,091	8,693	153,549	4,711	21,089	673,282
Finance Lease	0	0	5,871	0	0	0	0	5,871
At 31st March 2016	216,186	259,963	14,962	8,693	153,549	4,711	21,089	679,153

NOTES TO THE CORE FINANCIAL STATEMENTS

Fair Value Measurement of Surplus Assets

Details of the authority's surplus assets and information about the fair value hierarchy as at 31st March is as follows:

	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March £000
2016/17 Surplus Assets	0	3,280	5,729	9,009
2015/16 Surplus Assets	0	3,019	5,674	8,693

There were no transfers between different levels of the fair value hierarchy during the year and there has been no change in the valuation techniques used during the year for surplus assets.

In estimating the fair value of the authority's surplus assets, the highest and best use of the properties has been taken into account.

The authority is required to disclose where the highest and best use differs from current use. In line with their treatment as surplus assets, a number of these assets are currently vacant; in these cases the current use is not the highest and best use.

The Council's valuers, in using appropriate valuation techniques, have maximised the use of relevant known inputs and minimised the use of unobservable inputs.

The valuation techniques used to measure the fair value of surplus assets are the market approach and the income approach. The Council's valuer's considered these bases to be appropriate because:-

(i) Market approach - use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

(ii) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.

NOTES TO THE CORE FINANCIAL STATEMENTS

10. INVESTMENT PROPERTIES AND AGRICULTURAL ESTATE

	2017 £000	2016 £000
Cost or Valuation		
At 1st April	30,612	30,805
Reclassifications	(1,868)	(1,124)
Additions	46	1
Revaluation Increases/Decreases to Surplus/Deficit	(237)	930
Other Adjustments	1	0
At 31st March	28,554	30,612
Depreciation and Impairments		
At 1st April	1	0
Reclassifications	0	0
Reversal of Impairments recognised in the Surplus/Deficit	(1)	0
Impairment / Depn	46	1
At 31st March	46	1
Balance Sheet at 31st March	28,508	30,611

Fair Value Measurement of Investment Property

Details of the authority's investment properties and information about the fair value hierarchy as at 31st March is as follows:

	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March £000
2016/17				
Commercial and Industrial Estates	0	0	17,018	17,018
Agricultural Estate - Farms	0	10,630	0	10,630
Agricultural Estate - Grazing Land	0	0	860	860
Total	0	10,630	17,878	28,508
2015/16				
Commercial and Industrial Estates	0	0	17,883	17,883
Agricultural Estate - Farms	0	11,820	0	11,820
Agricultural Estate - Grazing Land	0	0	908	908
Total	0	11,820	18,791	30,611

There were no transfers between different levels of the fair value hierarchy during the year and there has been no change in the valuation techniques used during the year for investment properties.

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

The fair value of the authority's investment property is measured annually at each reporting date. In 2016/17 the Council's farms and smallholdings were valued by an external valuer, with the remainder of the valuations carried out by the Council's internal valuers. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The authority's valuation experts work closely with finance officers regarding valuation matters.

NOTES TO THE CORE FINANCIAL STATEMENTS

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The Council's farms and smallholdings were valued by an external independent valuer in accordance with IFRS 13 Fair Value requirements, using the market approach for such assets but reflecting the specific circumstances of each asset e.g. vacant or subject to an existing tenancy. The valuation hierarchy Level 2 was considered appropriate given details of the market comparators were provided as part of the valuation report. The valuation techniques also considered highest and best use reflecting what is physically possible or legally permissible.

Significant Unobservable Inputs – Level 3

The valuation techniques used to measure the fair value of the grazing and bare land are the market approach and the income approach. The Council's valuer's considered these bases to be appropriate because:-

- (i) Market approach – use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.
- (ii) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.

The Council's valuer's, in using appropriate valuation techniques in the circumstances and where sufficient data is available, have maximized the use of relevant known inputs and minimized the use of unobservable inputs. The grazing and bare land valuation techniques reflected Level 3 input due to the lack of market data obtainable by the Council's valuer's.

The valuation techniques used to measure the fair value of the commercial and industrial estates are the income approach (for assets) and the market approach (for vacant land). The Council's valuer's considered these bases to be appropriate because:-

- (i) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.
- (ii) Market approach - use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

However, predominately the approach to valuing the commercial and industrial units was done using the Council's own existing information and data reflecting such factors as rent growth, occupancy levels, bad debt levels, and costs for repair and maintenance obligations. Therefore, the Council's commercial and industrial units valuation hierarchy is Level 3 as the valuation approach uses unobservable inputs and that this is done on the same basis when valuing the asset as would be used by market participants.

NOTES TO THE CORE FINANCIAL STATEMENTS

11. ASSETS HELD FOR SALE

	Council Dwellings & Garages £000	Other Property, Plant & Equipment £000	Investment Properties £000	Total £000
At 1st April 2016		956	2,600	3,556
Additions	0	100	0	100
Assets newly classified as held for sale	874	4,214	2,051	7,139
Assets declassified as held for sale	0	0	(347)	(347)
Net Reclassifications	874	4,214	1,704	6,792
Reversal of Impairments	0	0	0	0
Revaluation gains	0	374	178	552
Revaluation losses	0	(3,640)	(166)	(3,806)
Net Revaluations	0	(3,266)	12	(3,254)
Assets sold	(874)	(892)	(1,185)	(2,951)
At 31st March 2017	0	1,112	3,131	4,243

	Council Dwellings & Garages £000	Other Property, Plant & Equipment £000	Investment Properties £000	Total £000
At 1st April 2015	0	499	2,157	2,656
Additions	0	469	0	469
Assets newly classified as held for sale	466	568	1,123	2,157
Assets declassified as held for sale	0	0	0	0
Net Reclassifications	466	568	1,123	2,157
Impairments	0	(438)	0	(438)
Revaluation gains	0	716	350	1,066
Revaluation losses	0	(139)	(102)	(241)
Net Revaluations	0	577	248	825
Assets sold	(466)	(719)	(928)	(2,113)
At 31st March 2016	0	956	2,600	3,556

Fair Value Measurement of Assets Held for Sale

Details of the authority's assets held for sale and information about the fair value hierarchy as at 31 March is as follows:

	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair Value as at 31 March £000
2016/17 Assets Held for Sale	0	710	3,533	4,243
2015/16 Assets Held for Sale	0	0	3,556	3,556

There were no transfers between different levels of the fair value hierarchy during the year and there has been no change in the valuation techniques used during the year for Assets Held for Sale.

NOTES TO THE CORE FINANCIAL STATEMENTS

In estimating the fair value of the authority's assets held for sale, the highest and best use of the properties has been taken into account.

The authority is required to disclose where the highest and best use differs from current use. A number of assets held for sale are currently vacant pending disposal; in these cases the current use is not the highest and best use.

Significant Unobservable Inputs – Level 3

The valuation techniques used to measure the fair value of assets held for sale are the market approach and income approach. The Council's valuer's considered these bases to be appropriate because:-

(i) Market approach - use of prices and other relevant information and data generated by market transactions reflects the value of the asset payable by the market.

(ii) Income approach – use of this approach reflects the market expectation of the future cash flows receivable from that asset.

The Council's valuer's, in using appropriate valuation techniques have maximized the use of relevant known inputs and minimized the use of unobservable inputs.

12. INTANGIBLE ASSETS

	2017			2016		
	Software Licences £000	Development Expenditure £000	Total £000	Software Licences £000	Development Expenditure £000	Total £000
Balance at 1st April						
Gross carrying amounts	691	607	1,298	677	607	1,284
Accumulated amortisation	(517)	(553)	(1,070)	(423)	(467)	(890)
Net carrying amount	<u>174</u>	<u>54</u>	<u>228</u>	<u>254</u>	<u>140</u>	<u>394</u>
Additions	0	0	0	14	0	14
Amortisation for the period	(88)	(29)	(117)	(94)	(87)	(181)
Derecognition (Gross)	(244)	(405)	(649)	0	0	0
Derecognition (Amortisation)	244	405	649	0	0	0
Balance at 31st March	<u>86</u>	<u>25</u>	<u>111</u>	<u>174</u>	<u>53</u>	<u>227</u>
Comprising:						
Gross carrying amounts	447	202	649	691	607	1,298
Accumulated amortisation	(362)	(177)	(539)	(517)	(554)	(1,071)
Total	<u>85</u>	<u>25</u>	<u>110</u>	<u>174</u>	<u>53</u>	<u>227</u>

Intangible assets are amortised from the first full financial year following acquisition, in line with the related accounting policy. The amortisation of £117k charged to revenue in 2016/17 (£181k in 2015/16) is charged to Portfolio service headings in the Cost of Services.

NOTES TO THE CORE FINANCIAL STATEMENTS

13. LONG TERM DEBTORS

	2017	2016
	£000	£000
Other entities and individuals	2,211	2,111
Total	2,211	2,111

Analysis of long term debtors classified as 'Other entities and individuals' :-

	2017	2016
	£000	£000
Renewal and improvement loans	1,923	1,807
First time buyer loans	100	100
Assisted car purchase loans	47	57
Affordable housing deposits	98	98
Private street works	43	45
Loan to NEW Homes	0	4
Total	2,211	2,111

14. INVENTORIES

The Council holds total inventories of £1,075k (£1,069k in 2015/16) in the balance sheet as at 31st March 2017.

	2017	2016
	£000	£000
Building Maintenance	120	112
Highways Maintenance	171	158
Fuel	27	40
Vehicle Maintenance	52	53
Rock Salt	438	431
Catering	121	122
Recycling Equipment	9	44
Leisure Centres	23	35
Miscellaneous	114	74
Total	1,075	1,069

In accordance with IAS 2 the total cost of purchases in the year of each main type of inventory held at the balance sheet date is to be disclosed.

	2017	2016
	£000	£000
Highways maintenance	476	474
Fleet fuel, grounds maintenance and vehicle maintenance	910	802
Total	1,386	1,276

NOTES TO THE CORE FINANCIAL STATEMENTS

15. SHORT TERM DEBTORS

	2017	*2016
	£000	£000
Central government bodies	16,231	12,790
Other local authorities	1,771	2,546
NHS bodies	2,513	1,654
Public corporations and trading funds	0	389
Other entities and individuals*	19,420	14,160
Council tax	2,714	2,767
	42,649	34,306
Less provision for impairment losses (note 21)	(2,383)	(2,404)
Total	40,266	31,902

*In producing the 2016-17 accounts it was noted that the 2015-16 NDR creditor balance of £2,580k had been incorrectly included in the debtor balance. Opening creditor (central government) and debtor balances (other entities and individuals) have subsequently been amended.

16. SHORT TERM INVESTMENTS

The balance sheet total is recorded net of those sums invested for 3 months or less (including overnight/call account monies) which are treated as cash.

	2017	2016
	£000	£000
Investments (3 months – 365 days)	0	6,000
Accrued interest	0	14
Total	0	6,014

17. CASH AND CASH EQUIVALENTS

	2017		2016	
	£000	£000	£000	£000
Current Assets				
Temporary investments (call accounts)		0		1,200
Cash and cash equivalents	9,375		26,424	
Cash overdrawn	(2,413)		(2,561)	
		6,962		23,863
Total		6,962		25,063

18. BORROWING REPAYABLE ON DEMAND OR WITHIN 12 MONTHS

	2017	2016
	£000	£000
Accrued interest on long term external borrowing	2,722	2,731
Loan Maturing	1,600	0
Invest to Save loan (from Welsh Government)	0	0
Energy Efficiency Loans (from Salix Finance Ltd.)	54	54
Short Term external borrowing	10,000	0
Accrued interest on short term external borrowing	1	0
Total	14,377	2,785

NOTES TO THE CORE FINANCIAL STATEMENTS

19. CREDITORS

	2017	*2016
	£000	£000
Short Term		
Central government bodies*	8,009	6,573
Other local authorities	1,449	2,622
NHS bodies	596	354
Public corporations and trading funds	1	19
Other entities and individuals	22,349	21,233
Total	32,404	30,801
Long Term		
Central government bodies	0	1,719
Other local authorities	0	250
Other entities and individuals	240	297
Total	240	2,266

*In producing the 2016-17 accounts it was noted that the 2015-16 NDR creditor balance of £2,580k had been incorrectly included in the debtor balance. Opening creditor (central government) and debtor balances (other entities and individuals) have subsequently been amended.

20. GRANT INCOME

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

	2017	2016
	£000	£000
Credited to Taxation and Non Specific Grant Income		
Revenue Support Grant	138,899	142,543
Outcome Agreement Grant*	0	1,479
Total Non Ringfenced Government Grants	138,899	144,022
Welsh Government (WG):		
Major Repairs Allowance	5,050	5,060
General Capital Grant	2,545	2,598
21st Century Schools	1,330	11,771
Other WG Grants	3,247	3,735
Other Capital Grants and Contributions	1,905	447
Total Capital Grants and Contributions	14,077	23,611
Total	152,976	167,633

*Included in Revenue Support Grant 17/18

NOTES TO THE CORE FINANCIAL STATEMENTS

	2017	2016
	£000	£000
Credited to Services		
WG		
Supporting People	5,810	5,875
DELLS Post 16	5,012	5,786
Education Improvement Grant	6,408	6,642
Flying Start	2,955	2,967
Families First	1,533	1,689
Pupil Deprivation	3,416	2,925
Concessionary Fares	2,066	2,161
Sustainable Waste Management	2,822	2,968
Substance Misuse	540	398
Intermediate Care Fund	1,412	816
Independent Living Fund	1,558	1,214
Safer Communities	601	462
Acting for Younger People	428	390
Bus Services Support Grant	558	547
Other	3,898	4,456
Department of Work and Pensions	40,408	39,208
Arts Council Wales	2,031	1,941
Other Grants and Contributions	3,254	2,630
Total	84,710	83,075

Grants and Contributions Received in Advance

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them. The funding will be returned to the grantor if the conditions are not met. The balances at the year end are as follows:

	2017	2016
	£000	£000
Short Term		
Revenue Grants	1,101	129
Capital Grants	0	0
Capital Contributions	322	285
Revenue Contributions	105	444
Total	1,528	858
Long Term		
Revenue Grants	0	107
Capital Grants	0	0
Revenue Contributions	324	376
Capital Contributions	2,058	1,787
Total	2,382	2,270

NOTES TO THE CORE FINANCIAL STATEMENTS

21. PROVISIONS

The amounts recognised as provisions are the best estimates of the expenditure required to settle present obligations. The provision total (non current and current) of £1,412k incorporates the following balances :-

	2017 £000	Additions £000	Expenditure Incurred £000	Amounts Reversed £000	Unwinding Discounting £000	2016 £000
Current Liabilities						
Single Status / Equal pay	0	0	(298)	(70)	0	368
MMI Scheme of Arrangement	0	0	(396)	0	0	396
Aftercare of former landfill sites	43	0	(1)	0	0	44
Employee Termination Benefits	336	341	(377)	(93)	0	465
Employment Tribunals	39	39	0	0	0	0
Orphaned Site - Sandycroft	0	0	(1,088)	(131)	0	1,219
Total	418	380	(2,160)	(294)	0	2,492
Non-Current Liabilities						
Claims (Employees)	0	0	0	(9)	0	9
Aftercare of former landfill sites	989	0	(277)	0	233	1,033
Remediation works at former landfill sites	5	5	0	0	0	0
Total	994	5	(277)	(9)	233	1,042

- The Single Status / Equal Pay provision provided funding for the small amount of residual costs associated with settling of historic equal pay cases all of which were paid during 2016/17.
- The provision in relation to the 'MMI Scheme of Arrangement' relates to decisions taken by the board of MMI.
MMI was the predominant insurer of public sector bodies prior to it ceasing to write insurance business from September 1992. In order to ensure an orderly run-off, a scheme of arrangement with its Creditors was put in place. In the event of it becoming clear that a solvent run-off was unlikely to be achieved then the scheme of arrangement would be triggered. All scheme Creditors would be subject to a percentage levy on all scheme liabilities paid to date and any future payments would be made at a reduced rate.
The scheme of arrangement was triggered on 13th November 2012 with an initial levy of 15% of claims paid to date set by the scheme administrator. Creditors were informed in March 2016 that the levy would increase to 25%, with payments due for the additional 10% of claims paid to date payable in April 2016. Flintshire, as the incumbent local government organisation, is responsible for paying the levy in relation to the former borough councils of Delyn and Alyn and Deeside, and its share of the former county council of Clwyd as agreed with the other North Wales Local Authorities. Payment was made in May 2016.
- The aftercare of former landfill sites provides for the environmental aftercare costs for the former waste disposal sites at Standard, Buckley and Brookhill, Buckley, split across a current liability and a non-current liability. The projected costs have been embodied in performance deeds with Natural Resources Wales (formerly the Environment Agency). These deeds form the basis of the Council's legal obligation to make financial provision for aftercare for 60 years from the date the landfill site was closed. The provision is revised by way of indexation each year in line with RPI, and reviewed for adequacy. The provision matches the legal obligation contained in the performance deeds.
- The Council's service Portfolios have business plans which include planned reductions to workforce numbers and costs in order to making recurring revenue savings. The Council was sufficiently committed with some proposals at the balance sheet date to warrant the creation of a provision in 2016/17 for the termination benefits of employees leaving the Council's employment in 2017/18.

NOTES TO THE CORE FINANCIAL STATEMENTS

- The employee claims provision covers the anticipated costs of employee claims against the Council.
- A pharmaceutical company abandoned their premises in Sandycroft leaving substantial quantities of chemicals on site. Subsequently the company went into liquidation. In the interest of protecting the public, the Council and other statutory partners had to intervene and implement a phased plan to remove the risk to the public and restore the site. Over the past 4 years the Council has removed the chemicals and begun to decontaminate the site. During the year the Council has disposed of the site along with all liabilities to a specialist chemical processing and site remediation company with the capability and technical knowledge to remediate the site safely, at their cost.
- In accordance with the requirements of Part 2A of the Environmental Protection Act 1990 and the Council's Contaminated Land Inspection Strategy, former waste disposal sites across the County will be considered with the condition of each assessed as necessary in due course. The Council has set aside a provision to fund its liabilities for any remediation works deemed necessary on a best estimate basis at the balance sheet date.

Current Provisions – Accumulated Absences

The provision for accumulated absences in 2016/17 is £2,651k (£1,891k in 2015/16).

	2017	Movement	Movement	2016
	£000	Out	In	£000
	£000	£000	£000	£000
Accumulated absences	2,651	0	760	1,891
Total	2,651	0	760	1,891

Short-term accumulating compensated absences refer to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Authority. The most significant benefit covered by this heading is annual leave entitlement which employees build up as they work. The Code requires that, the cost of providing holidays and similar benefits are recognised when employees render service that increases their entitlement to future compensated absences. As a result, the Authority is required to accrue for any annual leave earned but not taken at 31st March each year. Under previous accounting arrangements, no such accrual was required. The Government has issued regulations that mean local authorities are only required to fund annual leave entitlement and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to the Accumulated Absences Account until the benefits are used.

Current Provisions - Provision for Impairment Losses (Bad Debts)

Amounts due to the Council have been reduced by estimated provisions for impairment losses.

	2017	2016
	£000	£000
Housing rents	422	409
Council tax	802	802
Other debtors	1,159	1,193
Total	2,383	2,404

NOTES TO THE CORE FINANCIAL STATEMENTS

22. LONG TERM BORROWING

Analysis	Interest Rates		2017	2016
	Minimum %	Maximum %	£000	£000
By Loan Type (Fixed Rate)				
Salix Finance (Energy Efficiency)		Interest Free	378	81
Government (PWLB)	0.39	9.50	230,810	232,410
Other financial institutions	4.48	4.58	18,950	18,950
Welsh Government		Interest Free	860	460
Total			250,998	251,901
By Maturity				
Between 1 and 2 years			105	1,654
Between 2 and 5 years			13,362	10,027
Between 5 and 10 years			14,129	14,430
More than 10 years			223,402	225,790
Total			250,998	251,901

23. USABLE RESERVES

The Council maintains a number of reserves on the Balance Sheet. Some are held for statutory reasons, some are needed to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans. Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and in note 8.

Council Fund

The Council fund balance of £10,953k represents the value of unearmarked reserves available to the Authority (£10,144k in 2015/16).

Housing Revenue Account

The housing revenue account reserve cumulative balance of £1,642k (£1,517k in 2015/16) includes the 2016/17 HRA surplus of £125k (£7k (surplus) in 2015/16), as detailed on page 68.

Capital Receipts Reserve

The capital receipts reserve contains receipts from the sale of assets which have yet to be used to finance capital or to repay debt.

Capital Grants Unapplied

Capital grants unapplied are amounts received but not yet applied to finance capital expenditure.

NOTES TO THE CORE FINANCIAL STATEMENTS

Earmarked Reserves

Total earmarked reserves of £20,525k (£27,745k in 2015/16) include:

- Service balances – represents service departments carrying forward unspent funding for use in the subsequent financial year and other relevant specific income / underspends one-off in nature that extend over more than one year.
- School balances – this sum represents the element of balances released under the delegation of budgets to schools which remained unspent at the end of the financial year.
- Single status / equal pay – accumulated reserve to fund further one-off workforce costs along with the final phases of pay protection arising from implementation of the single status agreement.
- Investment in Organisational change – accumulated reserve to fund the costs of remodeling services and 'Invest to Save' type projects.
- Budget Strategy - accumulated reserve for use in balancing budgets over the medium term.
- Benefits Equalisation – this reserve was introduced to mitigate against the potential volatility in Housing Benefit Subsidy.
- County Elections – reserve to fund the costs of future elections
- Supporting people – this reserve has been established to mitigate the impact of proposed reductions in grant funding by Welsh Government.
- Unitary Development Plan – funding for costs associated with finalising, and then implementing, the Unitary Development Plan
- Waste Disposal – reserve used predominantly to fund Flintshire County Council's contribution to the North Wales Residual Waste Treatment Partnership.
- Winter Maintenance – reserve set up as a contingency in the event of severe weather conditions
- Insurance Reserves – various Insurance related reserves including the Council's fund to meet the costs of self-insurance as not all risks are externally insured.
- Flintshire Trainees – reserve to fund the Flintshire Trainee programme.
- Kitchen Refurbishment – reserve to fund kitchen refurbishments at various schools.
- Rent Income Shortfall – reserve created to mitigate loss of income from industrial property rent.
- Schools Kitchen Ventilation – reserve to fund feasibility works considering the need to upgrade kitchen ventilation systems at various schools.
- Customer Service Strategy – to enable the roll out of the Customer Services Strategy. This will include improvements to Connect Centres, improving self-service facilities and investment in new software.
- Capita One – a regional IT system holding management information for schools hosted by Flintshire. Any funds held at the end of the financial year in excess of costs incurred will be spent on delivering the service in future years.
- Public Sector Broadband (PSBA) – to assist in the introduction of Learning in Digital Wales.
- Supervision Fees – this reserve is used for work carried out by the Development Control Team in supervising works on housing developments in connection with the adoption of roads and/or other related work deemed necessary.
- Transportation Review – to fund a review of the way transport services are delivered.
- LMS Curriculum – funding is used for transitional costs relating to school modernisation for schools.
- Grants & Contributions – various grants and contributions from external providers that must be spent in accordance with associated restrictions on use.

NOTES TO THE CORE FINANCIAL STATEMENTS

Movement between earmarked reserves is summarised in the following table:-

	Balance at 31 March 2015 £000	Transfers Out 2015/16 £000	Transfers In 2015/16 £000	Balance at 31 March 2016 £000	Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance at 31 March 2017 £000
Service balances	4,081	(4,150)	3,799	3,730	(3,545)	1,426	1,611
School balances	2,379	(3,054)	2,981	2,306	(4,139)	3,389	1,556
Single status/equal pay	12,864	(5,796)	481	7,549	(3,223)	159	4,485
Investment in Organisational Change	5,522	(5,027)	774	1,269	(541)	210	938
Budget Strategy	0	(1,000)	5,460	4,460	(1,575)	7	2,892
Benefits equalisation	213	(111)	91	193	(108)	34	119
County elections	154	(32)	72	194	(186)	130	138
Supporting people	1,511	(679)	0	832	(445)	0	387
Community equipment store	179	(179)	0	0	0	0	0
Unitary Development Plan (UDP)	0	(4)	651	647	(177)	10	480
Building control	98	(7)	0	91	(30)	61	122
Waste disposal	399	(28)	0	371	(337)	278	312
Countryside	191	(202)	11	0	0	0	0
Flintshire Enterprise Ltd	97	(24)	0	73	(6)	0	67
Design fees	120	(120)	200	200	0	0	200
Winter maintenance	250	0	0	250	(35)	0	215
Car Parking	217	(147)	16	86	(60)	0	26
Insurance Reserves	796	(685)	1,110	1,221	(585)	835	1,471
Cash Receipting Review	0	0	241	241	(163)	1	79
Flintshire Trainees	0	0	0	0	0	398	398
Kitchen Refurbishment	0	0	0	0	0	110	110
Rent Income Shortfall	0	0	0	0	0	300	300
Schools Kitchen Ventilation	0	0	0	0	0	200	200
Customer Service Strategy	0	0	0	0	0	129	129
Capita One	0	0	0	0	0	109	109
PSBA	0	0	0	0	0	530	530
Supervision Fees	0	0	0	0	0	141	141
Transportation Review	0	0	0	0	0	170	170
LMS Curriculum	1,161	(1,027)	1,161	1,295	(1,034)	524	785
Grants & Contributions	0	0	2,737	2,737	(821)	639	2,555
Total	30,232	(22,272)	19,785	27,745	(17,010)	9,790	20,525

24. UNUSABLE RESERVES

The details of movements on unusable reserves are as follows :-

Reserves	2017 £000	2016 £000
Revaluation reserve	59,697	55,016
Capital adjustment account	340,435	380,112
Financial instruments adjustment account	(6,814)	(7,177)
Pensions reserve	(395,050)	(308,679)
Deferred Capital Receipt	98	98
Accumulated absences account	(2,651)	(1,891)
Total Unusable Reserves	(4,285)	117,479

NOTES TO THE CORE FINANCIAL STATEMENTS

Revaluation Reserve

The revaluation reserve contains the gains made by the Authority arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The revaluation reserve records unrealised revaluation gains arising since 1st April 2007, the date that the Reserve was created. The reserve is matched by non-current assets within the balance sheet - the resources are not available for financing purposes.

	2017		2016	
	£000	£000	£000	£000
Balance at 1st April		55,016		57,858
Upward revaluation of assets	13,654		2,862	
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(5,705)		(3,214)	
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of services		7,949		(352)
Difference between fair value depreciation and historical cost depreciation	(2,721)		(1,938)	
Accumulated gains on assets sold or scrapped	(547)		(552)	
Amount written off to the capital adjustment account		(3,268)		(2,490)
Balance at 31st March		59,697		55,016

NOTES TO THE CORE FINANCIAL STATEMENTS

Pensions Reserve

The pensions reserve is an adjustment account that absorbs the timing differences arising from different arrangements for post employment benefits and for funding benefits in accordance with statutory provisions.

The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement - the benefits are earned by employees accruing years of service. The liabilities recognised in the accounts are updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements require those benefits earned to be financed as and when the Authority makes the employer's contributions to the pension fund, or eventually pays any pensions for which it has direct responsibility. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2017	2016
	£000	£000
Balance at 1st April	(308,679)	(333,974)
Return on plan assets	84,251	(11,121)
Actuarial gains and losses	(164,808)	44,948
Net charges to surplus / deficit on provision of services	(30,827)	(32,767)
Employers' contributions payable to the scheme	25,013	24,235
Balance at 31st March	<u>(395,050)</u>	<u>(308,679)</u>

Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the council fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the council fund balance is neutralised by transfer to or from the account.

	2017		2016	
	£000	£000	£000	£000
Balance at 1st April		(1,891)		(3,296)
Settlement or cancellation of accrual made at the end of the preceding year	1,891		3,296	
Amounts accrued at the end of the current year	<u>(2,651)</u>		<u>(1,891)</u>	
Amount by which officer remuneration charged to the comprehensive income and expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(760)		1,405
Balance at 31st March		<u>(2,651)</u>		<u>(1,891)</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

Capital Adjustment Account

The capital adjustment account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under the statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the revaluation reserves to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

Note 8 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

	2017		2016	
	£000	£000	£000	£000
Balance at 1st April		380,112		504,216
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:				
- Charges for depreciation and impairment of non-current assets		(50,695)		(44,870)
- Revaluation losses on PP&E		(18,498)		(38,643)
- Amortisation of intangible assets		(117)		(181)
- Revenue expenditure funded from capital under statute		(8,978)		(91,998)
- Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement		(2,951)		(2,113)
- Movements in the market value of investment properties debited or credited to the Comprehensive Income & Expenditure Statement		(235)		906
		(81,474)		(176,899)
Adjusting amounts written out of the revaluation reserve		3,268		2,490
Net written out amount of the cost of non-current assets consumed in the year		(78,206)		(174,409)
Capital financing applied in the year:				
- Use of the capital receipts reserve		2,329		2,066
- Capital grants and contributions credited to the Comprehensive Income & Expenditure statement that have been applied to capital financing		17,104		28,982
- Intangible Assets - Additions		0		14
- Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances		6,232		7,664
- Capital expenditure charged against the council fund and HRA balances		12,855		11,636
Long term debtors adjustments - Loan Repayments		7		(57)
		38,529		50,305
Balance at 31st March		340,435		380,112

NOTES TO THE CORE FINANCIAL STATEMENTS

Financial Instruments Adjustment Account

The financial instruments adjustment account (FIAA) provides a balancing mechanism between the different rates at which gains and losses (such as premiums on the early payment of debt) are recognised under the Code and are required by statute to be met from the Council fund. Again, the reserve is matched by borrowings and investments within the balance sheet, and the resources are not available for financing purposes.

	2017		2016	
	£000	£000	£000	£000
Balance at 1st April		(7,177)		(7,545)
Premiums incurred in the year and charged to the comprehensive income and expenditure statement	0		0	
Proportion of premiums incurred in previous financial years to be charged against the Council Fund balance in accordance with statutory requirements	<u>363</u>		<u>368</u>	
Amount by which finance costs charged to the Comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements		363		368
Balance at 31st March		<u>(6,814)</u>		<u>(7,177)</u>

Deferred Capital Receipts

Deferred capital receipts are loans that the Council has made to individuals on the affordable homes register. The loan is the individual's deposit to assist in the purchase of an affordable home in the county. The loan is repayable on the earlier of, when the house is sold or 25 years. The reserve holds the recognised future receipt.

	2017	2016
	£000	£000
Affordable homes deposits	<u>98</u>	<u>98</u>
	<u>98</u>	<u>98</u>

25. CASH FLOW STATEMENT - OPERATING ACTIVITIES

The net cash flows from operating activities of £6,027k outflow (£70,537k inflow in 2015/16) include the following interest elements:

	2017	2016
	£000	£000
Interest received	155	391
Interest paid	(13,159)	(14,852)

NOTES TO THE CORE FINANCIAL STATEMENTS

26. CASH FLOW STATEMENT - INVESTING ACTIVITIES

	2017 £000	2016 £000
Purchase of property, plant & equipment, investment property and intangible assets	(50,997)	(48,108)
Purchase of short term and long term investments	0	(4,000)
Other payments for investing activities	(109)	(196)
Proceeds from the sale of property, plant & equipment, investment property and intangible assets	5,031	3,271
Proceeds from short term and long term investments	6,000	(4,000)
Other receipts from investing activities	17,830	27,565
Net cash flows from investing activities	(22,245)	(25,468)

27. CASH FLOW STATEMENT - FINANCING ACTIVITIES

	2017 £000	2016 £000
Cash receipts of short term and long term borrowing	10,697	79,370
Other receipts from financing activities	0	0
Cash payments for the reduction of the outstanding liability relating to finance leases	(580)	(529)
Repayment of short term and long term borrowing	0	(452)
Other payments for financing activities	0	0
Net cash flows from financing activities	10,117	78,389

28. OFFICERS' REMUNERATION

Senior Employee Emoluments

The Accounts and Audit (Wales) Regulations 2014 requires disclosure (in £5,000 bandings) of the number of employees whose remuneration - all sums paid to or receivable by the employee including payments on termination of employment, expense allowances chargeable to tax, and the money value of benefits - exceeded £60,000. The band values do not include employer pension contributions. Columns for schools include all maintained schools including Voluntary Aided and Foundation Schools.

Remuneration Band	2017		2016	
	Non-Schools	Schools	Non-Schools	Schools
	No.	No.	No.	No.
£60,000 - £64,999	2	16	3	12
£65,000 - £69,999	1	9	1	8
£70,000 - £74,999	0	9	1	6
£75,000 - £79,999	0	3	1	2
£80,000 - £84,999	0	1	0	2
£85,000 - £89,999	0	1	0	1
£90,000 - £94,999	0	2	0	2
£95,000 - £99,999	0	1	0	1
	3	42	6	34

NOTES TO THE CORE FINANCIAL STATEMENTS

Some posts occupied are paid in accordance with nationally agreed Soulbury terms and conditions. Governing Bodies have some discretion in setting the salaries of Head teachers, within the parameters of the School Teacher's pay and conditions 2015.

The Accounts and Audit (Wales) Regulations 2014 also requires disclosure of the individual remuneration details for senior employees by post where the salary is between £60,000 and £150,000 and by name where the salary exceeds £150,000. Senior employees for the purpose of the disclosure are the chief executive, chief officers, statutory officers and persons for whom the chief executive is directly responsible.

The salaries of the Chief Executive and the Chief Officer team have been set by full Council in accordance with the Council's Pay Policy Statement (available on the Council's website). There has been no variation to pay rates during the year other than inflationary increases for implementation of nationally agreed annual pay awards to reflect the increased cost of living. No bonuses, taxable expense allowances, compensation payments or other taxable benefits were received by Chief Officers.

Post Title	Note	2016/17		2015/16	
		Remuneration £	Employer's Pension Contributions £	Remuneration £	Employer's Pension Contributions £
Chief Executive	1	132,545	33,680	131,233	31,704
Chief Officer Governance	1	87,567	22,251	83,640	20,375
Chief Officer Education & Youth	2	93,236	23,691	95,691	23,310
Chief Officer Social Care	2	93,236	23,691	95,691	23,310
Chief Officer Community & Enterprise		91,688	23,298	86,700	21,120
Chief Officer Planning & Environment		87,567	22,251	83,640	20,375
Chief Officer Streetscene & Transportation		87,567	22,251	83,640	20,375
Chief Officer Organisational Change 1		87,567	22,251	83,640	20,375
Chief Officer Organisational Change 2		87,567	22,251	83,640	20,375
Corporate Finance Manager (Section 151 Officer)		73,336	18,635	58,734	14,308
Senior Manager (HR & OD)		63,890	16,235	56,281	14,301
		985,766	250,485	942,530	229,928

Note 1 : Remuneration does not include any amounts received for;

- a) Returning Officer and Deputy Returning Officer roles at elections (costs for national elections reimbursed by respective Government) and
- b) Clerk and Deputy Clerk roles to the North Wales Fire and Rescue Authority (costs reimbursed).

Note 2 : Former Directors receiving pay protection under the Council's Organisational Change policy.

The Accounts and Audit (Wales) Regulations 2014 also require disclosure of the ratio of remuneration between the Chief Executive and the median full time equivalent earner (£17,169); for 16/17 this was 1:7.72 (for 2015/16 this was 1:7.73).

NOTES TO THE CORE FINANCIAL STATEMENTS

Exit Packages

The Council is required to disclose (in £20k bandings up to £100k with £50k bandings thereafter) the numbers of exit packages agreed and the cost of the packages to the authority in the financial year. Exit costs arising in 2016/17 which the authority is committed to incurring at the 31st March 2017, but paid after this date, are also included in the disclosure. Information is included for all maintained schools including Voluntary Aided and Foundation Schools.

The totals disclosed are made up of redundancy payments made to the individual and any payments made by the Council to the pension fund when an employee retires early without actuarial reduction in pension in accordance with the Council's Discretionary Compensation Policy. The costs of which have been met from an earmarked reserve set up specifically to fund the costs of organisational change.

Exit Package Cost Band	Compulsory Redundancies		Other Departures Agreed		Total Exit Packages by Cost Band		Total Exit Packages in Each Band	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
	No.	No.	No.	No.	No.	No.	£	£
£0 - £20,000	58	44	21	63	79	107	548,945	633,710
£20,001 - £40,000	14	12	15	15	29	27	845,785	733,521
£40,001 - £60,000	3	3	3	1	6	4	282,107	175,121
£60,001 - £80,000	0	1	2	3	2	4	139,848	280,348
£80,001 - £100,000	0	1	0	3	0	4	0	342,382
£100,001 - £150,000	0	0	1	1	1	1	110,647	112,995
	<u>75</u>	<u>61</u>	<u>42</u>	<u>86</u>	<u>117</u>	<u>147</u>	<u>1,927,332</u>	<u>2,278,077</u>

In July 2015 the 'Management of the Workforce Change Programme' report to the Corporate Resources Overview and Scrutiny Committee reviewed the Council's performance against the recommendations of the Wales Audit Office in a national study of public sector practice and performance. The review showed that the Council had developed effective local practice and policy that represented value for money.

29. MEMBERS' ALLOWANCES

Allowances totaling £1,339k were paid directly to members of the Council, and on their behalf in 2016/17 (£1,340k in 2015/16).

	2017	2016
	£000	£000
Basic allowance	929	927
Special responsibility allowance	247	247
Employer's national insurance	84	79
Employer's superannuation	63	68
Members' expenses	16	19
	<u>1,339</u>	<u>1,340</u>

Expenses include costs of travel, subsistence, telephones and refreshments.

NOTES TO THE CORE FINANCIAL STATEMENTS

The allowances paid fall into the following bands :-

Allowance Band	2017 Number of Members	2016 Number of Members
£0 - £9,999	0	0
£10,000 - £14,999	39	39
£15,000 - £19,999	12	12
£20,000 - £24,999	8	8
£25,000 - £29,999	3	3
£30,000 - £34,999	5	4
£35,000 - £39,999	1	2
£40,000 - £44,999	1	1
£45,000 - £49,999	0	0
£50,000 - £54,999	0	0
£55,000 - £59,999	0	0
£60,000 - £64,999	1	1
	70	70

30. RELATED PARTIES

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have the ability to limit another party's ability to bargain freely with the Authority.

Welsh and Central Government

Welsh Government exerts significant influence through legislation and grant funding – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties such as council tax bills and housing benefits. Grants received from Welsh and other Government departments are set out in notes 6 and 20.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members allowances paid in 2016/17 is shown in note 29.

The Council appoints members to some external charitable and voluntary bodies, or Members have disclosed a link to organisations, public bodies and authorities. The total transactions with bodies under this heading during 2016/17 are as follows:

• Payments	£801k	(£598k in 2015/16)
• Receipts	£21k	(£29k in 2015/16)
• Amounts owed by the Council	£54k	(£1k in 2015/16)
• Amounts owed to the Council	£0k	(£1k in 2015/16)

Members have declared an interest or relationship in companies or businesses which may have had dealings with the Council. The total payments made to companies under this heading during 2016/17 and amounts outstanding at 31st March are as follows:

• Payments	£110k	(£135k in 2015/16)
• Receipts	£0k	(£0k in 2015/16)
• Amounts owed by the Council	£21k	(£27k in 2015/16)

NOTES TO THE CORE FINANCIAL STATEMENTS

No Members have declared personal transactions with the Council in 2016/17. The total transactions under this heading during 2015/16 were receipts of £20k.

A Member has submitted a 'Candidate Site' for inclusion within the Local Development Plan. The Council undertook a 'Call for Candidate Sites' whereby any interested persons could put forward land to be considered by the Council as potential sites for inclusion within the Plan. There is no guarantee that the site will be included within the Plan.

The personal interests of all members are recorded in the Public Register of Members' Interests, in accordance with the law and the Council's Code of Conduct. The Register is available for public inspection by contacting Chief Officer Governance at Flintshire County Council, County Hall, Mold.

Officers

Senior Officers have declared, as required and where appropriate, an interest or relationship in companies, voluntary, charitable, or public bodies which receive payments from the Council. The total transactions with such bodies during 2016/17 are as follows:

- Payments £392k (£374k in 2015/16)
- Amounts owed by the Council £0k (£24k in 2015/16)

Community Asset Transfer (CAT)

A number of Members and Senior Officers have declared interests in local community groups involved in the Council's CAT scheme. The scheme involves leasehold transfer (at nominal value) of specific Council assets to organisations with a social purpose who plan to use the assets for the benefit of the local community. The assets have remained on the Council's balance sheet and have a combined net book value of £10,184k. In some circumstances the Council has, or plans to, issue capital grants for any necessary capital works. Transactions with these groups during 2016/17 are:

- Grants awarded £95k
- Grants paid in advance £33k
- Payments £44k
- Amounts owed by the Council £4k

Other Public Bodies

Clwyd Pension Fund

The Council is the administering authority for the Clwyd Pension Fund. Details of transactions with the Clwyd Pension Fund are provided within the Pension Fund accounts on page 95 onwards.

Teachers Pensions Agency

The pension costs charged are the contribution rate set by the Department for Education on the basis of a notional fund. Teacher's pension details are set out in note 45.

North Wales Police and Crime Commissioner and North Wales Fire Authority

Police and Crime Commissioners and Fire and Rescue Authorities set their own charges to council tax payers which are then included in the council tax bill – these charges are known as the precept. Total precepts and levies paid to the Office of the North Wales Police and Crime Commissioner and the North Wales Fire and Rescue Authority amounted to £22,093k (£21,629k in 2015/16).

Community / Town Councils

Total precepts paid to the 34 community/town councils amounted to £2,591k (£2,487k in 2015/16).

NOTES TO THE CORE FINANCIAL STATEMENTS

Betsi Cadwaladr University Local Health Board:

Transactions with Betsi Cadwaladr University Local Health Board for related healthcare activities during 2016/17 were as follows:

• Payments	£1,710k	(£4,930k in 2015/16)
• Receipts	£6,424k	(£1,577k in 2015/16)
• Amounts owed by the Council	£505k	(£350k in 2015/16)
• Amounts owed to the Council	£2,531k	(£137k in 2015/16)

Welsh Joint Education Committee:

• Payments	£341k	(£521k in 2015/16)
• Receipts	£10k	(£6k in 2015/16)
• Amounts owed by the Council	£340k	(£0k in 2015/16)
• Amounts owed to the Council	£0k	(£1k in 2015/16)

Welsh Local Government Association:

• Payments	£101k	(£104k in 2015/16)
• Receipts	£10k	(£6k in 2015/16)
• Amounts owed by the Council	£1k	(£0k in 2015/16)
• Amounts owed to the Council	£0k	(£3k in 2015/16)

31. AUDIT FEES

Total audit and inspection fees due during the year amounted to £363k (£394k in 2015/16). External audit services were provided by Wales Audit Office.

	2017	2016
	£000	£000
Fees for the Statement of Accounts	210	219
Fees for the Local Government Measure	100	103
Fees for grants	53	72
	<u>363</u>	<u>394</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

32. AGENCY SERVICES

Flintshire County Council is one of six partners within the North Wales Trunk Road Agency (NWTRA), the other partners being Anglesey, Conwy, Denbighshire, Gwynedd and Wrexham Councils. The Streetscene & Transportation Portfolio within Flintshire County Council undertakes trunk road work on behalf of NWTRA for the Welsh Government. Reimbursement for work carried out under the Trunk Road Agency Agreement amounted to £2,481k (£1,971k in 2015/16).

The six North Wales councils act as agents of Welsh Government in providing recyclable loans under the Houses into Homes Scheme in perpetuity, for the repair of properties which have been long term vacant, with the aim of bringing them back into use. Flintshire County Council is the lead/banker authority for the North Wales region and responsible for administering the fund. No further income was received from Welsh Government during 2016/17 (£0k in 2015/16) with gross payments against the brought forward sum amounting to £355k (£405k in 2015/16), with repayments of £325k made during the year, combining to a net total payments of £30k. Of which Flintshire County Council received and issued £280k of loans (£155k in 2015/16) with £325k being repaid (£25k in 2015/16).

Welsh Government has provided funding to Flintshire County Council to provide additional recyclable loan products which are treated as agency arrangements in the Council's accounts. The first product is a second Houses into Homes scheme with the funding to be returned in 14 years' time, the purpose is the same purpose as outlined above. £0k was received in 2016/17 (£313k 2015/16) and no loans have been issued so far. The second product, called Home Improvement Loans, for works in making a residential properties safe warm and/or secure, again with the funding to be returned in 14 years' time. £0k was received in 2016/17 (£313k 2015/16). £17k has been granted in loans in year (£31k in 2015/16).

Flintshire County Council acts as an agent on behalf of Welsh Government in receiving and distributing various grants for the North Wales region. Bus Services Support Grant to support bus and community transport services in the region. Total received was £6,748k, of which £593k was Flintshire's share included in Flintshire's accounts (£6,710k in 2015/16, £582k in Flintshire's accounts). Similarly the Young Person's Travel Discount Scheme total received £2,400k with £90k being Flintshire's share included in Flintshire's accounts (£1,198k in 2015/16, £58k in Flintshire's accounts) also a grant for Restoration of Key Local Bus Routes total received £300k with £155k being Flintshire's share included in Flintshire's accounts (new arrangement in 1617). Single point of access grant a regional programme for ease of customer access to Social and Health Care services. Total received was £230k with £55k being Flintshire's share included in Flintshire's accounts (£200k in 2015/16, £59k in Flintshire's accounts).

Flintshire County Council acts as agents on behalf of water companies collecting water and sewerage charges from tenants living in Council owned dwellings in 2016/17 £3,473k was collected (£3,453k 2015/16). The Council also acts as agent in arranging and collecting household contents insurance for tenants belongings on their behalf if they wish, in 2016/17 £101k was collected (£104k in 2015/16), and collects heating charges from tenants living in Council owned communal buildings, in 2016/17 £161k was collected (£205k in 2015/16).

33. NATIONAL HEALTH SERVICES (WALES) ACT 2006

The Council has an agreement with Wrexham County Borough Council and the Betsi Cadwaladr University Health Board, pursuant to Section 33 of the National Health Service (Wales) Act 2006, for the provision of an integrated community equipment service under a pooled fund arrangement. The service is provided through staff of Flintshire County Council (as host partner) from Unit 3, Hawarden Industrial Estate, Hawarden.

Partnership	2017 £000	2016 £000
Gross expenditure	1,034	1,129
Gross income	(1,100)	(1,185)
(Surplus) / deficit for year	(66)	(56)
Contribution to Budget		

Flintshire County Council **Tudalen 173** 288

319

NOTES TO THE CORE FINANCIAL STATEMENTS

Unit 3, which is situated within Flintshire, is jointly owned by Flintshire County Council (50.25%) and Wrexham County Borough Council (49.75%), and has been valued at £1,011k; the premises are included in Flintshire County Council's balance sheet (as host partner):-

	Gross £000	Net £000	%
Flintshire County Council	508	498	50.25
Wrexham County Borough Council	503	493	49.75
	1,011	991	100.00

34. JOINT ARRANGEMENTS

Flintshire County Council is involved in various joint arrangements/partnerships with neighbouring North Wales Councils, being :-

- North East Wales Community Equipment Service (with Wrexham)
- North East Wales Food Waste Hub (with Conwy and Denbighshire (lead))
- North East Wales Sensory Support Service (with Wrexham and Denbighshire)
- North East Wales Emergency Duty Team (with Wrexham (lead) and Denbighshire)
- North Wales Adoption Service (with Anglesey, Conwy, Denbighshire, Gwynedd and Wrexham (lead))
- North Wales Residual Waste Treatment Project (with Anglesey, Conwy, Denbighshire and Gwynedd)
- North Wales Procurement Partnership (with Anglesey, Conwy, Denbighshire (lead), Gwynedd and Wrexham)
- North Wales Emergency Planning Service (with Anglesey, Conwy, Denbighshire, Gwynedd and Wrexham)
- Welsh Penalty Processing Partnership (10 Local Authorities across Wales)
- Galw Gofal – regional Telecare service with (with Anglesey, Conwy (lead), and Gwynedd)
- GwE [North Wales Regional School Effectiveness and Improvement Service] (with Anglesey, Conwy, Denbighshire, Gwynedd (lead) and Wrexham)
- Clwydian Range & Dee Valley Area of Outstanding Natural Beauty (AONB) (with Denbighshire (lead) and Wrexham)

Flintshire County Council is the host partner for the North East Wales Community Equipment Service (details of which are provided in note 33), the North East Wales Sensory Support Service, the North Wales Residual Waste Treatment Project (NWRWTP), and the North Wales Emergency Planning Service.

Separate (joint committee) financial statements are prepared for NWRWTP (www.nwrwtp.org), GWE (www.gwynedd.gov.uk) and Clwydian Range & Dee Valley AONB (www.denbighshire.gov.uk). The 2016/17 joint committee statements record:-

	2017	2016		FCC Share	
	£000	£000		£000	£000
Gross Expenditure			Expenditure - allocation basis		
NWRWTP	413	288	Equal shares	83	58
GWE	15,833	14,073	Pro rata to pupil population	3,589	3,168
Clwydian Range & Dee Valley AONB	498	465	Management costs - equal shares	50	27
			Activity costs - geographical area		

Flintshire County Council's share of the income and expenditure for NWRWTP is recorded in the Net Cost of Services in the Comprehensive Income and Expenditure Statement in line with the accounting policy for Joint Committees.

NOTES TO THE CORE FINANCIAL STATEMENTS

35. OTHER FUNDS ADMINISTERED BY THE AUTHORITY

The Council administers a trust fund on behalf of Optec D.D. (UK) Limited. The fund provides financial support to the youth exchange scheme between Flintshire County Council and Murata and Kuga Cho in Japan. The fund balance at 31st March 2017 was £61k (£74k in 2015/16) and is not included in the balance sheet.

Flintshire County Council acts as lead authority in the administration of the Welsh Church Acts Fund on behalf of Denbighshire, Flintshire and Wrexham. Income received from investments, net of central management expenses, is apportioned to each authority to be used to give grants which accord with the stated objectives. At 31st March 2017 the fund balance was £570k (£546k in 2015/16).

The Social Services portfolio - Social Services for Adults Section maintain individual bank accounts for service users living in the community who are unable to cope with their financial affairs; individual members of the Deputyship team are approved to act as corporate appointee with the Department for Work and Pensions for each service user. The total amount held by the Council at 31st March 2017 was £3,912k in 408 separate accounts (£4,148k in 415 accounts in 2015/16).

36. CONTINGENT LIABILITIES

- In accordance with the provisions of Part 2A of the Environmental Protection Act 1990 and the Council's Contaminated Land Inspection Strategy, former waste disposal sites within the county, will be considered and the condition of each assessed in due course. The assessments may conclude that liability for carrying out some or all of any necessary remediation works will be the Council's responsibility.
- Further to the provision in relation to the 'MMI Scheme of Arrangement' in Note 21, the Council recognises that any future payments made by MMI will be made at the reduced rate of 75% and has created an earmarked reserve to fund the 25% that the Council in any future claim settled will need to fund. The projection of future claims is uncertain because of the latent nature of many of the claims that MMI is still receiving. The levy is subject to review at least once every 12 months by the scheme administrator. Despite the revision of the levy upwards to an aggregate level of 25%, when modelling projected outcomes for the solvent run-off of MMI, the administrator indicated that the levy could range between 15% and 34%.
- Flintshire is the legislative successor body in respect of all abuse claims relating to the former Clwyd County Council. A number of claims continue to be brought by former children in care. In some cases the Council's insurers were not on cover and so the Council may need to fund any such claim that is successful.
- An employee is claiming against the Council in an Employment Tribunal which will be heard in the next financial year. Based on the outcomes of the cases the Council could have to pay all, some or none of the claim.
- The Council along with other Welsh Local Authorities was an 'interested party' in a national legal case brought by a group of care home providers against 21 out of 22 Local Health Boards in relation to their costs in providing nursing care and the mechanism for funding care. The case was complex and an appeal to the Supreme Court was heard in April 2017, the judgement (issued in August 2017) ruled that the NHS must retake their decision on rates of pay paid to nursing care providers and that the NHS must pay for any social or personal care provided as part of nursing care. As a result the Council won't have to pay any part of the claim.

37. CONTINGENT ASSETS

Section 106 of the Town and Country Planning Act 1990 allows legal agreements as part of planning approval that commits the developer to undertake works or in-kind contributions towards a variety of infrastructure or services. An affordable housing scheme called 'Shared Equity' is one such commitment, the developer makes a number of properties available for purchase by those on the affordable housing register at 70% of the market value. The remaining 30% share in the properties is transferred to the Council in the form of a legal charge against the property. At any point in the future the homeowner can; redeem the Council's 30% share, or sell the property. The first call being a sale to others on the affordable housing register, if after a set period the property does not sell it can be sold on the open market. It is probable that the Council will benefit in the form of capital receipts in the future from these agreements, however the receipt must be used for the provision of affordable housing in the legal agreement.

NOTES TO THE CORE FINANCIAL STATEMENT

38. CRITICAL JUDGEMENTS AND ASSUMPTIONS MADE

In preparing the Statement of Accounts, the Council has had to make judgements, estimates and assumptions for certain items that affect the application of its policies and reported levels of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience, current trends and other relevant factors that are considered to be reasonable and are used to inform the basis for judgements about the carrying values of assets and liabilities, where these are not readily available from other sources. However, because these cannot be determined with certainty, actual results could be materially different from those assumptions and estimates made.

The significant accounting estimates within the Statement of Accounts relate to non-current assets and the impairment of financial assets. Estimates and underlying assumptions are regularly reviewed. Changes in accounting estimates are adjustments of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Changes to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements made by the Council which have a significant effect on the financial statements are:

- Future Levels of Government Funding and Levels of Reserves – The future levels of funding for local authorities has a high degree of uncertainty. The Council has set aside amounts in provisions, working balances and reserves which it believes are appropriate based on local circumstances including its overall budget size, risks, robustness of budget estimates, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions and the Council's track record in financial management. The Council has published a Medium Term Financial Strategy which can be found on the Council's website.
- Provisions – The Council is required to exercise judgement in assessing whether a potential liability should be accounted for as a provision or contingent liability. In calculating the level of provisions the Council also exercises judgement; they are measured at the Council's best estimate of the costs required to settle the obligation at the Balance Sheet date.
- Investment Properties – The Council classifies investment properties in accordance with the requirements of the Code of Practice, that being that assets are held solely for rental income or capital appreciation. Assessment of such properties involves exercising judgement, which could be subject to a difference in interpretation.
- Asset Valuations – The Council values its Housing Stock by estimating the 'Existing Use Value – Social Housing'. The valuation methodology applied is the Adjusted Vacant Possession Value (known as the Beacon Approach). There is currently no guidance in Wales that specifically defines the components within the methodology, some of which rely on professional judgments particular to local circumstances.

The approach seeks to obtain a value for the asset, based on the Fair Value (market value) assuming 'vacant possession' of the asset which is then adjusted to reflect the asset's use for social housing with a sitting tenant. The underlying principles of this approach are:

- A representative asset is normally used as the basis for valuing a set of similar assets.
- The asset's Fair Value (market value) is determined from sales evidence relating to comparable properties. This provides a 'vacant possession' value.
- The market value is adjusted by a factor to reflect the difference between private sector rents / yields and social housing rents / yields. This is intended to reflect the differential cash flows that would arise between the two types of landlord given that there is a sitting tenant in the property and that any development value is to be ignored as continuation of the existing use is assumed.

NOTES TO THE CORE FINANCIAL STATEMENTS

- Accounting for arrangements containing a lease (embedded leases) – During the year the Council entered into an arrangement where supply and maintenance of all vehicles, along with fleet management, would be undertaken by Essential Fleet Services (EFS). The Council has reviewed the appropriate accounting guidance, sought professional advice, and concluded that this arrangement contains embedded operating leases.
- Community Asset Transfers (CATs) - involve leasehold transfer (at nominal value) of specific Council assets to organisations with a social purpose who plan to use the assets for the benefit of the local community. The lease agreements have been considered; whilst operational risk and reward transfers to the community group, the Council's view is that the risk and reward of ownership remains with the Council and therefore the value of the assets have remained on the Council's balance sheet.

The key sources of estimation uncertainty identified by the Council which have a significant effect on the financial statements are:

- Retirement Benefit Obligations – The Council recognises and discloses its retirement benefit obligation in accordance with the measurement and presentational requirements of IAS 19 “Employee Benefits”. The estimation of the net pension liability depends on a number of complex judgements and estimates relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. Changes in these assumptions can have a significant effect on the value of the Council's retirement benefit obligation. Further detail assessing the sensitivities of estimates can be found in Note 45.
- Impairment of Financial Assets – The Council provides for the impairment of its receivables based on the age, type and recoverability of each debt. A reasonable estimate of impairment for doubtful debts is provided for within the Council's accounts at the Balance Sheet date, however in the current economic climate it is not certain that such an allowance would be sufficient.
- Property, Plant and Equipment – Assets are depreciated over their useful life and reflect such matters as the level of repairs and maintenance that will be incurred in relation to individual types of asset, cost of replacement and assuming prudent maintenance, an estimate of the unexpired useful life of the asset.
- Valuation techniques are used to determine the fair value of surplus assets, assets held for sale and investment properties. This involves developing estimates and assumptions consistent with how market participants would value such assets. As far as possible, assumptions are based on observable data. If observable data is not available the best information available is used. Thus, estimated fair values may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

39. PROVISION FOR REPAYMENT OF EXTERNAL LOANS

Section 22 of the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 requires the Authority to set aside a minimum revenue provision (MRP) in respect of the financing of capital expenditure incurred in that year or in any financial year prior to that year. The amounts set aside in 2016/17 were as follows:-

	2017 £000	2016 £000
Total minimum revenue provision	6,233	7,664
Recharge to housing revenue account	<u>(2,132)</u>	<u>(513)</u>
	<u>4,101</u>	<u>7,151</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

40. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the following table (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the capital financing requirement, a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

	2017 £000	2016 £000
Capital Investment		
Property, plant and equipment	50,997	48,094
Intangible assets	0	14
REFCUS	12,496	92,193
	63,493	140,301
Sources of Finance		
Capital receipts	(2,329)	(2,066)
Capital grants and contributions	(17,104)	(28,982)
Capital reserves / CERA	(12,855)	(11,649)
	(32,288)	(42,697)
Increase/(decrease) in capital financing requirement	31,205	97,604
Increase in supported borrowing	4,137	4,316
Increase in other (unsupported) borrowing	27,068	93,288
	31,205	97,604

41. FUTURE CAPITAL COMMITMENTS

At 31st March 2017, the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2017/18 and future years. Major commitments (over £1,000k) are:

Contract Details	Contract Sum £000
SHARP - Former Ysgol Delyn site, Mold	2,198
Total Commitments	2,198

NOTES TO THE CORE FINANCIAL STATEMENTS

42. LEASING

Lessee Rentals

Finance Leases

The Council has acquired a number of items of vehicles, plant and equipment under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	2017	2016
Asset Classification	£000	£000
Vehicles, plant and equipment	5,238	5,871

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property, plant and equipment acquired by the Council, and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts of which £565k is due to be paid during the next 12 months (£580k equivalent for the previous financial year).

	2017	Repaid	New	2016
	£000	£000	£000	£000
Finance lease liabilities (net present value of the minimum lease payments):				
Current	565	15	0	580
Non-current	5,386	565	0	5,951
	5,951	580	0	6,531
Finance costs payable in future years	2,885	579	0	3,464
Minimum lease payments	8,836	1,159	0	9,995

Minimum lease payments - the lowest amount that a lessee can expect to pay on a lease over its lifetime

Finance lease liabilities - the capital element of the minimum lease payments

Finance costs - the interest element of the minimum lease payments

The minimum lease payments and finance lease liabilities will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	2017	2016	2017	2016
	£000	£000	£000	£000
Not later than one year	1,084	1,159	565	580
Later than one year and not later than five years	4,501	4,768	2,661	2,679
Later than five years	3,251	4,068	2,725	3,272
	8,836	9,995	5,951	6,531

Operating Leases

In 2016/17, operating lease rentals paid amounted to £1,811k (£989k in 2015/16).

	2017	2016
Asset Classification	£000	£000
Land	45	40
Buildings	139	118
EFS Fleet Contract	925	0
Vehicles, plant and equipment	702	831
	1,811	989

Tudalen 179

NOTES TO THE CORE FINANCIAL STATEMENTS

The minimum lease payments due under operating leases in future years are:

	Land £000	Buildings £000	EFS Fleet Contract £000	Vehicles, Plant & Equipment £000	Total £000
Not later than one year	24	141	2,807	286	3,258
Later than one year and not later than five years	90	414	11,964	190	12,658
Later then five years *	959	952	4,557	0	6,468
	1,073	1,507	19,328	476	22,384

* Any open ended agreements are calculated to 2029/30 in line with the general average life of the longest leases

During 2016/17 the Council entered into an arrangement where supply and maintenance of all vehicles, along with fleet management, would be undertaken by Essential Fleet Services (EFS). This arrangement is considered to contain embedded leases, therefore payments to EFS are included in the figures above. It is not considered practical to split the payments into lease elements and non-lease elements, therefore the total payments are shown. The figures are adjusted to reflect the fact under this arrangement EFS are reimbursing the Council for existing vehicle leases until their expiry.

Lessor Rentals

Operating Leases

The Council leases out property under operating leases largely for economic development purposes. In 2016/17, lease rentals receivable amounted to £3,008k (£2,843k in 2015/16).

The minimum lease payments receivable under operating leases in future years are:

	Land £000	Buildings £000	Total £000
Not later than one year	58	2,593	2,651
Later than one year and not later than five years	135	9,556	9,691
Later then five years *	453	13,677	14,130
	646	25,826	26,472

* Any open ended agreements are calculated to 2029/30 in line with the general average life of the longest leases

Finance Leases

The Council does not lease out any properties on finance leases.

43. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 has not introduced any changes, amendments and interpretations to existing standards which are mandatory for the Council's accounting periods beginning on or after 1st April 2017 or later periods and would require changes to accounting policies in next years' accounts.

NOTES TO THE CORE FINANCIAL STATEMENTS

44. FINANCIAL INSTRUMENTS

Financial instruments included in the balance sheet are made up of the following financial liabilities and assets:

	Long-Term		Current	
	2017 £000	2016 £000	2017 £000	2016 £000
Financial liabilities at amortised cost				
Principal	250,998	251,901	11,654	54
Accrued Interest	0	0	2,723	2,731
Borrowing	<u>250,998</u>	<u>251,901</u>	<u>14,377</u>	<u>2,785</u>
Cash overdrawn	0	0	2,413	2,561
Cash & Cash Equivalents	<u>0</u>	<u>0</u>	<u>2,413</u>	<u>2,561</u>
Finance Leases	5,386	5,951	565	580
Deferred Liabilities	<u>5,386</u>	<u>5,951</u>	<u>565</u>	<u>580</u>
Trade Payables	0	0	24,694	26,101
Within Creditors	<u>0</u>	<u>0</u>	<u>24,694</u>	<u>26,101</u>
Total financial liabilities	<u>256,384</u>	<u>257,852</u>	<u>42,049</u>	<u>32,027</u>
Financial assets at amortised cost				
Principal	0	0	0	6,000
Accrued Interest	0	0	0	14
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,014</u>
Cash & Cash Equivalents	0	0	9,375	27,594
Accrued Interest	0	0	1	30
Cash & Cash Equivalents	<u>0</u>	<u>0</u>	<u>9,376</u>	<u>27,624</u>
Trade Receivables	2,211	2,111	22,061	29,759
Within Debtors	<u>2,211</u>	<u>2,111</u>	<u>22,061</u>	<u>29,759</u>
Total financial assets	<u>2,211</u>	<u>2,111</u>	<u>31,437</u>	<u>63,397</u>

Short term Creditors (note 19) includes a further £5,980k (2015/16 £4,700k) that does not meet the definition of a trade payable.

Short term Debtors (note 15) includes a further £16,277k (2015/16 £4,548k) that does not meet the definition of a trade receivable.

Within the Cash and Cash Equivalent line on the Balance Sheet financial assets and liabilities are offset:-

	2017 Net Total £000	2016 Net Total £000
Financial Assets - Bank Accounts in Credit	9,375	27,624
Financial Liabilities - Cash Overdraft	(2,413)	(2,561)
Net Position reported on Balance Sheet	<u>6,962</u>	<u>25,063</u>

Tudalen 181

NOTES TO THE CORE FINANCIAL STATEMENTS

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2017			2016		
	Financial Liabilities	Financial Assets	Total	Financial Liabilities	Financial Assets	Total
	Liabilities Measured at Amortised Cost	Loans and Receivables		Liabilities Measured at Amortised Cost	Loans and Receivables	
	£000	£000	£000	£000	£000	£000
Interest expense	(13,401)		(13,401)	(13,727)	0	(13,727)
Interest payable and similar charges	(13,401)	0	(13,401)	(13,727)	0	(13,727)
Interest income		141	141	0	290	290
Interest and investment income	0	141	141	0	290	290
Net gain/(loss) for the year	(13,401)	141		(13,727)	290	

Fair Value of Assets and Liabilities Carried at Amortised Cost

Financial assets classified as loans and receivables and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values in the table below have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2017, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans have been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of finance lease liabilities have been calculated by discounting the contractual cash flows at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

The fair values are calculated as follows, the fair value hierarchy is explained within the Council's accounting policies

	Fair Value Level	2017		2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		£000	£000	£000	£000
Financial Liabilities					
PWLB	2	230,810	352,221	232,410	320,864
LOBOs	2	18,950	29,163	18,950	26,380
Lease payables	3	5,951	5,432	6,531	5,653
		<u>255,711</u>	<u>386,816</u>	<u>257,891</u>	<u>352,897</u>
Financial Assets					
Certificates of Deposits	2	0	0	3,006	3,008

NOTES TO THE CORE FINANCIAL STATEMENTS

The PWLB fair value is higher than the carrying amount because the Authority's portfolio of loans includes a number of fixed loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date. This commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender requested or agreed to early repayment of the loans. The same is the case for LOBOs, with the interest rates higher than the PWLB rates available at the balance sheet date, resulting in a higher fair value.

Disclosure of Nature and Extent of Risks Arising from Financial Instruments

The Council manages its Treasury Management risk by adoption of the CIPFA Treasury Management in the Public Services - Code of Practice 2011, the Prudential Code for Capital Finance in Local Authorities, and an Annual Investment Strategy as issued by Welsh Government under section 15 (1) (a) of the Local Government Act 2003. The Authority must prepare (as a minimum) a Policy and Strategy Statement (a mid-year report) and an annual outturn report for submission to Cabinet, in accordance with Financial Procedure Rules. The Welsh Government also requires investment limits on specified (investments offering high security and liquidity), non-specified investments (investments with greater potential risk) and investments committed for more than one year. In addition, key prudential indicators must be set and Treasury Management Practices documented. These practices include financial risks such as Credit Risk, Liquidity Risk and Market Risk.

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the authority
- Liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by Flintshire County Council in the Policy Statement and Strategy. Flintshire provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Risk - Liabilities

The Council has raised long term finance by either borrowing from the PWLB or the market via LOBOs.

- PWLB – The majority of this debt is fixed rate, hence there is interest rate risk. If rates fall in the future, the Council will be paying higher than the current market rate, however, it is considered more beneficial to have budget certainty on future payments of interest in a low interest rate environment; as at 31st March 2017, 4.3% of PWLB debt was variable rate, reducing the interest rate risk but increasing budget uncertainty. There is an option in the Treasury Management Strategy to have £60m variable debt if deemed appropriate. Liquidity risk is managed through the debt maturity profile and a prudential indicator which does not allow any more than 10% of debt to reach maturity in any one year.
- LOBOs - All LOBOs have a fixed rate of interest for a period of between 12 and 23 months followed by a further fixed rate for the period of the loan, however the loan can be recalled by the lender after a certain fixed period of time. LOBOs are used because they have an interest rate lower than PWLB and this is balanced against the risks of rates rising and the loan having to be repaid which results in re-financing risk at a time of higher interest rates. The amount of LOBOs is restricted to £60m of long term borrowing.

Analysis shows that if interest rates rose by 1% the financial effect would be an increase in variable rate debt costs of £290k.

NOTES TO THE CORE FINANCIAL STATEMENTS

Risk - Loans and Receivables

Long Term Investments -

- Investments of more than 1 year are referred to as non-specified investments because of the additional interest rate risk. There is a limit of £5m for long term investments and additional procedures for authorisation by the Corporate Finance Manager.
- Deposits with banks and building societies do carry some credit risk and this is managed by using three rating agencies. The Council uses the following criteria, and investments are made subject to the monetary and time limits shown.

Minimum Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Government	£ Unlimited 50 years				
AAA AA+	£4m 5 years	£7m 5 years	£7m 25 years	£4m 5 years	
AA	£4m 4 years	£7m 4 years	£7m 15 years	£4m 4 years	£4m 10 years
AA-	£4m 3 years	£7m 3 years	£7m 10 years	£4m 3 years	
A+	£4m 2 years	£7m 2 years	£7m 5 years	£4m 2 years	
A	£4m 1 year	£7m 1 year		£4m 1 year	£4m 5 years
A-	£4m 6 months	£7m 6 months		£4m 6 months	
Pooled Funds	£7m per fund				
BBB-	The Council is restricted to overnight deposits at its' own current account bank with a limit of £5m where the banks lowest credit rating is BBB+, BBB or BBB- (or equivalent)				
Unrated Local Authorities	£4m 2 years				
Unrated Other	The Council may invest in any other unrated organisation, subject to: · an external credit assessment and specific advice from the Authority's treasury management adviser (£1m each / 1 year limit) · a further policy framework for investing with any other organisations being developed (£100k each / 5 year limit)				

Analysis shows that if interest rates rose by 1% the financial effect would be an increase in investment income of £86k. If rates fell by 1%, there would be a loss of income for the same amount.

Bonds -

Investments in bonds have limited credit risk because they are government backed but the market will fluctuate based on current interest rates thus changing the fair value.

NOTES TO THE CORE FINANCIAL STATEMENTS

Other Receivables -

Customers are required to make arrangements to pay outstanding monies due to the Council, based on their ability to pay. Customers are requested to complete a financial assessment form and are required to confirm in writing the amount agreed and the start date of the arrangement, and to make the Council fully aware of any circumstances surrounding their ability to pay which they wish to be taken into account in making the assessment.

45. PENSIONS

Pensions - Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme a multi-employer defined benefit scheme, providing teachers with specified benefits upon their retirement. For accounting purposes it is treated as a defined contribution scheme as the Council is unable to identify its share of assets and liabilities with sufficient reliability. The scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate.

The Council contributes to the scheme by making contributions based on a percentage of teachers' pensionable salaries. In 2016/17 the Council paid £8,334k (£7,944k in 2015/16), which represents 16.48% (average) of teachers' pensionable pay (15.48% in 2015/16). The contributions due in 2017/18 are estimated to be £7,662k, 16.21% of teachers' pensionable pay.

The Council is not liable to the scheme for any other entities obligations under the plan.

In addition, the Council is responsible for all pension payments relating to the award of discretionary post-retirement benefits on early retirements (also known as added years) it has awarded, together with the related increases, outside of the terms of the teachers' scheme, are accounted for on a defined benefit basis as detailed in the following section.

Pensions - Other Employees

As part of their terms and conditions of employment of its officers the Council makes contributions towards the costs of post-employment benefits. Officers employed by the Council are members of the Local Government Pension Scheme, the Clwyd Pension Fund, administered locally by Flintshire County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Discretionary post-retirement benefits awarded on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when payments are made. There are no plan assets built up to meet these pension liabilities.

The Clwyd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Clwyd Pension Fund Panel. Policy is determined in accordance with the Pension Fund Regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Further information regarding the Clwyd Pension Fund accounts is provided on pages 95 to 120, and in the Clwyd Pension Fund Annual Report which is available from www.clwydpensionfund.org.uk.

NOTES TO THE CORE FINANCIAL STATEMENTS

Transactions Relating to Retirement Benefits

The cost of retirement benefits is recognised in the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against Council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the movement in reserves statement. The transactions that have been made in the comprehensive income and expenditure statement and the movement in reserves statement during the year are :-

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2017 £000	2016 £000	2017 £000	2016 £000
Comprehensive Income and Expenditure Statement				
Service Expenditure Analysis -				
Current service cost	18,725	20,950	0	0
Past service cost/(gain)	46	1	0	0
Curtailments/settlements	673	988	0	0
Other Operating Expenditure -				
Administration expenses	940	406	0	0
Financing and Investment Income and Expenditure				
Net interest expense	8,987	8,990	1,456	1,432
Net charge to surplus / deficit on the provision of services -	<u>29,371</u>	<u>31,335</u>	<u>1,456</u>	<u>1,432</u>
Other Comprehensive Income and Expenditure				
Remeasurement of the net defined benefit liability -				
Return on plan assets	84,251	11,121	0	0
Actuarial gains and losses - financial assumptions	(154,635)	(43,559)	(10,173)	(1,389)
Net charge to other comprehensive income and expenditure -	<u>(70,384)</u>	<u>(32,438)</u>	<u>(10,173)</u>	<u>(1,389)</u>
Net charge to Comprehensive Income and Expenditure -	<u>(41,013)</u>	<u>(1,103)</u>	<u>(8,717)</u>	<u>43</u>
Movement in Reserves Statement				
Reversal of net charges made to surplus / deficit on the provision of services for retirement benefits in accordance with IAS 19	(29,371)	(31,335)	(1,456)	(1,432)
Actual amount charged against the Council fund balance for pensions in the year				
Employers' contributions payable to scheme	21,805	20,937	3,208	3,298
Net debit/(credit) to the movement in reserves statement	<u>(7,566)</u>	<u>(10,398)</u>	<u>1,752</u>	<u>1,866</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

Pensions Assets and Liabilities in Relation to Retirement Benefits Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:-

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2017	2016	2017	2016
	£000	£000	£000	£000
Present value of liabilities	(930,122)	(751,269)	(51,576)	(43,155)
Fair value of assets	586,648	485,745	0	0
Surplus/deficit in the scheme	<u>(343,474)</u>	<u>(265,524)</u>	<u>(51,576)</u>	<u>(43,155)</u>

The liabilities total reflects the underlying long-term commitments that the Authority has in respect of retirement benefits due. The net liability of £395,050k is included as part of the unusable reserves total on the Balance Sheet.

Reconciliation of present value of the scheme liabilities:-

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2017	2016	2017	2016
	£000	£000	£000	£000
1st April	751,269	766,703	43,155	46,410
Current service cost	18,725	20,950	0	0
Interest cost	26,652	24,993	1,456	1,432
Contributions by scheme participants	4,996	4,984	0	0
Actuarial gains and losses - Financial assumptions	154,635	(43,559)	10,173	(1,389)
Benefits paid	(26,874)	(23,791)	(3,208)	(3,298)
Past service costs	46	1	0	0
Past service gains	0	0	0	0
Curtailments/settlements	673	988	0	0
31st March	<u>930,122</u>	<u>751,269</u>	<u>51,576</u>	<u>43,155</u>

Reconciliation of fair value of the Local Government Pension Scheme (LGPS) assets:-

	2017	2016
	£000	£000
1st April	485,745	479,139
Interest income	17,665	16,003
Administration Expenses	(940)	(406)
Return on plan assets	84,251	(11,121)
Employer contributions	23,437	22,619
Contributions by scheme participants	4,996	4,984
Benefits paid	<u>(28,506)</u>	<u>(25,473)</u>
31st March	<u>586,648</u>	<u>485,745</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

The Local Government Pension Scheme's assets consist of the following categories:-

	2017		2016	
	£000	£000	£000	£000
Equity investments:				
UK Quoted*	0		0	
Global Quoted*	45,172		34,488	
Global Unquoted	0		0	
US*	0		0	
Japan*	0		0	
Europe*	0		0	
Emerging Markets*	36,372		27,687	
Frontier*	0		9,229	
Far East*	0		0	
	<u> </u>	81,544	<u> </u>	71,404
Bonds:				
Overseas Other	69,811		59,747	
LDI*	136,689		110,750	
	<u> </u>	206,500	<u> </u>	170,497
Property:				
UK*	26,399		14,572	
Overseas	13,493		23,802	
	<u> </u>	39,892	<u> </u>	38,374
Cash:				
Cash Accounts*	5,280		4,858	
	<u> </u>	5,280	<u> </u>	4,858
Alternatives:				
Hedge Funds	51,625		49,060	
Private Equity	58,665		52,946	
Infrastructure	10,560		9,715	
Timber & Agriculture	9,973		9,229	
Commodities	0		0	
DGF	122,609		79,662	
	<u> </u>	253,432	<u> </u>	200,612
		<u> </u>		<u> </u>
		586,648		485,745

* Denotes classes of assets that have a quoted market price in an active market.

The scheme maintains positions in a variety of financial instruments which exposes it to a variety of financial risks including credit risk, counterparty risk, liquidity risk, market risk and exchange rate risk. Risk management procedures are annually reviewed and focus on the unpredictability of financial markets and implementing restrictions to minimize these risks. The current policy is to lower risk by diversifying investments across asset classes, investment regions and fund managers.

NOTES TO THE CORE FINANCIAL STATEMENTS

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Mercer Human Resource Consulting Limited, an independent firm of actuaries; estimates for the County Council are based on the latest full valuation of the scheme as at 31st March 2016. The significant assumptions used by the actuary are:-

	Local Government Pension Scheme		Discretionary Benefits Arrangements	
	2017	2016	2017	2016
Mortality Assumptions				
Longevity at 65 for current pensioners -				
Men	23yrs	23.5 yrs	24yrs	23.5 yrs
Women	25.5yrs	26.0 yrs	26.6yrs	26.0 yrs
Longevity at 65 for future pensioners -				
Men	25.6yrs	26.4 yrs	n/a	n/a
Women	28.2yrs	29.4 yrs	n/a	n/a
Rate of inflation (Consumer Prices Index)	2.3%	2.0%	2.3%	2.0%
Rate of increase in salaries	3.6%	3.5%	n/a	n/a
Rate of increase in pensions	2.3%	2.0%	2.3%	2.0%
Rate for discounting scheme liabilities	2.5%	3.6%	2.5%	3.4%

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below are calculated by altering relevant assumptions by the amount specified, whilst assuming that all other variables remain the same. This approach is not necessarily realistic, since some assumptions are related; for example, if the scenario is to show the effect of higher than expected inflation, it might be reasonable to expect that nominal yields on corporate bonds will be higher too. However, the analysis isolates one effect from another.

	Impact of Increase on Defined Benefit Obligation	Impact of Decrease on Defined Benefit Obligation
	£000	£000
Longevity (increase / decrease in 1 year)	(19,593)	19,593
Rate of inflation (increase / decrease by 0.1%)	(17,629)	17,629
Rate of increase in salaries (increase / decrease by 0.1%)	(3,814)	3,814
Discount Rate (increase / decrease by 0.1%)	17,317	(17,317)

Increases in pensions are linked to increases to inflation (CPI) therefore the impact is the same for rate of inflation and rate of increases in pensions.

Impact on Cash Flows

Regulations governing the scheme require actuarial valuation to be carried out every three years. Contributions for each employer are set having regard to their individual circumstances. The Regulations require the contributions to be set with a view to targeting the scheme's solvency, and the detailed provisions are set out in the Clwyd Pension Fund Funding Strategy Statement. The most recent valuation was carried out as at 31st March 2016, which showed a shortfall of assets against liabilities of £437 million as at that date; equivalent to a funding level of 76%. The scheme's employers are paying additional contributions over a period of up to 15 years in order to meet the shortfall.

The total contributions expected to be made to the LGPS by the Council in the year to 31st March 2018 is £23.7m.

The duration of the defined benefit obligation for LGPS members is 18.99 years, 2016/17 (19 years 2015/16).

HOUSING REVENUE ACCOUNT - INCOME AND EXPENDITURE AND MOVEMENT ON RESERVES STATEMENTS

for the year ended 31st March 2017

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Statement.

	2017		2016	
	£000	£000	£000	£000
Expenditure				
Repairs and maintenance		7,189		6,723
Management and supervision		3,701		4,733
Specialist Services		1,654		1,392
Rents, rates, taxes and other charges		125		111
Depreciation and impairment of non-current assets		30,719		26,426
Settlement Payment		0		79,248
Valuations - Dwellings		(266)		34,914
Debt management costs		33		47
Increase in bad debt provision		330		346
Total expenditure		<u>43,485</u>		<u>153,940</u>
Income				
Dwelling rents (gross)	30,200		28,917	
Non-dwelling rents (gross)	<u>352</u>		<u>497</u>	
		30,552		29,414
Charges for services and facilities		719		651
Reimbursement of Costs		638		0
Total income		<u>31,909</u>		<u>30,065</u>
Net cost of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement		11,576		123,875
Other Operating Expenditure				
Net (gain) / loss on the disposal of non-current assets		(1,672)		(559)
Admin. expenses on the net defined benefit liability		53		22
Financing and Investment Income and Expenditure				
Interest payable and similar charges		4,841		4,907
Net interest on the net defined benefit liability (see note 45)		551		522
Total (surplus) / deficit for the year on HRA services		<u>15,349</u>		<u>128,767</u>

This statement shows how the surplus/deficit on the Housing Revenue Account Income and Expenditure Statement for the year reconciles to the surplus/deficit for the year on the Statutory Housing Revenue Account.

	Note (from core notes)	2017 £000	2016 £000
At 1st April		1,517	1,510
Surplus/(deficit) on the HRA income and expenditure statement		(15,349)	(128,767)
Total comprehensive income and expenditure		<u>(15,349)</u>	<u>(128,767)</u>
Adjustments between accounting and funding basis under regulations	8	15,474	128,774
Increase/(decrease) in year on the HRA		<u>125</u>	<u>7</u>
At 31st March		<u>1,642</u>	<u>1,517</u>

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NOTES TO THE HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

1. LEGISLATION

The housing revenue account, in accordance with the Local Government and Housing Act 1989, reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure - maintenance, rent rebates, administration - and capital financing costs, and how these are met by rents, subsidy and other income.

2. HOUSING STOCK

The type and number of dwellings at 31st March 2017 were:-

Type	2017 No.	2016 No.
Houses	4,029	4,039
Flats	1,355	1,353
Maisonettes	10	10
Bungalows	1,795	1,796
	<u>7,189</u>	<u>7,198</u>

3. RENT ARREARS

The rents total of £1,094k (£1,124k in 2015/16) includes, in addition to the basic rent element, amounts due in respect of water/sewerage rates, heating charges, household insurance, communal television licences and value added tax on some garage rentals. These individual rent elements cannot be separately identified from the whole.

Analysis of arrears	2017 £000	2016 £000
Rents		
Current tenants	953	966
Former tenants	141	158
	<u>1,094</u>	<u>1,124</u>
Provision for impairment losses (bad debts)	£000	£000
Opening provision	409	428
Written off in year	(290)	(349)
Increase in provision	303	330
	<u>422</u>	<u>409</u>

NOTES TO THE HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

4. NON-CURRENT ASSET ACCOUNTING

Capital Expenditure and Financing

Housing revenue account capital expenditure of £29,911k was incurred as follows; £100k - Land, £25,966k - Council Dwellings, £3,058k - Assets Under Construction £787k – equipment, (£99,626k in 2015/16) . Financed as follows :-

	Capital Receipts £000	Capital Grants & Contributions £000	Revenue Contributions £000	Borrowing £000	Total £000
Capital financing	836	5,485	11,566	12,024	29,911
	836	5,485	11,566	12,024	29,911

Major Repairs Allowance (MRA)

Included within the capital grants and contributions total (£5,485k) is the 2016/17 MRA allocation figure of £5,050k (£5,060k in 2015/16). The MRA allocation figure is included within the government grants – general line in the Comprehensive Income and Expenditure Statement. This Welsh Government grant was fully used in 2016/17 in financing qualifying capital expenditure.

Capital Receipts

Gross capital receipts of £2,801k (£1,493k in 2015/16) were realised by way of the disposal of dwellings, land sales, and shared ownership sales :-

	2017 £000	2016 £000
Council dwellings	1,724	1,028
Shared Ownership Sales	130	0
Land sales	947	465
	2,801	1,493

Depreciation

Straight line depreciation is provided for on all housing revenue account non-current assets with a finite useful life, other than for non-depreciable land. The charge of £5,132k (£5,139k in 2015/16) is based on the 2016/17 opening net balance sheet valuations (valuation list less cumulative depreciation), with assumed nil residual values.

	2017 £000	2016 £000	
Dwellings	5,030	5,043	(equating to the value of MRA)
Garages	20	17	
Plant and equipment	82	79	
	5,132	5,139	

Impairment Losses and Revenue Expenditure Funded from Capital Under Statute

A HRA impairment adjustment total of £25,584k was accounted for in 2016/17 (£21,186k in 2015/16). £24,307k relating to capital expenditure on dwellings that did not have an impact on the valuation of the housing stock and £1,277k of capital expenditure incurred in building 12 new council houses that have now been included within the housing stock valuation (split £383k land £894k buildings). No revenue expenditure funded from capital under statute was accounted for in 2016/17 (£79,248k in 2015/16) which is explained further on the next page.

NOTES TO THE HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

5. MATERIAL ITEMS OF INCOME AND EXPENDITURE

HRA Settlement Payment – 2015/16

On 2nd April 2015 all 11 stock (Council housing) retaining authorities in Wales signed a voluntary agreement with the UK and Welsh Governments to change the financing arrangements for council housing in Wales.

The negative subsidy system in operation, which required Flintshire to make annual payments of circa £6m in negative subsidy to Welsh Government and on to UK Treasury, ended. This was replaced with interest payments on Public Works Loan Board (PWLB) loans that the Council borrowed to exit the subsidy system as part of the agreement. The PWLB loans, called the settlement payment (a one-off lump sum payment classed as capital expenditure), was paid to Welsh Government (WG) and on to UK Treasury. For Flintshire this amounted to £79,248k, the payment is shown separately on the face of the Housing Revenue Account and the Comprehensive Income and Expenditure Statement as a material item of expenditure.

The agreement will generate revenue savings allowing the Council to increase its investment in existing stock, and support the delivery of additional supply of housing. It will also provide more local accountability to tenants.

HRA Valuations – Dwellings – 2015/16

During 2015/16 the Council's Housing Stock was revalued. The carrying net book value of the Council Dwellings decreased by £34,914k which was debited to the HRA line of the Comprehensive Income and Expenditure Account representing a downwards movement in the valuation of the Council's housing stock since the last revaluation on 1st April 2011. Shown on the face of the Housing Revenue Account and the Comprehensive Income and Expenditure Statement as a material item of expenditure

6. HRA SHARE OF CONTRIBUTIONS TO / FROM PENSIONS RESERVE

The cost of retirement benefits is recognised in the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to the HRA is based on the employers' contributions made in year, so the real cost of retirement benefits is reversed out in the movement in reserves statement.

The HRA transactions in the comprehensive income and expenditure statement and the movement in reserves statement during the year are:-

	2017		2016	
	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement				
Service Expenditure Analysis -				
Current service cost	982		1,004	
Curtailments/settlements	37		6	
	<u> </u>		<u> </u>	
Other Operating Expenditure -		1,019		1,010
Administration expenses	53		22	
	<u> </u>		<u> </u>	
Financing and Investment Income and Expenditure		53		22
Net interest expense	551		522	
	<u> </u>		<u> </u>	
Total HRA Charge		<u>1,623</u>		<u>1,554</u>
Movement in Reserves Statement				
Reversal of net charges made to surplus / deficit on the provision of services for retirement benefits in accordance with IAS 19		(1,623)		(1,554)
Actual amount charged against the HRA balance for pensions in the year:				
Employers' contributions payable to scheme		1,230		1,084

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STATEMENT OF ACCOUNTING POLICIES

General Principles

The Statement of Accounts summarises the Council's transactions for the 2016/17 financial year and its position at the year end of 31 March 2017. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

The revenue and capital accounts of the Council are prepared on an accruals basis. Sums are included in the final accounts to cover income or expenditure attributable to the year of account for goods received or work done, but for which payment has not been received/made by 31st March 2017. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. In particular:-

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.

An exception to this policy relates to annual payments which are charged when paid rather than being apportioned across financial years. The policy is applied consistently each year and therefore have no material effect on a single year's accounts.

Borrowing Costs

The Council has elected to adopt the adaptation by the Code in respect of IAS 23 which allows borrowing costs in respect of qualifying assets to be expensed rather than capitalised. Therefore, all borrowing costs are recognised as an expense as they are incurred.

Capital Receipts

Capital receipts arise from the disposal of property assets and the repayment of advances, and are accounted for on an accruals basis; amounts not exceeding £10k from any disposal are treated as revenue income, in accordance with capital regulations. The balance of receipts which has not been used for capital financing purposes is included in the Balance Sheet as usable capital receipts.

Carbon Reduction Commitment Scheme

The Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. The scheme is currently in the third year of the second phase running from 1st April 2014 to 31st March 2019.

The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability on the Balance Sheet and an expense within the cost of services line of the Comprehensive Income and Expenditure Statement are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date.

STATEMENT OF ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

Charges to Revenue for Non Current Assets

Service Portfolios are charged with the following amounts to record the cost of holding fixed assets during the year:-

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.
- The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are, therefore, replaced by the contribution in the Council Fund Balance – Minimum Revenue Provision (MRP) - by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Council's MRP is calculated in accordance with the 2016/17 MRP Policy Statement agreed by Council in February 2016, subsequently amended in June 2016 and February 2017 set in accordance with Welsh Government Guidance on MRP. The Council's Policy is to charge minimum revenue provision of:

- 2% of debt outstanding for the housing revenue account
- 2% of council fund debt outstanding fixed at 31st March 2016, on capital expenditure incurred before 1st April 2008 and capital expenditure funded by supported borrowing between 1st April 2008 and 31st March 2016.
- Capital expenditure incurred on or after 1st April 2008 funded by prudential borrowing, and all future debt funded capital expenditure will be repaid based on the expected useful life of the asset using equal annual instalments.

In addition, the Council may pay off or replace loans earlier than originally planned as part of its debt management strategy, dependent upon prevailing market conditions, risk and financial benefit. A breakdown of MRP charged for the year is disclosed in Note 39.

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. flexi time, time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year.

STATEMENT OF ACCOUNTING POLICIES

The accrual is charged to Surplus or Deficit on the Provision of Services, (but then reversed out through the Movement in Reserves Statement) so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis when the Council can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructure.

When termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:-

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pension Scheme, Clwyd Pension Fund (administered by Flintshire County Council).

The schemes provide defined benefits to members (retirement lump sums and pensions) earned as employees work for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is, therefore, accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Education and Youth's Portfolio Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:-

- The liabilities of the pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit actuarial cost method – an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the market yields at the reporting date on high quality corporate bonds.
- The assets of Clwyd pension fund attributable to the Council are included in the Balance Sheet at their fair value.

STATEMENT OF ACCOUNTING POLICIES

- The change in the net pensions liability is analysed into seven components:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate and Central Finance Service Portfolio.
 - Gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate and Central Finance Service Portfolio.
 - Net Interest on the net defined benefit liability – the net interest expense for the Council, the change during the period that arises from the passage of time – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Calculated as interest on pension liabilities less the interest on assets. The value of liabilities is calculated by discounting the expected future benefit payments for the period between the expected payment date and the date at which they are being valued. Interest on assets is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.
 - Administration expenses – the costs of running the fund attributable to the Council, does not include investment management expenses – debited to Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.
 - Return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve.
 - Contributions paid to the Clwyd pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund / HRA balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund / HRA of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

STATEMENT OF ACCOUNTING POLICIES

Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:-

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assuming that:

- Transactions take place in the principal market, or the most advantageous market
- Prices are set by market participants acting in their best economic interest
- Non-financial assets will be used in their highest and best use by both buyer and seller

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which the fair value is measured or disclosed in the Council's financial statements are categorized within the fair value hierarchy, as follows:-

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset or liability

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets with another entity that is potentially unfavourable to the Council.

STATEMENT OF ACCOUNTING POLICIES

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, for interest payable, are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted or added to the amortised cost of the new or modified loan and the write down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

When premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement regulations allow the impact on the Council Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or the discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual obligation to receive cash or another financial asset.

Financial assets are classified into two types:-

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables:

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, and are initially measured at fair value. They are subsequently measured at their amortised cost.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, for interest receivable, are based on the carrying amount of the asset, multiplied by the effective rate of interest of the financial instrument. This means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year, as determined in the loan agreement.

Available-for-Sale Assets:

Available-for-sale assets are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument, and are initially measured and carried at fair value.

STATEMENT OF ACCOUNTING POLICIES

Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable, are based on the amortised cost of asset multiplied by the effective rate of interest for the instrument.

Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:-

- Instruments with quoted market prices – the market price.
- Other instruments with fixed and determinable payments - discounted cash flow analysis.
- Equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain / loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets.

The exception is where impairment losses have been incurred - these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain / loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired, because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains or losses that arise on derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve. Where fair value cannot be measured reliably, the instrument is carried at cost less any impairment losses.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:-

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential realised using the grant or contribution are required to be consumed by the recipient as specified or must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (Grants Receipts in Advance).

When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

STATEMENT OF ACCOUNTING POLICIES

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Heritage Assets

Heritage assets are those assets that the Council intends to preserve in trust for future generations because of their cultural, environmental or historical associations. The Council's heritage assets include historical buildings, its archive (record office) collections, and museum collections.

Historical Buildings

The Council's historical buildings are located primarily in the Greenfield Valley Heritage Park. Historical buildings are classified as operational or non-operational.

Operational

If in addition to being held for their heritage characteristics, they are used for other activities or to provide other services; they are valued in the same way as other buildings of that general asset type, and accounted for as operational assets.

Non-Operational

If held for their heritage characteristics only; they are valued in accordance with FRS 30 (Heritage Assets). Consideration has been given to the categorisation and valuation of these assets on the basis of their existing and any potential alternative use. The majority of these do not command a market value and given their nature such value cannot be made on replacement cost basis; as such, historical cost measurement is considered appropriate where records are held. In accounting for these assets, it is recognised that the acquisition of the majority of them pre-date the existence of the current administrative authority (i.e. pre 1996 Local Government Re-organisation), and thereby prevents the collection of accurate/total historical cost information for accounting purposes.

Collections:-

County Archives

The archives, ranging from a single piece of paper to thousands of documents, are held under a variety of terms, the most common ones being deposit (long-term loan), gift or purchase.

The majority of archives are held on deposit. No attempt has been made to assign a cash or insurance value to this irreplaceable historical and cultural heritage, although in cases where the archives have been purchased, records of their saleroom value at the time may exist. Obtaining a valuation of all the owned assets would be a lengthy, resource intensive and costly exercise, and any market value placed on these assets would not be a true reflection of the value of the assets to the County's heritage; the assets, if lost, could not be replaced or reconstructed. Consequently, the Council does not recognise these assets on the Balance Sheet.

A small number of items are artefacts rather than documentary material which forms the large majority of the holdings, and as such are exceptions. The Council considers it appropriate to insure the artefacts even though it does not own them; their historical insurance value is £174,415 and is not considered material for reporting/disclosure purposes.

STATEMENT OF ACCOUNTING POLICIES

County Museum

The County's museum collection consists of about 6,800 items or groups of items. Of these approximately 260 are displayed at Mold Museum, 200 at Buckley Museum and a group of about 580 items are on loan to Greenfield Valley Trust. The remainder is held in an off-site store. The majority of the collection items have been donated. The vast majority of the collection cannot be valued because of its diverse and unique nature. Conventional valuation approaches lack sufficient reliability and the cost of obtaining the valuations for these items would be disproportionate in terms of the benefit derived. As with the County Archives collection, the Council does not recognise these assets on the Balance Sheet.

Intangible Assets

Intangible assets are non-monetary assets without physical substance. Expenditure on intangible assets is capitalised only where it is expected that future economic benefits will flow to, or service potential be provided to, the Council and where the cost of the asset can be measured reliably.

Development expenditure, or purchased software licences may meet the definition of intangible assets when access to the future economic benefits that they represent is controlled by the Council, either through custody or legal protection; a de minimis expenditure level of £20k below which the requirements of capital accounting will not be applied is in place.

Intangible assets are carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Amortisation commences the first full year following acquisition / addition.

The most common useful lives used in respect of amortisation are:-

	Years
Software licences	5
Development expenditure	7

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation charges are not permitted to have an impact on the Council Fund Balance, and are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Interest Charges

External interest payable is charged to the Comprehensive Income and Expenditure Statement together with the amortisation of gains and losses on the repurchase or early settlement of borrowing carried forward in the Balance Sheet.

Inventory

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of each type of inventory is measured in a different way; the measurements used in respect of the Council's main inventories are:-

- | | |
|---|---------------------------|
| • Halkyn Depot (highways maintenance and rock salt) | Weighted average |
| • Alltami Depot (grounds & vehicle maintenance and rock salt) | Weighted average |
| • Alltami Depot (fleet fuel) | FIFO (first in first out) |
| • Canton Depot (building maintenance) | FIFO |

All other stock is measured at cost.

STATEMENT OF ACCOUNTING POLICIES

Investments

Investments are shown in the balance sheet at fair value (market value) for each class of financial instrument.

Short term deposits and investments are included in the cash and cash equivalents rather than short term investments if they mature within 3 months of the acquisition date, under IAS 7.

Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset investment properties are measured at highest and best use.

Properties are not depreciated but are revalued annually reflecting market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account (and for any sale proceeds greater than £10k, the Capital Receipts Reserve).

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance.

Joint Committees

The Council recognises on the Balance Sheet the assets that it controls and the liabilities that it incurs from the activity of any service delivered in conjunction with other parties, and reflects within the Comprehensive Income and Expenditure Statement the expenditure it incurs, and the share of income it earns from such.

Leases

Finance Leases

For a lease to be classified as a finance lease substantially all risks and rewards of ownership need to be borne by the Council. There are five examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease. These are:

- The lease transfers ownership of the asset to the lessee by the end of the lease term.
- The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value so as to make it reasonably certain the option will be exercised.
- The lease term is for the major part of the economic life of the asset.
- The present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset (the Council have determined 'substantially all' to equate to 90% as advised by their independent lease consultants); and
- The leased assets are of such a specialised nature that only the lessee can use them without major modifications.

STATEMENT OF ACCOUNTING POLICIES

Where substantially all risks and rewards of ownership of a leased asset are borne by the Council, the asset is recorded as property, plant and equipment and a corresponding liability is recognised.

The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The property, plant and equipment acquired under finance leases are depreciated over the life of the asset as per the depreciation accounting policy. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires.

The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability.

Operating Leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Operating lease rentals are charged to revenue accounts, on an accruals basis, on a straight-line basis over the term of the lease.

Property leases are classified and accounted for as separate leases of land and buildings.

Overheads and Support Services

The costs of centrally provided corporate and support services including administrative buildings have been charged to service Portfolios as shown on the face of the Comprehensive Income and Expenditure Statement in line with the Council's internal reporting arrangements for financial performance and accountability.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

STATEMENT OF ACCOUNTING POLICIES

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment that is deemed to enhance the value of an asset is initially capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Such assets are subsequently revalued in-year and impaired or revalued as appropriate to ensure they are held at the correct carrying value.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. A de minimis expenditure level of £20k below which the requirements of capital accounting will not be applied is in place.

Measurement

Assets are initially measured at cost, comprising:-

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets are then carried in the Balance Sheet using the following measurement bases:-

- Council dwellings – current value, determined using the existing use value for social housing (EUV – SH).
- Infrastructure assets – depreciated historical cost.
- Vehicles, plant, furniture and equipment – depreciated historical cost.
- All other operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Community assets – historical cost and not depreciated.
- Surplus assets – current value measurement is based on fair value, estimated at highest and best use from a market participant's perspective
- Assets under construction – historical cost.

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Revaluation

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. The Council meets this requirement by revaluing a proportion of the total asset portfolio as at 1 April each year; in 2016/17 approximately 13% of operational non-dwelling assets were revalued. Valuations are undertaken in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards Global and UK Edition (January 2014). Valuations are carried out by the Council's in-house RICS valuers wherever possible, but in some cases external valuers are used.

STATEMENT OF ACCOUNTING POLICIES

The valuation methodology used for the HRA Housing Stock is the Beacon Approach, an adjusted vacant possession value technique based on the value of the property assuming vacant possession, with an adjustment factor to reflect continued occupation by a secured tenant. This methodology - the most widely adopted amongst local authorities in Wales - is the methodology that is most likely to produce consistent valuations of similar HRA properties in different local authorities. The current value of council dwellings is measured using existing use value–social housing (EUV–SH) as defined by RICS Valuation Standards, being the estimated amount for which a property should exchange (on the date of valuation) between a willing buyer and a willing seller, in an arm's-length transaction.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are reviewed for impairment at the end of each reporting period to ensure that they are not carried at a value higher than their recoverable amount. Examples of impairment include a significant reduction in a specific assets value and evidence of physical damage (e.g. fire damage).

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for as follows:-

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of any accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets with a finite useful life. An exception is made for assets without a determinable finite useful life and assets that are not yet available for use (i.e. assets under construction). Depreciation on new assets is charged from the first full year following addition in the case of all assets other than those acquired under finance leases, for which provision is made from the year of addition.

STATEMENT OF ACCOUNTING POLICIES

Depreciation is calculated on a straight line basis, assuming nil residual values for all property plant and equipment, with the most common useful lives being:-

	Years
Buildings	50
Vehicles, plant, furniture and equipment	3-10
Infrastructure assets	40

Council Dwellings are depreciated by a sum equivalent to the Major Repairs Allowance (MRA).

Assets capitalised under finance leases are depreciated over the life assigned to the asset by either the contract in place or, in the absence of this information being available, the Council's independent lease consultants as a result of their review of the lease.

Assets under Construction are not depreciated until the asset is brought into use.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item and whose estimated useful life is significantly different from the useful life of the main asset, the components are depreciated separately.

A de minimis materiality level of £2.5m for the asset value has been set, below which individual items of property, plant and equipment will not be considered for componentisation; significant components will be deemed as those whose current value is 20% or more of the total current value of the asset.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Derecognition of Property, Plant and Equipment

An item of property, plant or equipment is derecognised by disposal or when no future economic benefit or service potential is expected from its use.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale once all of the following criteria are met:

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.
- The sale must be highly probable; the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset (or disposal group) must be actively marketed for a sale at a price that is reasonable in relation to its current fair value.

The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

STATEMENT OF ACCOUNTING POLICIES

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for sale) and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10k are categorised as Capital Receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax or rents, as the cost of non-current assets is fully provided for under separate capital financing arrangements. Amounts are appropriated to the Capital Adjustment Accounts from the Council Fund Balance in the Movement in Reserves Statement.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

STATEMENT OF ACCOUNTING POLICIES

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Schools

All of the Council's maintained schools are considered to be entities controlled by the Council. In line with the requirements of the code the Council accounts for its maintained schools within its single entity financial statements. This includes school income, expenditure, assets, liabilities, reserves and cash flows.

Non-current Assets - Schools

Non-current assets of Community schools are owned by the Council and are included in the Balance Sheet.

Voluntary Aided and Voluntary Controlled school buildings are owned by religious bodies and therefore are not recognised on the Balance Sheet. Any land and/or playing fields that are owned by the Council at Voluntary Aided / Controlled schools is included on the Balance Sheet. The Council's single Foundation school is owned by the governors of the school and is therefore included in the Balance Sheet.

Subsidiaries

The Council wholly owns a company called North East Wales Homes and Property Management (NEW Homes), and therefore controls this entity requiring the preparation of group accounts.

In the Council's single entity accounts, the interests in subsidiaries is recorded at cost.

Reserves

Amounts set aside for purposes falling outside the definition of provisions are considered as reserves. They represent either a planned set-aside of cash to resource unforeseen expenditure demands in the short term, resources to assist cash flow management or accumulated resources which have not been spent or earmarked at the end of the accounting period. Transfers to and from Reserves are shown as appropriations in the Movement In Reserves Statement.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

STATEMENT OF ACCOUNTING POLICIES

Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the levels of council tax or rent.

Examples of REFCUS expenditure are Disabled Facilities grants, grants to businesses and private property enhancement schemes.

Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

GROUP ACCOUNTS

The Code requires that a local authority with material interests in subsidiaries, associates and joint ventures should prepare Group Accounts in addition to its single entity accounts.

For Group Accounts purposes the Council has consolidated the accounts of North East Wales Homes Limited (NEW Homes), a wholly owned subsidiary of the Council.

The Council's other collaborative working arrangements have been reviewed against the requirements of the Code, and it has been determined that none of these arrangements require inclusion in Group Accounts.

The Group Accounts include:

- Group Movement in Reserves Statement
- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Cash Flow Statement

NEW Homes

NEW Homes was established on 3rd April 2014 to own, lease and manage properties with the aim of increasing the quantity and quality of affordable housing across the county, whilst providing a professional service to landlords and tenants.

NEW Homes is a company limited by shares, wholly owned by the Council (1 at £1 par value), established under section 95 of the Local Government Act 2003. The Council has a high level of control over NEW Homes as the single shareholder approving:

- the issue of share capital
- the distribution of trading surplus
- annual business plan
- any asset disposals
- any borrowing against assets
- appointment of directors to the board

Further information on NEW Homes is available on its website www.northeastwaleshomes.co.uk.

NEW Homes balance sheet shows that it owns non-current assets, these currently equate to 31 properties in total donated by private developers for £1 each under section 106 agreements to provide affordable housing. These agreements between developers and local planning authorities are negotiated as part of a condition of planning consent and enable local authorities to negotiate contributions towards a range of infrastructure and services, including affordable housing. The total value of these properties in the NEW Homes Balance Sheet is £4.6m.

The Council and NEW Homes enter into a nomination rights agreement in respect of each property, which entitles the Council to select every tenant, and uses this to house people from the Flintshire affordable housing register.

In addition, as set out in the Narrative Report, NEW Homes are in the process of developing a further 62 new affordable homes for rent at The Walks site in Flint. £3.8m of expenditure had been incurred by 31 March, which is included within Assets under Construction in the NEW Homes Balance Sheet.

Accounting Policies

The accounting policies for the Group follow those adopted by Flintshire County Council in the single entity statements, as detailed on pages 72 to 88. Where NEW Homes accounting policies are different, adjustments have been made on consolidation to align any differences in accounting treatment.

GROUP MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2017

	Council Fund Reserves £000	Other Useable Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves of the Authority £000	Subsidiary Reserves £000	Total Group Reserves £000
At 31st March 2016	37,889	12,822	50,711	117,479	168,190	2,489	170,679
Total comprehensive income and expenditure	(36,892)	(15,349)	(52,241)	(72,608)	(124,849)	1,276	(123,573)
Adjustments between group accounts and authority accounts	179	0	179	0	179	(179)	0
Net increase/(decrease) before transfers	(36,713)	(15,349)	(52,062)	(72,608)	(124,670)	1,097	(123,573)
Adjustments between accounting and funding basis under regulations	30,302	18,852	49,154	(49,154)	0	0	0
Increase/(decrease) in year	(6,411)	3,503	(2,908)	(121,762)	(124,671)	1,097	(123,574)
At 31st March 2017	31,478	16,325	47,803	(4,283)	43,518	3,586	47,104

GROUP MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2016

	Council Fund Reserves £000	Other Useable Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves of the Authority £000	Subsidiary Reserves £000	Total Group Reserves £000
At 31st March 2015	40,747	13,088	53,835	217,375	271,210	1,731	272,941
Total comprehensive income and expenditure	(7,806)	(128,767)	(136,573)	33,476	(103,097)	835	(102,262)
Adjustments between group accounts and authority accounts	77	0	77	0	77	(77)	0
Net increase/(decrease) before transfers	(7,729)	(128,767)	(136,496)	33,476	(103,020)	758	(102,262)
Adjustments between accounting and funding basis under regulations	4,871	128,501	133,372	(133,372)	0	0	0
Increase/(decrease) in year	(2,858)	(266)	(3,124)	(99,896)	(103,020)	758	(102,262)
At 31st March 2016	37,889	12,822	50,711	117,479	168,190	2,489	170,679

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31st March 2017

	Note	2017		Restated 2016			
		Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Net Expenditure	
		£000	£000	£000	£000	£000	
Service Expenditure Analysis							
Chief Executives		2,933	(37)	2,896	3,066	(73)	2,993
Community & Enterprise		64,869	(52,295)	12,574	64,461	(50,861)	13,600
Education & Youth		147,935	(22,149)	125,786	130,078	(22,130)	107,948
Governance		9,781	(754)	9,027	10,712	(916)	9,796
Organisational Change		23,757	(9,940)	13,817	23,122	(8,602)	14,520
People & Resources		4,799	(256)	4,543	4,650	(268)	4,382
Planning & Environment		10,894	(3,303)	7,591	8,680	(3,716)	4,964
Social Services		79,137	(18,246)	60,891	75,352	(15,799)	59,553
Streetscene & Transportation		46,391	(11,189)	35,202	45,281	(11,243)	34,038
Corporate & Central Finance		7,163	(721)	6,442	10,303	(775)	9,528
Housing revenue account (HRA)		43,769	(31,909)	11,860	39,778	(30,065)	9,713
Housing revenue account (HRA) - Settlement		0	0	0	79,248	0	79,248
Housing revenue account (HRA) - Valuations		(266)	0	(266)	34,915	0	34,915
Theatr Clwyd		5,768	(6,013)	(245)	4,589	(4,609)	(20)
Cost of services		446,930	(156,812)	290,118	534,235	(149,057)	385,178
Other Operating Expenditure				23,535			23,438
Financing and Investment Income and Expenditure				22,685			20,761
Taxation and Non-Specific Grant Income				(284,173)			(292,864)
(Surplus)/deficit on the provision of services				52,165			136,513
Tax expenses of subsidiary				(5)			5
Group (Surplus)/deficit				52,160			136,518
(Surplus)/deficit arising on revaluation of non-current assets				(9,144)			(429)
(Surplus)/deficit arising on revaluation of available-for-sale financial assets				0			0
Actuarial (gains) or losses on pension assets and liabilities				80,557			(33,827)
Total comprehensive income and expenditure				123,573			102,262

GROUP BALANCE SHEET

as at 31st March 2017

	Note	2017		2016	
		£000	£000	£000	£000
NON-CURRENT ASSETS					
Property, Plant & Equipment					
Council dwellings		210,912		216,186	
Other land and buildings		276,057		263,041	
Vehicles, plant, furniture and equipment		15,918		14,962	
Surplus assets		9,009		8,693	
Infrastructure assets		151,232		153,549	
Community assets		4,721		4,711	
Assets under construction		7,633		21,089	
Total Property, Plant & Equipment	1	675,482		682,231	
Investment properties and Agricultural Estate		28,508		30,611	
Intangible assets		110		227	
Long term investments		0		0	
Long term debtors		2,211		2,102	
NON-CURRENT ASSETS TOTAL		706,311		715,171	
CURRENT ASSETS					
Inventories		1,075		1,069	
Short term debtors (net of impairment provision)*		36,642		31,841	
Short term investments		0		6,014	
Cash and cash equivalents		7,173		25,197	
Assets held for sale		4,243		3,556	
Current tax asset		5		0	
CURRENT ASSETS TOTAL			49,138		67,677
CURRENT LIABILITIES					
Borrowing repayable on demand or within 12 months		(14,377)		(2,785)	
Short term creditors*		(32,836)		(30,825)	
Provision for accumulated absences		(2,651)		(1,891)	
Deferred liabilities		(565)		(580)	
Grants receipts in advance		(1,528)		(858)	
Provisions		(418)		(2,492)	
Current Tax Liability		0		(5)	
CURRENT LIABILITIES TOTAL			(52,375)		(39,436)
NON-CURRENT LIABILITIES					
Long term creditors		(240)		(2,266)	
Long term borrowing		(250,998)		(251,901)	
Deferred liabilities		(5,386)		(5,951)	
Provisions		(994)		(1,042)	
Other long term liabilities		(395,050)		(308,679)	
Grants receipts in advance		(2,382)		(2,270)	
Deferred Tax Liability		(921)		(624)	
NON-CURRENT LIABILITIES TOTAL			(655,971)		(572,733)
NET ASSETS			47,103		170,679

*In producing the 2016-17 accounts it was noted that the 2015-16 NDR creditor balance of £2,580k had been incorrectly included in the debtor balance. Opening creditor and debtor balances have subsequently been amended.

GROUP BALANCE SHEET

as at 31st March 2017

	Note	2017		2016	
		£000	£000	£000	£000
USABLE RESERVES					
Capital receipts reserve		10,671		7,969	
Capital grants unapplied		4,012		3,336	
Council fund		10,774		10,067	
Earmarked reserves		20,525		27,745	
Housing revenue account		1,642		1,517	
Profit and Loss Reserve		178		112	
USABLE RESERVES TOTAL			47,802		50,746
UNUSABLE RESERVES					
Revaluation reserve		63,283		57,470	
Capital adjustment account		340,435		380,112	
Financial instruments adjustment account		(6,814)		(7,177)	
Pensions reserve		(395,050)		(308,679)	
Deferred capital receipts		98		98	
Accumulated absences account		(2,651)		(1,891)	
UNUSABLE RESERVES TOTAL			(699)		119,933
TOTAL RESERVES			<u>47,103</u>		<u>170,679</u>

GROUP CASH FLOW STATEMENT
for the year ended 31st March 2017

	Note	2017		2016	
		£000	£000	£000	£000
Net surplus or (deficit) on the provision of services		(52,098)		(136,513)	
Adjustment to surplus or deficit on the provision of services for non-cash movements		69,026		92,786	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		<u>(10,811)</u>		<u>(26,757)</u>	
Net cash flows from operating activities			6,117		(70,484)
Net cash flows from investing activities		(34,250)		(25,468)	
Net cash flows from financing activities		<u>10,109</u>		<u>78,385</u>	
Net increase or decrease in cash and cash equivalents			<u>(24,141)</u>		<u>52,917</u>
			(18,024)		(17,567)
Cash and cash equivalents at the beginning of the reporting period			25,197		42,764
Cash and cash equivalents at the end of the reporting period			7,173		25,197

NOTES TO THE GROUP ACCOUNTS

1. PROPERTY, PLANT AND EQUIPMENT

	Flintshire County		
	Council	NEW Homes	Group
	£000	£000	£000
Net Book Value at 31 March 2017			
Council Dwellings	210,912	0	210,912
Other land and buildings	271,556	4,502	276,058
Vehicles, plant, furniture and equipment	15,918	0	15,918
Surplus assets	9,008	0	9,008
Infrastructure assets	151,232	0	151,232
Community assets	4,721	0	4,721
Assets under construction	3,789	3,844	7,633
	667,136	8,346	675,482

CLWYD PENSION FUND ACCOUNTS

for the year ended 31st March 2017

THE MANAGEMENT AND MEMBERSHIP OF THE CLWYD PENSION FUND

The Clwyd Pension Fund is administered by Flintshire County Council on a lead authority basis. The administration and investment strategy of the Fund is set annually by the Clwyd Pension Fund Committee, consisting of eight elected Members and one employee representative, each with equal voting rights, access to training and to information. The Fund's core investment management arrangements were implemented by eight investment managers during 2016/17.

The Clwyd Pension Fund is a statutory Local Government Pension Scheme (LGPS), set up to provide death and retirement benefits for local government employees, other than teachers, police and firefighters in North East Wales. In addition, other qualifying bodies that provide similar services to that of local authorities have been admitted to membership of the LGPS and hence the Fund.

The Clwyd Pension Fund operates a defined benefit scheme whereby retirement benefits are funded by contributions and investment earnings. Contributions are made by active members in accordance with the LGPS Regulations 2013, as amended, and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31st March 2017. Employee contributions are added to employer contributions which are set based on triennial actuarial funding valuations. The benefits of the scheme are also prescribed nationally by the 2013 Regulations (as amended). The last valuation was at 31st March 2016, the findings of which became effective on 1st April 2017. The valuation showed that the funding level increased from the previous valuation (31st March 2013) from 68% to 76%. The employers' contribution rates are structured to achieve a gradual return to 100% funding level over a 15 year period from April 2017. This implies an average employer contribution rate of 15.3% and a total initial recovery payment of approximately £51.5m (which also includes allowance for some employers to phase in any increases and allowance for some employers to prepay three years contributions in April 2017). The LGPS (Management and Investment of Funds) Regulations 2016 requires administering authorities to produce and maintain an Investment Strategy Statement which documents how the investment strategy for the fund is determined and implemented. The 2016 Regulations replaced the LGPS (Management and Investment of Funds) Regulations 2009 (as amended) and came into force on 1st November 2016.

Membership of the LGPS is voluntary and organisations participating in the Clwyd Pension Fund include:

- Scheduled bodies, that are local authorities and similar bodies whose staff are automatically entitled to be members of the fund.
- Admitted bodies that are organisations which participate in the fund under an admission agreement between the fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar contractors undertaking a local authority function following outsourcing to the private sector.

The membership of the Fund as at 31st March 2017 and 2016 is shown below:

	2017	2016
	No.	No.
Active Members	15,748	15,989
Pensioners & Survivors		
Ex employees	10,314	9,862
Survivors	1,671	1,616
Other		
Preserved benefits/ Undecided	14,502	13,176
Frozen Refund	1,177	1,022
	<u>43,412</u>	<u>41,665</u>

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CLWYD PENSION FUND ACCOUNTS

The scheduled bodies which contributed to the Fund during 2016/17 are:

Unitary Authorities:	Flintshire, Denbighshire, Wrexham.
Educational Organisations:	Coleg Cambria, Glyndwr University.
Town and Community Councils:	Argoed, Coedpoeth, Connah's Quay, Hawarden, Rhosllanerchrugog, Buckley, Prestatyn, Offa, Mold, Caia Park, Rhyl, Shotton, Llanasa, Gwernymynydd, Marchwiell, Bagillt, Penyffordd, Acton, Hope, Denbigh, Cefn Mawr.
Other:	North Wales Fire Service, North Wales Valuation Tribunal,

The admitted bodies contributing to the Fund are:-

Other: Careers Wales, Cartref y Dyffryn Ceiriog, Chartwells, Bodelwyddan Castle Trust, Civica UK, Denbigh Youth Group, Wrexham Commercial Services, Freedom Leisure, Glyndwr Students' Union, Embrace, Cymrhyd Rhan, Grosvenor Ltd.

Further information is available in the Clwyd Pension Fund Annual Report and Investment Strategy Statement which are presented to the Annual Joint Consultative Meeting for employers and member representatives that is held annually.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Statement of Accounts summarises the Fund's transactions for the 2016/17 financial year and its position at year end as at 31st March 2017. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 16 of these accounts.

In summary, accounting policies adopted are detailed as follows:

- Contributions, benefits and investment income due are included on an accruals basis.
- Investments are included in the accounts at market value, usually bid price.
- Debtors and creditors are raised for all amounts outstanding at 31st March.
- Individual Transfer values received and paid out have been accounted for on a cash basis.
- Bulk Transfer values paid out are accounted for on an accruals basis.
- The financial statements do not take account of liabilities to pay pensions and other benefits after the reported accounting period.
- Investment management expenses are accounted for on an accruals basis and include the fees paid and due to the fund managers and custodian, actuarial, performance measurement and investment consultant fees.
- Administration expenses are accounted for on an accruals basis. All Flintshire County Council staff costs are charged direct to the Fund and management, accommodation and other support service costs are apportioned to the Fund in accordance with Council policy.
- Acquisition costs of investments include all direct transaction costs and sales receipts are net of all direct transaction costs.
- Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of change in value.

CLWYD PENSION FUND ACCOUNTS

		2017		2016	
	Note	£000	£000	£000	£000
Contributions and Benefits					
Contributions receivable :					
From employers (Normal)	1	(32,257)		(30,488)	
From employers (Deficit)	1	(28,562)		(27,277)	
From employees or members	1	<u>(14,429)</u>		<u>(14,471)</u>	
			(75,248)		(72,236)
Transfers in		(2,797)		(1,691)	
Other income		<u>(1,191)</u>		<u>(3,077)</u>	
			<u>(3,988)</u>		<u>(4,768)</u>
			(79,236)		(77,004)
Benefits payable :					
Pensions	1	54,744		52,922	
Lump sums (retirement)	1	10,413		14,029	
Lump sums (death grants)	1	<u>1,560</u>		<u>2,247</u>	
			66,717		69,198
Payments to and on account of leavers :					
Refunds of contributions		106		121	
Transfers out (individual)		5,212		1,936	
Transfers out (bulk)	2	0		3,889	
Other		268		129	
Expenses borne by the scheme	3	<u>17,475</u>		<u>17,621</u>	
			<u>23,061</u>		<u>23,696</u>
			89,778		92,894
NET (ADDITIONS) WITHDRAWALS			<u>10,542</u>		<u>15,890</u>
Returns on Investments					
Investment income	5	(7,432)		(5,863)	
Change in market value of investments (Realised and Unrealised) [(Increase)/Decrease]	5	(310,601)		4,706	
NET RETURNS ON INVESTMENT			<u>(318,033)</u>		<u>(1,157)</u>
NET DECREASE/(INCREASE) IN THE FUND			<u>(307,491)</u>		<u>14,733</u>
OPENING NET ASSETS OF THE SCHEME			<u>1,380,675</u>		<u>1,395,408</u>
CLOSING NET ASSETS OF THE SCHEME			<u>1,688,166</u>		<u>1,380,675</u>

CLWYD PENSION FUND ACCOUNTS

	Note	2017 £000		2016 £000
Net Assets Statement				
Investment Assets :	5/6			
Fixed Interest Securities		198,621		170,331
Managed overseas equity funds		237,485		202,826
Managed multi strategy funds		349,095		227,037
Property funds		114,714		109,233
Infrastructure funds		31,761		27,351
Timberland / Agricultural funds		29,103		25,937
Private equity funds		152,423		139,582
Hedge Fund		127,279		139,221
Liability Driven Investment		393,858		315,530
Opportunistic Funds		<u>17,966</u>		<u>8,240</u>
			1,652,305	1,365,288
Cash	8	<u>33,623</u>		<u>15,034</u>
			33,623	15,034
Current Assets :				
Due within 1 year	9	<u>4,545</u>		<u>5,349</u>
			4,545	5,349
Current liabilities				
Due within 1 year	9	<u>(2,307)</u>		<u>(4,996)</u>
			(2,307)	(4,996)
NET ASSETS AT 31st MARCH		<u>1,688,166</u>		<u>1,380,675</u>

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

1. ANALYSIS OF CONTRIBUTIONS RECEIVABLE/BENEFITS PAYABLE

Contributions represent those amounts receivable from various employing authorities in respect of their own contributions and those of eligible pensionable employees. The total contributions received during 2016/17 amounted to £60.819m (£57.765m in 2015/16) from employers and £14.429m (£14.471m in 2015/16) from employees.

The employers total comprised an amount of £32.257m (£30.488m in 2015/16) relating to the common contribution rate average of 13.8% paid by all employers and £28.562m (£27.277m in 2015/16) relating to additional contributions paid in respect of deficit funding for individual employers.

Benefits payable and refunds of contributions have been brought into the accounts on the basis of all valid claims approved during the year.

Analysis of contributions received and benefits payable is shown below:

	2017		2016	
	Benefits Payable	Contributions Receivable	Benefits Payable	Contributions Receivable
Scheduled Bodies	£000	£000	£000	£000
Flintshire County Council	25,206	26,434	23,903	25,215
Wrexham County Borough Council	20,009	22,778	21,199	22,438
Denbighshire County Council	14,442	18,230	16,632	17,525
Fund apportionment with:				
Gwynedd and Powys County Councils	2,202	0	2,317	0
Educational Organisations	2,967	4,490	3,191	4,215
Town and Community Councils	251	292	124	298
Others - scheduled bodies	734	1,670	888	1,478
Others - admitted bodies	906	1,354	944	1,067
	<u>66,717</u>	<u>75,248</u>	<u>69,198</u>	<u>72,236</u>

The above merely reflects the figures in the accounts. The circumstances pertaining to each of the bodies listed is different for a variety of reasons (contribution and pensioner profiles, employees' contribution rates, early retirement experience etc.) and direct comparisons, therefore, are largely meaningless.

2. BULK TRANSFER

No bulk transfers were made during 2016/17.

3. EXPENSES BOURNE BY THE FUND

The regulations permit the Council to charge the cost of administering the scheme to the Fund. The external managers' fees have been accounted for on the basis contained within their management agreement.

The cost of pension administration and investment management is shown in the following table. The main increase in oversight and governance expenses relates to additional costs incurred as a result of the formation of the Wales Pension Partnership. Other elements include a light-touch review and implementation of the Fund's investment strategy. The consultancy fees also reflect the ongoing monitoring of the Long Term Management of Funding Risk mandate together with a review of the funding risk management framework.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

	2017	2016
	£000	£000
Oversight & Governance		
Employee Costs	236	225
Support Services	26	31
Supplies and Services	58	54
Miscellaneous Income	(11)	0
Consultancy & Actuarial	1,226	818
Audit	39	39
Legal	59	35
	1,633	1,202
Investment Management Fees		
Net Fund Management Fees	14,386	14,971
Custody Fees	31	28
Performance Monitoring Fees	57	30
	14,474	15,029
Administration Costs		
Employee Costs	648	603
Support Services	94	146
Outsourcing	260	404
Supplies & Services	366	237
	1,368	1,390
Total Fees	17,475	17,621

Investment management fees are broadly based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. The Fund is invested in pooled vehicles of which the majority of fees are charged within the funds. The 2014/15 CIPFA guidance required pension funds to include all investment manager fees including those which are deducted at source to fund of fund investments. In addition to the underlying fees the guidance also required Funds to include transaction costs (which were previously included in a narrative note only).

The CIPFA guidance was revised in 2015/16 and clarified the position with regards to underlying fees, invoking the accounting principle of control. The guidance clarifies that Funds should only include fees where they have a direct relationship with the investment manager, meaning that underlying fees should not be included within the Management Expenses total. This information remains disclosable within the Fund's Annual Report.

The Fund Management Fees shown overleaf show the fees for 2016/17 and 2015/16. Total expenses include Annual Management Charges from Fund Managers and also any additional costs such as operational, administrative and legal costs.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

	2017	2016
	£000	£000
Fund Management Fees		
Core		
Total Expenses including AMC	4,495	5,578
Performance Fees	0	219
Transaction Fees	83	105
Non-Core		
Total Expenses including AMC	6,648	6,132
Performance Fees	2,976	2,557
Transaction Fees	184	380
	14,386	14,971

Non-Core refers to Property, Infrastructure, Private Equity, Opportunistic and Timber and Agriculture investments.

Total fees as a percentage of the net asset value of the fund was 0.87% for 2016/17 (1.09% 2015/16).

4. INVESTMENTS AND PERFORMANCE

Further details on the investment strategy are available in the Investment Strategy Statement which can be obtained from the Clwyd Pension Fund Manager, County Hall, Mold, CH7 6NA (Web site www.clwydpensionfund.org.uk or Telephone 01352 702264).

The Council uses the investment performance services of JLT Consultants. Their report for the financial year 2016/17 showed that the Fund achieved an overall return of 21.5% from its investments (-0.1% in 2015/16). This compares with the Fund's benchmark return of +16.7% (+1.4% 2015/16) for the year.

5. ANALYSIS OF TRANSACTIONS AND RETURN ON INVESTMENTS

Overview

The Fund invests its surplus monies in assets through a wide range of managers. All these main investments are through pooled vehicles where the Fund is one of many investors and where these pooled monies are invested on a common basis although, in the Fund's alternative assets, there are a couple of quoted holdings. Generally, however, the Fund has no direct holdings of equities, bonds, properties, private equity companies, commodities or other financial instruments.

Transactions and Return on Investments

Details of the 2016/17 investment transactions and the net profit on sales of £64.203m (£4.840m in 2015/16) together with investment income of £7.432m (£5.863m in 2015/16) are set out below. The unrealised profit for 2016/17, because of the change in the market value of investments, amounted to £246.398m (£9.546m loss in 2015/16). Therefore, the increase in market value of investments (realised and unrealised) is £310.601m (£4.706m decrease in 2015/16).

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

	Market Value 2015/16 £000	Purchases £000	Sales £000	Realised Gain (Loss) £000	Unrealised Gain (Loss) £000	Market Value 2016/17 £000	Investment Income £000
Fixed Interest Securities	170,331	80,140	(63,140)	2,151	9,139	198,621	0
Liability Driven Investment	315,530	0	(80,000)	41,386	116,942	393,858	0
Overseas Equities Active	202,826	29	(30,126)	3,238	61,518	237,485	0
Multi Strategy	227,037	87,518	0	0	34,540	349,095	0
Property	109,233	7,968	(10,774)	2,875	5,412	114,714	2,501
Infrastructure	27,351	2,281	(5,227)	727	6,629	31,761	1,584
Timber & Agriculture	25,937	219	(1,632)	0	4,579	29,103	0
Private Equity	139,582	24,770	(37,149)	14,135	11,085	152,423	2,537
Opportunistic	8,240	8,520	(446)	332	1,320	17,966	699
Hedge Fund	139,221	0	0	0	(11,942)	127,279	0
	1,365,288	211,445	(228,494)	64,844	239,222	1,652,305	7,321
Cash	15,034	0	0	0	0	33,623	38
Fees within Pooled Vehicles	0	0	0	0	7,176	0	0
Interest	0	0	0	0	0	0	73
Currency	0	0	0	(641)	0	0	0
	15,034	0	0	(641)	7,176	33,623	111
Total 2016/17	1,380,322	211,445	(228,494)	64,203	246,398	1,685,928	7,432
2015/16	1,392,365	432,832	(398,421)	4,840	(9,546)	1,380,322	5,863

	Market Value 2014/15 £000	Purchases £000	Sales £000	Realised Gain (Loss) £000	Unrealised Gain (Loss) £000	Market Value 2015/16 £000	Investment Income £000
Fixed Interest Securities	172,749	0	0	0	(2,418)	170,331	0
Liability Driven Investment	329,101	0	0	0	(13,571)	315,530	0
Overseas Equities Active	247,289	19,909	(50,115)	995	(15,252)	202,826	0
Multi Strategy	205,260	179,620	(148,422)	4,103	(13,524)	227,037	0
Property	103,522	7,192	(10,544)	1,663	7,400	109,233	2,741
Infrastructure	34,128	78	(10,509)	12	3,642	27,351	1,125
Timber & Agriculture	26,207	782	(2,306)	0	1,254	25,937	94
Commodities	24,962	0	(25,703)	(12,246)	12,987	0	0
Private Equity	142,808	21,935	(40,980)	9,669	6,150	139,582	1,644
Opportunistic	9,998	4,036	(496)	93	(5,391)	8,240	201
Hedge Fund	48,750	199,280	(109,346)	692	(155)	139,221	0
	1,344,774	432,832	(398,421)	4,981	(18,878)	1,365,288	5,805
Cash	47,591	0	0	0	0	15,034	0
Fees within Pooled Vehicles	0	0	0	0	9,332	0	0
Interest	0	0	0	0	0	0	58
Currency	0	0	0	(141)	0	0	0
	47,591	0	0	(141)	9,332	15,034	58
Total 2015/16	1,392,365	432,832	(398,421)	4,840	(9,546)	1,380,322	5,863
2014/15	1,212,810	142,377	(149,070)	57,213	127,416	1,392,365	5,345

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NOTES TO THE CLWYD PENSION FUND ACCOUNTS

6. MARKET VALUE OF INVESTMENTS (EXCLUDING CASH AND FUTURES)

The book cost of the investments as at 31st March 2017 is £1,171.084m (£1,123.290m in 2015/16). The market value of investments as at 31st March 2017 is £1,652.305m (£1,365.288m in 2015/16); this can be analysed as follows:

By Continent

The UK holdings as at 31st March 2017 account for 31% of total investments at market value:

	2017 £000	2016 £000
UK	519,585	429,081
Europe	105,514	103,471
North America	114,726	93,321
Emerging/ Frontier markets	106,336	104,121
Global Investments	806,144	635,294
	1,652,305	1,365,288

By Fund Manager

	2017 £000	%	2016 £000	%
Wellington	106,336	6	77,877	6
Aberdeen	0	0	26,244	2
Insight	393,858	24	315,530	23
Investec	214,023	13	155,632	11
Stone Harbor	198,621	12	170,331	12
Pyrford	82,747	5	60,992	5
Man FRM	127,279	8	139,221	10
Consultant "Best Ideas"	183,474	11	109,118	8
Property	114,714	7	109,233	8
Infrastructure	31,761	2	27,351	2
Timber / Agriculture	29,103	2	25,937	2
Private Equity	152,423	9	139,582	10
Opportunistic	17,966	1	8,240	1
	1,652,305	100	1,365,288	100

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

By Listed /Managed

	2016			2015		
	Listed Managed £000	Listed £000	Unlisted £000	Listed Managed £000	Listed £000	Unlisted £000
Fixed Interest Securities	0	0	170,331	0	0	172,749
Overseas Equities	202,826	0	0	196,990	0	50,299
Multi Strategy	227,037	0	0	205,260	0	0
Property	38,988	0	70,245	36,018	0	67,504
Infrastructure	0	11,417	15,934	0	6,712	27,416
Timber / Agriculture	0	0	25,937	0	0	26,207
Commodities	0	0	0	0	0	24,962
Private Equity	0	1,998	137,584	0	1,969	140,839
Hedge Fund	0	0	139,221	21,977	0	26,773
Opportunistic	0	0	8,240	0	0	9,998
Liability Driven Investment	315,530	0	0	329,101	0	0
	<u>784,381</u>	<u>13,415</u>	<u>567,492</u>	<u>789,346</u>	<u>8,681</u>	<u>546,747</u>
			<u>1,365,288</u>			<u>1,344,774</u>

	2017			2016		
	Listed Managed £000	Listed £000	Unlisted £000	Listed Managed £000	Listed £000	Unlisted £000
Fixed Interest Securities	0	0	198,621	0	0	170,331
Overseas Equities	237,485	0	0	202,826	0	0
Multi Strategy	349,095	0	0	227,037	0	0
Property	39,919	0	74,795	38,988	0	70,245
Infrastructure	0	13,043	18,718	0	11,417	15,934
Timber / Agriculture	0	0	29,103	0	0	25,937
Private Equity	0	1,013	151,410	0	1,998	137,584
Hedge Fund	0	0	127,279	0	0	139,221
Opportunistic	0	0	17,966	0	0	8,240
Liability Driven Investment	393,858	0	0	315,530	0	0
	<u>1,020,357</u>	<u>14,056</u>	<u>617,892</u>	<u>784,381</u>	<u>13,415</u>	<u>567,492</u>
			<u>1,652,305</u>			<u>1,365,288</u>

7. FAIR VALUE OF INVESTMENTS

Financial Instruments

Whilst the Fund invests almost exclusively through pooled vehicles, the managers of these vehicles invest in a variety of financial instruments including bank deposits, quoted equity instruments, fixed interest securities, direct property holdings, unlisted equity products, commodity futures and other derivatives. This exposes the Fund to a variety of financial risks including credit and counterparty risk, liquidity risk, market risk and exchange rate risk.

Stock lending is the loan of specific securities from one investor to another that entitles the lender to continue receiving income generated by the stock plus an additional payment by the borrower. Exposure to risk is reduced by the borrower providing high quality collateral (cash, securities or gilts). It is effectively a trading activity to generate income rather than an investment. The Fund has no direct exposure to stock lending.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Fair Value – Valuation Bases

Investments are shown in the accounts at fair value as at 31st March 2017 on the following bases.

- UK and overseas listed securities are valued within the respective pooled vehicles using the official bid prices quoted on the relevant stock exchange. Overseas holdings are converted to sterling at an exchange rate quoted at close of business on 31st March 2017.
- Unit trusts are valued at the bid market price.
- Other pooled vehicles are valued at the bid point of the latest process quoted by their respective managers or fund administrators at 31st March 2017. Where a bid price is not available the assets are priced at the net asset value provided.
- Property funds are valued at the bid market price, which is based upon regular independent valuation of the pooled vehicles' underlying property holdings.
- Private equity holdings are interests in limited partnerships. It is important to recognise the highly subjective nature of determining the fair value of these investments. They are inherently based on forward looking estimates and judgments involving many factors. These holdings are valued based upon the Fund's share of the net assets of the partnership according to the latest financial statements published by the respective managers. Where these valuations are not at the Fund's balance sheet date, the valuations are adjusted having due regard to the latest dealings, asset values and other financial information available at the time of preparing these statements in order to reflect the Fund's balance sheet date. The managers' valuation statements are prepared in accordance with the European Private Equity and Venture Capital Association (EVCA) Guidelines, net of carried interest. These incorporate the US-based FAS157 protocol on valuation approaches –
 - Market – uses prices and other relevant data generated by market transactions involving identical or comparable assets/liabilities (e.g. money multiples)
 - Income – uses valuation techniques to convert expected future amounts to a single present amount (discounted cash flows or earnings)
 - Cost – based upon the amount that currently would be required to replace the service capacity of an asset (adjusted for obsolescence)

Managers are required “to use the method that is appropriate in the circumstances and for which sufficient data is used and to apply the approach consistently until no longer appropriate.” It is also possible to use multiple or combinations of approaches. Most private equity managers use a combination of the “market” and “income” approaches.

- Infrastructure investments are generally carried at the lower of cost and fair value, except where there are specific upward or downward valuations. In estimating fair value, managers use their judgment, having regard to the EVCA guidelines noted above for valuing unquoted investments. Upward valuations are considered only where there is validation of the investment objectives and such progress can be demonstrated. Downward valuations are enacted regardless of the investment stage where the manager considers that there is impairment to the underlying investment.
- Timberland investments are carried at net asset value as determined by the General Partner. In most cases fair value is derived from the audited financial statements provided by underlying managers or vehicles. In circumstances where audited financial statements are not available to 31st March, the valuations are derived from unaudited quarterly reports from the underlying managers or vehicles. Where the timber investments are direct rather than through underlying managers, valuations are based upon regular independent valuation of these holdings.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

- Hedge funds are valued monthly to create a net asset value on the basis of the Fund's proportionate share of the value of underlying pools on a manager by manager basis. Generally the fair value of the Fund's investment in a related pool represents the amount that the Fund could be reasonably expected to receive from the pool if the Fund's investment was redeemed at the date of valuation, based upon information reasonably available at the time that the valuation was made and that the fund believes to be reliable.
- Diversified Growth and Multi Strategy funds invest for the most part in markets that are not exchange-based. These include OTC or "interdealer" markets and leverage is utilised by such funds to a significant level. If market prices are not available or do not reflect current market prices, the Fund applies its own pricing policies by reference to such relevant prices as are available to establish a fair value for the assets held.

Sensitivity of Assets Valued at Level 3

The valuation methods described above are likely to be accurate within varying ranges dependent on the asset concerned. An indication of the possible impact of these fluctuations on the closing value of the investments is shown in the following table.

	Assessed Valuation Range (+/-)	Market Value 2016/17 Level 3 £000	Value on Increase £000	Value on Decrease £000
Liability Driven Investment	10%	12,768	14,045	11,491
Property	10%	74,795	82,275	67,316
Infrastructure	10%	18,718	20,590	16,846
Timber & Agriculture	10%	29,103	32,013	26,193
Private Equity	15%	151,410	174,122	128,699
Hedge Fund	10%	9,634	10,597	8,671
Opportunistic Funds	10%	17,966	19,763	16,169
		314,394	353,405	275,385

Fair Value – Hierarchy

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed interest securities and unit trusts. Listed investments are shown at bid price.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where those techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would be unquoted equity investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgment in determining appropriate assumption.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

The following tables show the position of the Fund's assets at 31st March 2017 and 31st March 2016 based upon this hierarchy.

	Market Value 2016/17 £000	Level 1 £000	Level 2 £000	Level 3 £000
Fixed Interest Securities	198,621	0	198,621	0
Liability Driven Investment	393,858	18,137	362,953	12,768
Overseas Equities Active	237,485	234,467	3,018	0
Multi Strategy	349,095	82,747	266,348	0
Property (1)	114,714	0	39,919	74,795
Infrastructure (1)	31,761	13,043	0	18,718
Timber & Agriculture (1)	29,103	0	0	29,103
Private Equity (2)	152,423	1,013	0	151,410
Hedge Fund	127,279	3,554	114,091	9,634
Opportunistic Funds (2)	17,966	0	0	17,966
	<u>1,652,305</u>	<u>352,961</u>	<u>984,950</u>	<u>314,394</u>
Cash	33,623	33,623	0	0
Total 2016/17	<u>1,685,928</u>	<u>386,584</u>	<u>984,950</u>	<u>314,394</u>

(1) Property/ Infrastructure/ Timber and Agriculture - Various valuation bases are used. Direct fund holdings are valued based upon independent valuations, these have been classified as level 2, and some funds also often hold joint venture and partnership interests that are subject to a variety of valuation methodologies. To be conservative, these funds have been classified Level 3 unless the fund itself is quoted.

(2) Private Equity and Opportunistic Funds - Various valuation bases are used including cost, quoted prices (often discounted for "lock-ups"), transaction multiples, market multiples, future realisation proceeds, company prospects, third party opinion etc. Company and fund valuations often reflect combinations of these valuation bases. To be conservative, all funds have been classified Level 3 unless the fund itself is quoted.

Within the investments shown above as (1) or (2), whilst a small proportion are listed, the majority of the holdings are in unquoted investments; £331.911m compared to £296.928m in 2015/16. These are valued at a fair value by the fund managers, using an appropriate basis of valuation. The valuations are reliant upon a significant degree of judgment, and due to the subjectivity and variability of these valuations there is an increased likelihood that the valuations included in the financial statements would not be realised in the event of a sale. The difference could be materially lower or higher.

	Market Value 2015/16 £000	Level 1 £000	Level 2 £000	Level 3 £000
Fixed Interest Securities	170,331	0	170,331	0
Liability Driven Investment	315,530	0	0	315,530
Overseas Equities Active	202,826	60,073	142,753	0
Multi Strategy	227,037	170,110	56,927	0
Property (1)	109,233	0	38,988	70,245
Infrastructure (1)	27,351	11,417	0	15,934
Timber & Agriculture (1)	25,937	0	0	25,937
Private Equity (2)	139,582	1,998	0	137,584
Hedge Fund	139,221	3,889	127,319	8,013
Opportunistic Funds (2)	8,240	0	0	8,240
	<u>1,365,288</u>	<u>247,487</u>	<u>536,318</u>	<u>581,483</u>
Cash	15,034	15,034	0	0
Total 2015/16	<u>1,380,322</u>	<u>262,521</u>	<u>536,318</u>	<u>581,483</u>

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

8. INVESTMENT RISKS

As demonstrated, the Fund maintains positions in a variety of financial instruments including bank deposits, quoted equity instruments, fixed interest securities, direct property holdings and unlisted equity products. This exposes the Fund to a variety of financial risks including credit and counterparty risk, liquidity risk, market risk and exchange rate risk.

Procedures for Managing Risk

The principal powers to invest are contained in the LGPS (Management and Investment of Funds) Regulations 2016, effective from 1st November 2016, and which require administering authorities to formulate an Investment Strategy Statement (ISS) in accordance with guidance issued by the Secretary of State. This replaces the requirement to produce and maintain a Statement of Investment Practice. The Administering Authority's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The Fund will annually review its ISS and corresponding Funding Strategy Statement (FSS), which set out the Pension Fund's policy on matters such as the type of investments to be held, balance between types of investments, investment restrictions and the way risk is managed. The ISS and FSS are on the Fund's website (www.clwydpensionfund.org.uk).

The Fund carries out a formal review of its structure at least every 4 years, usually every 3 years. The last full review was carried out in 2014 at which the Fund's Consultants, JLT Group determined that the resulting asset mix coupled with the requirements for certain fund managers to outperform their market indices should produce long-term returns of 7.2% with a volatility of around 11%. A light-touch review was undertaken during 2016 that reduced the long-term expected annual return to 6.5% taking account of changes in long-term market trends but also the Government's guidance on infrastructure investment by increasing the Fund's exposure from 2% to 8% over the medium term. A key element in this review process was the consideration of risk and for many years now the Fund has pursued a policy of lowering risk by diversifying investments across asset classes, investment regions and fund managers. Furthermore, alternative assets are subject to their own diversification requirements and some examples are given below.

- private equity – by stage, geography and vintage where funds of funds are not used
- property – by type, risk profile, geography and vintage (on closed-ended funds)
- infrastructure – by type (primary/secondary), geography and vintage
- hedge funds – bespoke funds via a managed account platform

The Fund invests in a Long Term Management of Risk mandate. The strategy provides a framework to enable the Fund to effectively reduce risk when market conditions become more favourable (i.e. bonds become cheaper). The framework includes both market yield based triggers. In particular, the manager makes use of Liability Driven Investment (LDI) techniques to increase the level of hedging within the Fund. This is achieved through the physical purchase of gilts along with repurchase agreements (repo). These allow the fund to gain unfunded exposure to gilts. The manager also replicates the Fund's developed passive equity allocation using Equity Total Return Swaps (TRS). During 2016/17 the Fund's Committee approved a review of the Flightpath framework to improve its efficiency to the long term benefit of the Fund and this was completed on 3rd March with an expected net gain of £36.5m over the term of the bonds held. It was also agreed in principle to implement 'equity options' to protect against the impact on employer contributions of material falls in the equity element of the current mandate and take the opportunity to update the interest rate and inflation triggers and potential actions within the flightpath structure if the funding position improves further. The outcome of this review is currently being implemented.

Roll risk

The LDI manager has the facility to use repurchase agreements, once these agreements mature, they need to be replaced with other contracts to maintain the relevant exposure (known as "rolling" the contract). This involves managing the operational risks raised to ensure sufficient resources are in place to arrange the trades and manage the process. In addition, as a contract matures, the underlying market for repo may become illiquid and at the extreme, the manager may not be able to roll the position. This is mitigated by structuring the overall repo over a range of maturity dates and diversifying counterparty exposure.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Manager Risk

The Fund is also well diversified by manager with no single manager managing more than 24% of Fund assets. On appointment fund managers are delegated the power through an investment management agreement to make such purchases and sales as they deem appropriate under the mandate concerned. Each mandate has a benchmark or target to outperform or achieve, usually on the basis of 3-year rolling periods. A formal annual update is required from each manager to discuss their mandates and their performance on them; on-going performance management is also undertaken. There are slightly different arrangements for some of the alternative assets. On private equity, property, infrastructure and timber/agriculture, investment is fund rather than manager-specific, with specific funds selected by the in-house team after careful due diligence. These commitments are smaller in nature than main asset class investments but again regular performance reports are received and such investments are reviewed with managers at least once a year.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. As noted above, almost all the Fund's investment are through pooled vehicles and a number of these are involved in derivative trades of various sorts, including futures, swaps and options. Whilst the Fund is not a direct counterparty to such trades and so has no direct credit risk, clearly all derivative transactions incorporate a degree of risk and the value of the pooled vehicle, and hence the Fund's holding, could be impacted negatively by failure of one of the vehicle's counterparties.

However, part of the operational due diligence carried out on potential manager appointees concerns itself with the quality of that manager's risk processes around counterparties and seeks to establish assurance that these are such as to minimise exposure to credit risk. Once appointed, managers are required to provide copies of their annual internal control reports for review to ensure that the expected standards are maintained.

Deposits are not made with banks and financial institutions unless they are rated independently.

Subject to cash flow requirements, cash can be deposited in one of the following:

- The Pension Fund bank account with the National Westminster Bank for daily liquidity
- A National Westminster deposit account with access up to 180 days' notice.
- A Money Market AAA Fund for unexpected liquidity requirements or higher rates of return.

The Fund believes it has managed its exposure to credit risk and has no experience of default or uncollectible deposits in the last three financial years. The Fund's cash holdings as at 31st March 2017 were £33.623m (£15.034m at 31st March 2016). This was held as follows:

	Rating	2017 £000	2016 £000
Money Market Funds			
BlackRock	AAA	0	0
Bank of New York Mellon	AAA	20,000	1,395
Bank Deposit Accounts			
National Westminster Bank PLC	BBB+	13,603	13,619
Bank Current Accounts			
National Westminster Bank PLC	BBB+	20	20
		33,623	15,034

Within the Fund, the areas of focus in terms of credit risk are bonds and some of the alternative asset categories.

- The Fund's bond portfolio is managed on an unconstrained basis and has a significant exposure to credit, emerging market debt and loans. At 31st March 2017, the Fund's exposure to non-investment grade paper was £93.153m or 46.9% of the fixed interest portfolio (36.5% at 31st March 2016).
- On private equity and infrastructure the Fund's investments are almost entirely in the equity of the companies concerned.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Liquidity Risk

The Pension Fund has its own bank account. At its simplest, liquidity risk is the risk that the Fund will not be able to meet its financial obligations when they fall due, especially pension payments to its members. At a strategic level the Administering Authority, together with its consulting actuary, reviews the position of the Fund triennially to ensure that all its obligations can be suitably covered. Ongoing cash flow planning in respect of contributions, benefit payments, investment income and capital calls/distributions is also essential and undertaken regularly by the Fund.

Specifically on investments, the Fund holds through its managers a mixture of liquid, semi-liquid and illiquid assets. Whilst the Fund's investment managers have substantial discretionary powers regarding their individual portfolios and the management of their cash positions, they hold within their pooled vehicles a large value of very liquid securities, such as equities and bonds quoted on major stock exchanges, which can easily be realised. Traditional equities (including synthetic equity exposure) and bonds now comprise 50.2% of the Fund's total value and, whilst there will be some slightly less liquid elements within this figure (emerging market equities and debt for example), the funds investing in these securities offer monthly trading at worst – often weekly or fortnightly.

On alternative assets the position is more mixed. Whilst there are a couple of quoted vehicles here, most are subject to their own liquidity terms or, in the case of property, redemption rules. Closed-ended funds such as most private equity vehicles and some property and infrastructure funds are effectively illiquid for the specified fund period (usually 10 years), although they can be sold on the secondary market, usually at a discount.

The table below analyses the value of the Fund's investments at 31st March 2017 by liquidity profile.

	Market Value 2016/17 £000	1 Month £000	2 - 3 Months £000	3 - 6 Months £000	6 - 12 Months £000	Closed - ended £000	Locked £000
Fixed Interest Securities	198,621	198,621	0	0	0	0	0
Liability Driven Investment	393,858	393,858	0	0	0	0	0
Overseas Equities Active	237,485	237,485	0	0	0	0	0
Multi Strategy	349,095	349,095	0	0	0	0	0
Property	114,714	0	39,919	0	0	74,795	0
Infrastructure	31,761	13,043	0	0	0	18,718	0
Timber & Agriculture	29,103	0	0	0	0	29,103	0
Private Equity	152,423	1,013	0	0	0	151,410	0
Hedge Fund	127,279	101,836	15,809	0	0	0	9,634
Opportunistic Funds	17,966	0	0	0	0	17,966	0
	1,652,305	1,294,951	55,728	0	0	291,992	9,634

It should be noted that different quoted investments are subject to different settlement rules but all payments/receipts are usually due within 7 days of the transaction (buy/sell) date. Because the Fund uses pooled vehicles for quoted investments these are often subject to daily, weekly, 2-weekly or monthly trading dates. All such investments have been designated "within 1 month" for the purposes of liquidity analysis. Open-ended property funds are subject to redemption rules set by their management boards. Many have quarterly redemptions but these can be held back in difficult markets so as not to force sales and disadvantage continuing investors. For liquidity analysis purposes, a conservative approach was applied and all such investments have been designated "within 2-3 months".

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Closed-ended funds have been designated illiquid for the purposes of liquidity analysis. However, these closed-ended vehicles have a very different cash flow pattern to traditional investments since the monies committed are only drawn down as the underlying investments are made (usually over a period of 5 years) and distributions are returned as soon as underlying investments are exited (often as early as year 4).

In terms of cash flow, therefore, the net cash flow for such a vehicle usually only reaches a maximum of about 60-70% of the amount committed and cumulative distributions usually exceed cumulative draw-downs well before the end of the specified period, as these vehicles regularly return 1½ to 2½ times the money invested. At the same time, it has been the Fund's practice to invest monies on a regular annual basis so the vintage year of active vehicles ranges from 1997 to 2017. This means that, whilst all these monies have been designated closed-ended and thereby illiquid on the basis of their usual "10-year life", many are closer to maturity than implied by this broad designation.

As can be seen from the table, even using the conservative basis outlined above, around 78% of the portfolio is realisable within 1 month.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial institution will fluctuate because of changes in market price. The Fund is exposed to the risk of financial loss from a change in the value of its investments and the consequential danger that its assets will fail to deliver returns in line with the anticipated returns underpinning the valuation of its liabilities over the long term.

Market risk is comprised of two elements:

- The risks associated with volatility in the performance of the asset class itself (beta);
- The risks associated with the ability of managers, where allowed, to move away from index weights and to generate alpha, thereby offsetting beta risk by exceeding market performance.

The following table sets out an analysis of the Fund's market risk positions at 31st March 2017 by showing the amount invested in each asset class and through each manager within each main asset class, the index used as a benchmark, the target set for managers against this benchmark and managers' maximum target volatility (or risk) against index in achieving this. This expected risk is based on 10 year historic returns and volatility.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

	Manager	Market Value 2016/17 £000	Benchmark	Target (Net)	Risk (<) %
Fixed Interest Securities	Stone Harbor	198,621	1 Month LIBOR	+1.0%	6.0
Liability Driven Investment	Insight	393,858	Liability / FTSE	Match	21.0
Foreign equities–active	Investec	131,149	MSCI AC World NDR	+2.5%	14.0
	Wellington	106,336	MSCI EM Free	+1.5%	21.0
Multi strategy funds	Custodian "Best Ideas"	183,474	UK CPI	+3.0%	9.0
	Investec	82,874	UK CPI	+4.6%	9.0
	Pyrford	82,747	RPI	+4.5%	9.0
Hedge Fund	Man FRM	127,279	3 Month LIBOR	+3.5%	6.0
Property funds	Various	114,714	IPD Balanced PUTs	Exceed	5.0
Infrastructure funds	Various	31,761	3 Month LIBOR	+5.0%	10.0
Timber /Agricultural funds	Various	29,103	3 Month LIBOR	+5.0%	10.0
Private equity funds	Various	152,423	3 Month LIBOR	+5.0%	28.0
Opportunistic funds	Various	17,966	3 Month LIBOR	+5.0%	28.0
		1,652,305			

The risks associated with volatility in market values are mainly managed through a policy of broad asset diversification. The Fund sets restrictions on the type of investment it can hold through investment limits, in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Fund also adopts a specific strategic benchmark (details are in the Fund's ISS) and the weightings of the various asset classes within the benchmark form the basis for asset allocation within the Fund. Under normal conditions, there is quarterly rebalancing to this strategic benchmark within fixed tolerances. This allocation, determined through the Fund's asset allocation model, is designed to diversify and minimise risk for a specific level of performance through a broad spread of investments across both the main and alternative asset classes and geographic regions within each asset class. The current strategic benchmark is targeted to produce long-term returns of 6.5% with a volatility of around 12.6%.

Market risk is also managed through manager diversification – constructing a diversified portfolio across multiple investment managers. On a daily basis, managers will manage risk in line with the benchmarks, targets and risk parameters set for the mandate, as well as their own policies and processes. The Fund itself monitors managers on a regular basis (at least quarterly) on all these aspects. On property and private equity, fund and manager diversification is vital and, whilst a full list of investments is not detailed here, the Fund has exposures as follows:

	Market Value 2017 £000	Managers No.	Funds No.	Properties / Companies Estimated No.
Real Assets	175,578	25	41	>280
Private Equity / Opportunistic	170,389	25	70	>4,000

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments.

The fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the fund to ensure it is within limits specified in the fund's investment strategy.

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's Investment Consultant, JLT Group, the fund has determined that the following movements in market price risk are reasonably possible for the 2016/17 reporting period:

Asset Type	Potential Market Movements (+ / -)
Oveseas Equity	11.36%
Fixed Interest Securities	3.20%
Liability Driven Investing	16.76%
Pooled Multi Strategy	5.58%
Hedge Fund	5.67%
Alternatives	4.99%
Property	3.15%
Cash	0.01%

The sensitivities are consistent with the assumptions provided by the JLT Group based on historic data collated for the Fund. The analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates remain the same.

Had the market price of the Fund's investments increased / decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (prior year comparator also provided).

Asset Type	Market Value 2016/17	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and cash equivalents	33,623	0.01	33,626	33,620
Investment portfolio assets:-				
Global Equity inc UK				
Overseas Equity	237,485	11.36	264,456	210,514
Fixed Interest Securities	198,621	3.20	204,980	192,262
Liability Driven Investing	393,858	16.76	459,885	327,831
Pooled Multi Strategy	349,095	5.58	368,588	329,602
Hedge Fund	127,279	5.67	134,494	120,064
Alternatives	231,253	4.99	242,787	219,719
Property	114,714	3.15	118,324	111,104
	1,685,928		1,827,140	1,544,716

Tudalen 235

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Asset Type	Market Value 2015/16	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash and cash equivalents	15,034	0.01	15,036	15,032
Investment portfolio assets:-				
Global Equity inc UK	98,705	7.31	105,920	91,490
Overseas Equity	104,121	10.35	114,898	93,344
Fixed Interest Securities	170,331	4.03	177,195	163,467
Liability Driven Investing	315,530	13.12	356,928	274,132
Pooled Multi Strategy	227,037	5.67	239,910	214,164
Alternatives	340,331	2.51	348,873	331,789
Property	109,233	2.49	111,953	106,513
	<u>1,380,322</u>		<u>1,470,713</u>	<u>1,289,931</u>

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund recognises that interest rates can vary and affect both the income to the fund and the net assets available to pay benefits. The Fund's Fixed Income manager has advised that rates may rise by 61 basis points (bps) over the next year. As the fund does not use Fixed Income securities to provide income, the following sensitivity analysis only refers to cash and cash balances.

Asset Type	Carrying Value	Change in year in net assets available to pay benefits	
	2016/17	+61BPS	-61BPS
	£000	£000	£000
Cash and cash equivalents	20,000	122	(122)
Cash balances	13,623	83	(83)
	<u>33,623</u>	<u>205</u>	<u>(205)</u>

Asset Type	Carrying Value	Change in year in net assets available to pay benefits	
	2015/16	+25BPS	-25BPS
	£000	£000	£000
Cash and cash equivalents	1,395	3	(3)
Cash balances	13,639	34	(34)
	<u>15,034</u>	<u>37</u>	<u>(37)</u>

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any other currency other than the functional currency of the Fund (GBP). The Fund holds assets denominated in currencies other than GBP.

The following table summarises the Fund's currency exposure as at 31st March 2017 and as at the previous year end:

Currency Exposure - Asset Type	Market Value	Market Value
	2016/17 £000	2015/16 £000
Fixed Interest Securities	198,621	170,331
Overseas Equities Active	237,485	202,826
Multi Strategy	349,095	227,037
Hedge Funds	127,279	139,221
Property	30,952	32,056
Infrastructure	15,203	12,441
Timber / Agriculture	29,103	25,937
Opportunistic	14,632	8,240
Private Equity	130,350	118,118
	1,132,720	936,207

Following analysis of the historical data in consultation with the fund's Investment Consultants, JLT Group, and analysis of the exposures to foreign currency for the year to 31st March 2017, it was considered that the likely volatility associated with foreign exchange rate movements to be 5.95%. For the period to 31st March 2016, this was calculated to be 5.85%.

This analysis assumes that all other variables, in particular interest rates, remain constant. These individual year percentages strengthening/ weakening against the various currencies in which the fund hold investments would increase/ decrease the net assets available to pay benefits as follows:

Currency Exposure - Asset Type	Market Value	Percentage Change	Value on Increase	Value on Decrease
	2016/17 £000	%	£000	£000
Fixed Interest Securities	198,621	5.95	210,434	186,808
Overseas Equity - Active	237,485	5.95	251,609	223,361
Multi Strategy	349,095	5.95	369,857	328,333
Hedge Fund	127,279	5.95	134,849	119,709
Timber & Agriculture	29,103	5.95	30,834	27,372
Infrastructure	15,203	5.95	16,107	14,299
Property	30,952	5.95	32,793	29,111
Opportunistic	14,632	5.95	15,502	13,762
Private Equity	130,350	5.95	138,102	122,598
	1,132,720		1,200,087	1,065,353

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Currency Exposure - Asset Type	Market Value	Percentage Change	Value on Increase	Value on Decrease
	2015/16	%	£000	£000
Fixed Interest Securities	170,331	5.85	180,288	160,374
Overseas Equity - Active	202,826	5.85	214,682	190,970
Multi Strategy	227,037	5.85	240,309	213,765
Hedge Fund	139,221	5.85	147,359	131,083
Timber & Agriculture	25,937	5.85	27,453	24,421
Infrastructure	12,441	5.85	13,168	11,714
Property	32,056	5.85	33,930	30,182
Opportunistic	8,240	5.85	8,722	7,758
Private Equity	118,118	5.85	125,022	111,214
	<u>936,207</u>		<u>990,933</u>	<u>881,481</u>

9. RECEIVABLES/PAYABLES

	2017		2016	
	£000	£000	£000	£000
Current Assets :				
Contributions due - Employees	1,129		1,109	
Contributions due - Employers	2,572		2,394	
Added years	38		30	
H.M. Revenue and Customs	12		13	
Pension strain	544		1,635	
Administering authority	0		0	
Miscellaneous	250		168	
	<u>250</u>	4,545	<u>168</u>	5,349
Less Current Liabilities :				
Contributions	(7)		(6)	
Lump sums	(1,079)		(3,324)	
Death grants	(180)		(755)	
Administering authority	(418)		(284)	
Added years	(90)		(195)	
H.M. Revenue and Customs	(2)		(5)	
Miscellaneous	(531)		(427)	
	<u>(531)</u>	(2,307)	<u>(427)</u>	(4,996)
Net Current Assets		<u>2,238</u>		<u>353</u>

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

Analysis of receivables	2017	2016
	£000	£000
Central Government Bodies	12	13
Other Local Authorities	3,935	4,868
Other Entities and Individuals	598	468
	<u>4,545</u>	<u>5,349</u>
Analysis of payables	2017	2016
	£000	£000
Central Government Bodies	(3)	(5)
Other Local Authorities	(508)	(468)
Other Entities and Individuals	(1,796)	(4,523)
	<u>(2,307)</u>	<u>(4,996)</u>

10. MATERIAL TRANSACTIONS

The Fund undertakes a review of fund management arrangements every three or four years. A light-touch review was undertaken during 2016/17 and the following table details the changes which were completed during 2016/17. Some subscriptions and redemptions were staggered through 2016/17, details are shown below.

2016/17		Allocation		Redemption/ Subscription	
Manager	Mandate	Initial	Final	Initial	Final
Redemptions/ Change in Allocations					
Aberdeen	Frontier Market Equities	2.5%	0.0%	Nov-16	Jan-17
Stone Harbor	Multi-Asset Credit	15.0%	12.0%	N/A	N/A
Wellington	Emerging Market Equity	6.5%	6.0%	N/A	N/A
 Subscriptions					
Consultant	"Best Ideas" Portfolio	9.0%	11.0%	N/A	Feb-17

11. POST BALANCE SHEET EVENT

The accounts outlined within the statement represent the financial position of the Clwyd Pension Fund as at 31st March 2017. Since this date, the performance of the global equity markets may affect the financial value of pension fund investments. This movement does not affect the ability of the Fund to pay its pensioners.

12. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

In accordance with Regulations of 4(1)b of The Pension Scheme (Management and Investment of Funds) Regulations 2016, a market value or an estimate thereof has not been included for the money purchase AVC investments. These assets are specifically allocated to the provision of additional benefits for particular members. The Clwyd Pension Fund has the services of two AVC providers (Prudential and Equitable Life) for members' additional benefits with the funds being invested in a range of investment products including fixed interest, equity, cash, deposit, property and socially responsible funds, as follows :-

Contributions paid	£	807,023
Units purchased	No.	120,657
Units sold	No.	95,008
Market value as at 31st March 2017	£	4,960,248
Market value as at 31st March 2016	£	4,609,979

Tudalen 239

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

13. RELATED PARTY TRANSACTIONS

Governance

Under legislation, introduced in 2004, Councillors are entitled to join the Pension Scheme. As at 31st March 2017, two Members of the Clwyd Pension Fund Committee have taken this option. The four Co-opted Members of the Pension Fund Committee receive fees in relation to their specific responsibilities as members of the Committee in the form of an attendance allowance that is in line with that adopted by Flintshire County Council.

Key Management Personnel

The key management personnel of the fund are the Flintshire County Council Chief Executive and the Corporate Finance Manager (S151 Officer). Total remuneration payable to key management personnel for 2016/17 and 2015/16 is set out below for their time apportioned to the Fund.

	2017	2016
	£000	£000
Short-term benefits	16.7	16.8
Post-employment benefits	0.2	0.1
	16.9	16.9

Flintshire County Council

In the course of fulfilling its role as administering authority to the Fund, Flintshire County Council provided services to the Fund for which it charged £1.004m (£1.296m in 2015/16). These costs are in respect of those staff employed in ensuring the pension service is delivered, and other costs such as payroll and information technology. The costs are included in the accounts within oversight and governance, and administration expenses (see note 3). At the year end, a net balance of £0.408m was owing to Flintshire in relation to creditors payments made on behalf of the fund (£0.284m in 2015/16).

14. CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

As at 31st March 2017, the Fund has contractual commitments of £672.4m (£681.2m in 2015/16) in private equity infrastructure, timber and agriculture and property funds, of which £517.3m (£473.6m in 2015/16) has been deployed, leaving an outstanding commitment of £155.0m (£207.6m in 2015/16).

15. AGENCY ACCOUNTING

The Clwyd Pension Fund pays discretionary awards to the former employees of former and current Unitary Authorities, Town and Community Councils and Educational Organisations. The amounts are not included within the Fund Account but are provided as a service and fully reclaimed from the employer bodies. The sums are disclosed below.

	Payments on behalf of	
		2016
		£000
2,255	Wrexham County Borough Council	2,315
3,209	Flintshire County Council	3,298
1,823	Denbighshire County Council	1,877
551	Conwy County Borough Council	571
51	Coleg Cambria	48
36	Glyndwr	40
22	Powys County Council	23
9	North Wales Fires Service	10
9	DVLA	8
7	Local Government Management Board	7
0	Welsh Water Authority	4
4	Magistrates Court	4
1	Llanasa Community Council	1
1	Cefn Mawr Community Council	1
7,978		8,207

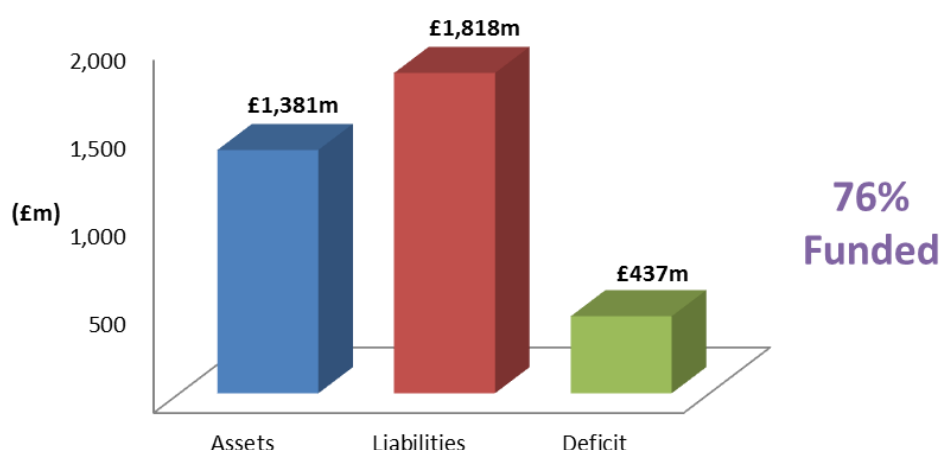
Tudalen 240

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

16. ACTUARIAL VALUATION & VALUE OF PROMISED RETIREMENT BENEFITS FOR THE PURPOSE OF IAS 26 (Provided by the Fund's Actuary – Mercer Limited)

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013. An actuarial valuation of the Clwyd Pension Fund was carried out as at 31st March 2016 to determine the contribution rates with effect from 1st April 2017 to 31st March 2020.

On the basis of the assumptions adopted, the Fund's assets of £1,381 million represented 76% of the Fund's past service liabilities of £1,818 million (the "Funding Target") at the valuation date. The deficit at the valuation was therefore £437 million.



The valuation also showed that a Primary contribution rate of 15.3% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and then maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall (or contribution reductions to refund any surplus).

The FSS sets out the process for determining the recovery plan in respect of each employer. At this actuarial valuation the average deficit recovery period is 15 years, and the total initial recovery payment (the "Secondary rate") for the three years commencing 1 April 2017 is approximately £29.4 million per annum. For most employers, the Secondary rate will increase at 3.45% per annum, except where phasing has been applied or where it was agreed with the employer to pay a flat contribution. With the agreement of the Administering Authority employers may also opt to pay some of their employer contributions early (after suitably agreed reductions), with either all three years being paid in April 2017 or payment being made in the April of the year in question.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated 31st March 2017.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

NOTES TO THE CLWYD PENSION FUND ACCOUNTS

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Funding Target and the Primary rate of contribution were as follows:

	For past service liabilities (Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate)	4.20% per annum	4.95% per annum
Rate of pay increases (long term)*	3.45% per annum	3.45% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.2% per annum	2.2% per annum

* allowance was also made for short-term public sector pay restraint over a 4 year period.

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31st March 2019. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1st April 2020.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, we have used the following financial assumptions as at 31st March 2017 (the 31st March 2016 assumptions are included for comparison):

	31 March 2016	31 March 2017
Rate of return on investments (discount rate)	3.6% per annum	2.5% per annum
Rate of pay increases*	3.5% per annum	3.55% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.0% per annum	2.3% per annum

* includes a corresponding allowance to that made in the latest formal actuarial valuation for short-term public sector pay restraint.

The demographic assumptions are the same as those used for funding purposes. Full details of these assumptions are set out in the formal report on the actuarial valuation dated 31st March 2017.

During the year, corporate bond yields fell, resulting in a lower discount rate being used for IAS 26 purposes at the year end than at the beginning of the year (2.5% p.a. versus 3.6% p.a.). The expected long-term rate of CPI inflation increased during the year, from 2.0% p.a. to 2.3%. Both of these factors combined served to significantly increase the liabilities over the year. The pay increase assumption at the year end has also changed to allow for short-term public sector pay restraint, together with a lower assumed level of "real" pay growth above CPI inflation, both of which serve to reduce the liabilities.

The value of the Fund's promised retirement benefits for the purposes of IAS 26 as at 31st March 2016 was estimated as £2,164 million. Interest over the year increased the liabilities by c£78 million, though allowing for net benefits accrued/paid over the period then decreased them by c£2 million (after allowing for any increase in liabilities arising as a result of early retirements/augmentations). There was then a further increase in liabilities of £402 million made up of "actuarial losses" (mostly changes in the actuarial assumptions used, primarily the discount rate and assumed rate of future CPI as referred to above).

The net effect of all the above is that the estimated total value of the Fund's promised retirement benefits as at 31st March 2017 is therefore £2,642 million.

Tudalen 242

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLINTSHIRE COUNTY COUNCIL

I have audited the accounting statements and related notes of:

- Flintshire County Council;
- Flintshire County Council Group; and
- Clwyd Pension Fund;

for the year ended 31 March 2017 under the Public Audit (Wales) Act 2004.

Flintshire County Council's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the Housing Revenue Account Income and Expenditure Account and Movement on Reserves Statement.

Flintshire County Council's Group accounting statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement.

Clwyd Pension Fund's accounting statements comprise the Fund Account and the Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the Auditor General for Wales

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10, the responsible financial officer is responsible for the preparation of the statement of accounts, Flintshire County Council's Group accounting statements and Clwyd Pension Fund's accounting statements, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Flintshire County Council, Flintshire County Council Group's and Clwyd Pension Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Flintshire County Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Flintshire County Council as at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLINTSHIRE COUNTY COUNCIL

Opinion on the accounting statements of Flintshire County Council Group

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Flintshire County Council Group as at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

Opinion on the accounting statements of Clwyd Pension Fund

In my opinion, the pension fund accounts and related notes:

- give a true and fair view of the financial transactions of Clwyd Pension Fund during the year ended 31 March 2017 and of the amount and disposition of the fund's assets and liabilities as at that date; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

Opinion on other matters

In my opinion, the information contained in the Narrative Report is consistent with the accounting statements and related notes.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the accounting statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit;
- the Annual Governance Statement does not reflect compliance with guidance.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Flintshire County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Anthony Barrett
For and on behalf of
Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Signature

Date: September 2017

ANNUAL GOVERNANCE STATEMENT

What is Governance?

“Governance is at the heart of public services. It underpins how resources are managed, how decisions are made, how services are delivered and the impact they have, now and in the future. It also infuses how organisations are led and how they interact with the public. Governance needs to be robust but it must also be proportionate. Well-governed organisations are dynamic and take well-managed risks; they are not stagnant and bureaucratic.”¹

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Flintshire County Council acknowledges its responsibility for ensuring that there is a sound system of governance. The Council has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on the Council’s website. A summary of the principles upon which it is based can be found later in this document.

The Council’s governance framework supports its aim as a modern public body which has the **philosophy** of operating as a social business which:

- is lean, modern, efficient and effective
- is designed, organised and operates to meet the needs of communities and the customer; and
- works with its partners to achieve the highest possible standards of public service for the well-being of Flintshire as a County.

To meet these aspirations the Council has set the **standards** of:-

- achieving excellence in corporate governance and reputation.
- achieving excellence in performance against both our own targets and against those of high performing peer organisations.
- being modern and flexible, constantly adapting to provide the highest standards of public, customer, and client service and support.
- using its four resources - money, assets, people and information - strategically, effectively and efficiently.
- embracing and operating the leanest, least bureaucratic, efficient and effective business systems and processes.

To achieve these standards the Council’s **behaviours** are:-

- showing strategic leadership both of the organisation and our partnerships.

¹ Wales Audit Office: “Discussion Paper: The governance challenges posed by indirectly provided, publicly funded services in Wales” 2017

ANNUAL GOVERNANCE STATEMENT

- continuously challenging, reviewing, changing and modernising the way we do things.
- being as lean and un-bureaucratic as possible.
- using new technology to its maximum advantage.
- using flexible working to its maximum advantage.

The Council is committed to the **principles** of being:-

- a modern, fair and caring employer.
- fair, equitable and inclusive in its policies and practices.
- conscientious in planning and managing its activities, and making decisions, in a sustainable way.

The Council is also committed to specific values and principles in working with its key partners and partnerships. These cover strategic partnerships such as the Public Service Board (previously the Local Service Board) and with the voluntary sector such as agreeing a set of Voluntary Sector Funding principles.

The Council is the Administering Authority for the Clwyd Pension Fund (the Pension Fund). The governance arrangements detailed in this Annual Governance Statement apply equally to the Council's responsibilities to the Pension Fund. There are further specific requirements for the Pension Fund which are:-

- The Statement of Investment Principles;
- Funding Strategy Statement;
- A full Actuarial Valuation to be carried out every third year.

ANNUAL GOVERNANCE STATEMENT

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit (Wales) Regulations 2014 to prepare a statement on internal control. Alongside many authorities in Wales, Flintshire refers to this as the 'Annual Governance Statement'. This is a public document that reports on the extent to which the Council complies with its own code of governance.

In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement;
- reports on any significant governance issues identified from this review and provides a commitment to addressing them.

The annual governance statement reports on the governance framework that has been in place at Flintshire County Council for the year ended 31st March 2017 and up to the date of approval of the statement of accounts.

ANNUAL GOVERNANCE STATEMENT

How has the Annual Governance Statement been prepared?

The initial review of the Council's governance framework was carried out by a group of officers from the Corporate Governance Working Group. This group prepared questionnaires for each portfolio Chief Officer and also for some specific governance functions such as finance, human resources and legal. The questionnaires were based on the seven principles that follow in the main part of this document and were assessed to identify any areas for improvement. Questionnaires were also completed by the Chairs of Overview and Scrutiny committees. In addition the Audit Committee undertakes a self assessment, which has also informed this work.

The preparation and content of this year's governance framework has been considered by the Chief Officer Team, with assurance support from Internal Audit, Audit Committee and External Audit (Wales Audit Office). The governance framework cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

In preparing the Annual Governance Statement the Council has:

- reviewed the Council's existing governance arrangements against the local Code of Corporate Governance.
- updated the local Code of Corporate Governance where necessary, to reflect changes in the Council's governance arrangements and the requirements of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities.
- assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period.

The Chief Officer Team, which is led by the Chief Executive, have also considered the significant governance issues and principles facing the Council. These are evidenced in pages 127 - 134 of the document. Principles **highlighted in Green** reflect those which the Chief Officers assessed as being applied consistently well across the Council. Principles assessed as needing further improvement are detailed on pages 140 – 142.

The Council's Audit Committee, provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. As part of this role the Committee reviews and approves the Annual Governance Statement.

ANNUAL GOVERNANCE STATEMENT

What are the key principles of the Corporate Governance Framework?

The Council aims to achieve good standard of governance by adhering the seven key principles of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. The seven key principles 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

ANNUAL GOVERNANCE STATEMENT

Principle A

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

Sub Principles:

Behaving with Integrity

Demonstrating strong commitment to ethical values

Respecting the rule of law

How we do this:

Tudalen 250

- The behaviour and expectations of Officers and Members are set out in the Council's Codes of Conduct, Constitution, and a suite of policies and procedures relating to Officers and Member induction, supervision, training and appraisals and leadership competencies.
- Case management both for Members and Officers.
- 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.
- The Council takes fraud seriously. Key policies are in place to prevent, minimise and manage such occurrences. Policies include:
 - Whistleblowing Policy
 - Anti-Fraud and Corruption Strategy
 - Fraud Response Plan
 - Financial and Contract Procedure Rules
- Compliance with policies and protocols e.g. Contract Procedure Rules
- Enhanced profile of Internal Audit

- A set of leadership competencies are deployed in each Portfolio and led by each Chief Officer.
- The Council's recruitment policy, training and competencies based appraisal processes underpin personal behaviours with ethical values.
- Robust policies and procedures are in place, subject to formal approval prior to adoption by formal committees.
- All contracts and external service providers, including partnerships are engaged through the robust procurement process and follow the Contract Procedure rules regulations.
- Application of the corporate operating model; our way of being organised, working internally to promote high standards of professional performance and ethical behaviour to achieve organisational priorities and objectives.

- The Council ensures that statutory officers and other key officers and members fulfil legislative and regulatory requirements through a robust framework which includes: Scheme of delegation; induction, development and training of existing and new requirements; application of standing operating procedures; and engagement of early / external advice where applicable.
- **The full use of the Council powers are optimised by regular challenge and keeping abreast of new legislation to achieve corporate priorities and to benefit citizens, communities and other stakeholders e.g. alternative service models (ADM's)**
- Effective Anti-Fraud and Corruption framework supported by a suite of policies; any breaches are handled in accordance key legislative provision and guidance from appropriate bodies.
- The Council's Monitoring Officer is responsible for ensuring the Council complies with the law and avoids maladministration. The Council's Constitution promotes high standards of conduct which is monitored by the Standards Committee.
- Consistent application of risk assessments for both strategic, operational and partnership plans.

ANNUAL GOVERNANCE STATEMENT

Principle B

Ensuring openness and comprehensive stakeholder engagement

Sub Principles:

Openness

Engaging comprehensively with institutional stakeholders

Engaging stakeholders effectively, including individual citizens and service users

How we do this:

- The Council is committed to having an open culture. This is demonstrated by:
 - Complaints and Compliments Procedure
 - Meetings are conducted in an open environment
 - Council's website
- **The most appropriate and effective interventions / courses of action are determined using formal and informal consultation and engagement supported by:**
 - **Public consultation around the MTFs**
 - **Consultation principles, e.g. School Modernisation Programme**
 - **Formal and informal engagement models with employee and communities e.g. alternative delivery models Member workshops**
 - **County Forum (Town and Community Council's)**
 - **Engagement with Trade Unions**

- The Council effectively engages with stakeholders to ensure successful and sustainable outcomes by:
 - Effective application and delivery of communication strategies to support delivery
 - Targeting communications and effective use of Social Media
 - Formal and Informal meetings with key stakeholder groups
 - Effective stakeholder engagement on strategic issues
 - Service led feedback questionnaires and events
- **Effective use of resources and achievement of outcomes is undertaken by the Council both through informal and formal partnerships:**
 - **Extensive range of partnerships to support the delivery of the Council's strategic priorities, including the Public Services Board**
 - **Open and productive partnership arrangements supported by an effective governance framework**
 - **Trust and good relations lead to delivery of intended outcomes e.g. community asset transfers**
 - **Partner representation at Scrutiny committees**

- 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. This includes:
 - Range of customer channels
 - Undertaking Impact assessments
 - Results from satisfaction surveys to enhance service delivery where applicable
 - Complaints reviewed to assess organisational learning and change
 - Sharing soft intelligence and good practice
 - Committee reports portray all relevant feedback
 - Services are assessed for value for money and opportunities for efficiencies
- The Council has appropriate structures in place to encourage public participation governed through the Communication and Social Media Policies. These include:
 - E-newsletters
 - The Council's website
 - Tenants Forums
 - Service user groups
 - Quality circles

ANNUAL GOVERNANCE STATEMENT

Principle C

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

Sub Principles:

Defining outcomes

Sustainable economic, social and environmental benefits

How we do this

Tudalen 252

- **The Council has a clear vision describing the organisation's purpose and intended outcomes which is achieved through:**
 - **Linking of vision and intent to the MTFS which links to the Council's Improvement Plan, Portfolio Business Plans and other plans and strategies with a focus on priorities for change and improvement**
 - **Organisational objectives are delivered through Programme Boards and political decision making processes**
 - **Service Planning consideration including sustainability of service delivery**
- Risk Management is applied consistently at project, partnership and business plan levels using the corporate performance system (CAMMS) which adheres to the Risk Management Policy and Strategy and ensures consistent application of risk registers and terminology. Risk appetite is also considered whilst developing future scenarios and options with key staff
- 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.

- The Council takes a longer term view and balances the economic, social and environmental impact of policies, plans etc. along with the wider public interest when taking decisions about service provision. This is supported by a range of governance approaches:
 - Budget setting of the Capital Programme and MTFS and longer term business planning through the use of effective forecasting models
 - Setting longer term objectives regardless of political term
 - Multi-disciplinary approach to policy development of economic, social and environment issues e.g. Welfare Reform, Corporate Safeguarding
 - Procurement strategy defines expectations around economic, social and environment benefits which inform service specifications, tenders and contracts.
 - Communication plans for public and community engagement
 - Clear documented record of route to change

ANNUAL GOVERNANCE STATEMENT

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles:

Determining interventions

Planning interventions

Optimising achievement of intended outcomes

How we do this

- Good judgement in making decisions is achieved by ensuring decision makers receive objective and rigorous analysis of information and options to achieve intended outcomes including the related risks. This is achieved by:
 - Full engagement with members on a longer term basis e.g. MTFS and Business Plans
 - Delivery of the MTFS and budget setting process providing options for the public, stakeholders and members to be engaged to consider modifications
 - Development of forecasting models
 - Active engagement of key decision making in the development of initial ideas, options and potential outcomes and risks e.g. ADM Programme, Gateways
 - Clear option appraisals detailing impacts, savings and risks
 - Budget monitoring for each Portfolio and corporate considerations
 - Managing expectation for key stakeholders
 - Other key workforce strategies e.g. digital and procurement
 - Application of Impact Assessments

- The Council has established and implemented robust planning and control cycles covering strategic and business plans, priorities, targets, capacity and impact. This is achieved through:
 - Co-design of service solutions with key stakeholders
 - Application of risk management principles when working in partnership and collaboratively and the active use of risk registers
 - Regular monitoring of business planning, efficiency and reliability including feedback on business planning model
- **Service performance is measured through national performance indicators and establishing a range of local indicators, which are regularly monitored, reported and used for benchmarking purposes**
- Robust and inclusive methodologies are in place to formulate the MTFS which is an integral part of the Council's governance framework and Portfolio Business plans are linked to the Council's Improvement Plan

- Resource requirements for the services are identified through the business planning process and detailed within the MTFPs highlighting any shortfall in resources and spending requirements.
- To ensure the budget process is all-inclusive, taking into account the full cost of the operations over the medium and longer term, regular engagement and ownership of the budget through the Chief Officer Team and consultation with members through workshops and robust scrutiny process is undertaken.
- Community benefits are achieved through the effective commissioning of services and compliance with Council procedures.
- Consultation and engagement around the content of the MTFS through public and employee events sets the context for residents and employees. In particular relating to ongoing decisions on significant delivery issues or responses to changes in the external environment

ANNUAL GOVERNANCE STATEMENT

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Sub Principles:

Developing the entity's capacity

Developing the capability of the entity's leadership and other individuals

How we do this:

Tudalen 254

- **We review our operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness by:**
 - **Review of service delivery, performance and risks through team meetings and quarterly formal reporting,**
 - **Programme boards development and monitoring**
- **The Council reviews the sufficiency and appropriates of resource allocation through techniques such as:**
 - **Benchmarking both internal and external review undertaken to identify improvements in resource allocation, including the use of national and local PIs**
 - **Internal challenge**
- 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
- Develop and maintain the workforce plan to enhance the strategic allocation of resources through the publication of regular workforce data reports and drawing intelligence from supervision and appraisal meetings.
- Future workforce and succession planning is being undertaken in each portfolio to identify future workforce capability and progression.

- Effective shared leadership which enables the Council 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
 - Development workforce and 'leadership capacity' and 'managing performance' are two of the five priorities within the People Strategy 2016-2019.
- Individual and organisational requirements are supported through:
 - Corporate induction for new employees to the Council
 - Inductions for employees in new jobs
 - Continued learning and development for employees identified through the competency based appraisal system and one to one meetings
 - A comprehensive range of training and development opportunities available, in partnership with Coleg Cambria and professional bodies.
 - Feedback and shared learning to the organisations both through reports and interactive sessions such as the 'Academi'
- The health and wellbeing of the workforce to support and maintain the physical and mental wellbeing is provided through a range of interventions, including, Occupational Health Service, Signposting employees to Care First (independent Counselling support), Management Awareness and Support, internal training and awareness sessions to support stress related absences.

ANNUAL GOVERNANCE STATEMENT

Principle F

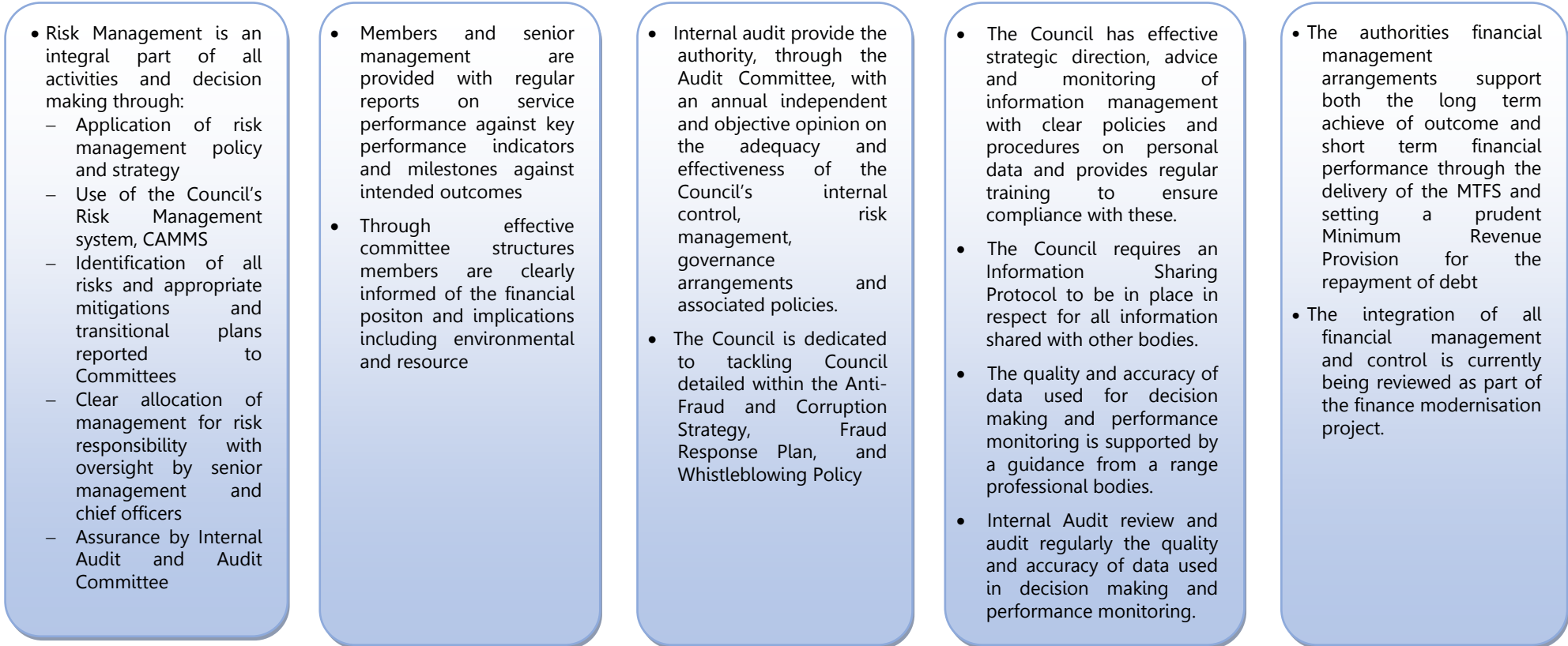
Managing risks and performance through robust internal control and strong public financial management

Sub Principles:



How we do this:

Tudalen 255



ANNUAL GOVERNANCE STATEMENT

Principle G

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

Sub Principles:

Implementing good practice in transparency

How we do this:

- The Council has recently improved the layout and presentation of its reports in order to improve the presentation of key information to decision-makers.

Implementing good practices in reporting

- The Council reports at least annually on the achievement and progress of its intended outcomes and financial position. This is delivered through the:
 - Annual Performance report assessing performance against the Improvement Plan
 - Annual Statement of Accounts demonstrate how the Council has achieved performance, value for money and the stewardship of its resources.

Assurance and effective accountability

- Through robust assurance mechanisms the Council can demonstrate effective accountability. These mechanisms include:
 - 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.
 - All agreed actions from Internal Audit reviews are monitored regularly with reports to Chief Officers monthly and each Audit Committee.
 - Peer challenge and inspection from regulatory bodies and external compliance reviews. The outcomes from these inspections are used to inform and improve service delivery such as report from Shelter on Homelessness
 - Through effective commissioning and monitoring arrangements and compliance with Council's procedures, the Council gains assurance on risk associated with delivering services through third parties and any transitional risks.
 - Reports are presented to Cabinet and an annual report to Audit Committee of external feedback from peer reviews and the Council's responses.

ANNUAL GOVERNANCE STATEMENT

Contributors to an effective Governance Framework

Tudalen 257

Council	<ul style="list-style-type: none"> – Approves the Corporate Plan (Improvement Plan) – Endorses the Constitution – Approves the policy and financial frameworks
Cabinet	<ul style="list-style-type: none"> – Primary decision making body of the Council – Comprises of the Leader of the Council and Cabinet members who have responsibility for specific portfolios
Audit Committee	<ul style="list-style-type: none"> – Help raise the profile of internal control, risk management and financial reporting issues within the Council, as well as providing a forum for the discussion of issues raised by internal and external auditors
Standards & Constitution Committees	<ul style="list-style-type: none"> – Standards Committee promotes high standards of conduct by elected and co-opted members and monitors the operation of the Members' Code of conduct. – Constitution Committee considers and proposes changes to the Constitution and the Code of Corporate Governance.
Portfolio Programme Boards	<ul style="list-style-type: none"> – Track efficiencies, highlighting risk and mitigating actions to achievement – Consider the robustness of efficiency planning and forecasting and consider resourcing of planned delivery – Plan communication and engagement activity
Overview & Scrutiny Committees	<ul style="list-style-type: none"> – Review and scrutinise the decisions and performance of Council, Cabinet, and Committees – Review and scrutinise the decisions and performance of other public bodies including partnerships – Assists the Council and Cabinet in the development of the Budget and Policy framework by in-depth analysis of policy issues.
Chief Officers Team & Service Managers	<ul style="list-style-type: none"> – Set governance standards – Lead and apply governance standards across portfolios – Undertake annual self assessment
Internal Audit	<ul style="list-style-type: none"> – Provide an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements – Investigates fraud and irregularity

ANNUAL GOVERNANCE STATEMENT

How does Flintshire Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance framework including the system of internal control. The key elements of assurance that inform this governance review are detailed below:

Tudalen 258

Chief Officers Team	Monitoring Officer	Section 151 Officer	Information Governance	Internal Audit
<ul style="list-style-type: none"> Corporate oversight and strategic planning Annual Corporate Governance Assessment Implement and monitor regulatory and other governance protocols 	<ul style="list-style-type: none"> Legal and regulatory assurance Monitors the operation of the Constitution Ombudsman investigations 	<ul style="list-style-type: none"> Proper administration of the Council's financial affairs 	<ul style="list-style-type: none"> Designated Senior Information Risk Owner (SIRO) Data Protection procedures Information Security & Records Management procedures 	<ul style="list-style-type: none"> Annual opinion report on adequacy of internal controls, risk management and governance arrangements Internal Audit plan and report tracking / performance by Audit Committee Provision of Advice & Consultancy Undertake Investigation and proactive Fraud work
Overview & Scrutiny	Audit Committee	Risk Management	External Audit / Inspections	Counter Fraud
<ul style="list-style-type: none"> Policy review and challenge Overview & scrutiny of topics Corporate & Portfolio Performance & Risk monitoring 	<ul style="list-style-type: none"> Self-assessment of Audit Committee Review effectiveness of internal and external audit Consider the adequacy of the internal control, risk management and Governance arrangements 	<ul style="list-style-type: none"> Risk Management Policy and Strategy Quarterly monitoring and reporting of Strategic Risks 	<ul style="list-style-type: none"> Financial statements audit Thematic & national reviews Other external inspections 	<ul style="list-style-type: none"> Anti-Fraud and Corruption & Whistleblowing arrangements Codes of Conduct for Officers and Members Financial and Contract Procedure Rules

ANNUAL GOVERNANCE STATEMENT

How has the Council addressed the governance and strategic issues from 2015/16?

The 2015/16 Annual Governance Statement contained 13 key improvement areas. The issues and how they were addressed are below:

The Issue:	What Flintshire did:
Internal Council Governance Issues	
Potential impact of the Local Government (Wales) Bill	<p>Continued an active involvement in the negotiation and planning over any agreed changes both politically and professionally at both national and regional level.</p> <p>Prioritised time and resources for responding to consultations from Welsh Government.</p>
Ongoing public sector fiscal position	<p>Made a compelling case for both the reform of local government finance and for the specific needs of Flintshire as a low funded council (per capita).</p> <p>Influenced national decision-makers through negotiation as part of the collective negotiations via the Welsh Local Government Association.</p> <p>Compiled Medium Term Financial Strategy Planning for a number of challenging scenarios.</p>
Medium Term Financial Strategy	<p>Continued to review and revise the Medium Term Financial Strategy and update on an ongoing basis alongside the 2016/17 Improvement Plan. Reviewed to (1) forecast the financial resources to be available to the Council during the period 2016/17 – 2018/19, and the budget pressures based on the best available intelligence (2) identify the next stage solutions available including business plan proposals and alternative delivery models and (3) make a persuasive case for national ‘gap’ funding to close the 2017/18 annual budget.</p> <p>Continued to lobby Welsh Government for earlier and timelier indications of future indicative settlements to enable effective and longer term financial planning to be undertaken.</p> <p>Continued to develop and make the case for the reform of local government finance and for the specific needs of Flintshire, as a low funded council, and the risks to service provision and performance in the absence of some relief from continued national funding reductions.</p>
Transition to Alternative Delivery Models	<p>Developed and delivered a robust business planning and transition process.</p>

Tudalen 259

ANNUAL GOVERNANCE STATEMENT

Tudalen 260

The Issue:	What Flintshire did:
	<p>Ensured that effective governance models were in place.</p> <p>Continued support and advice for community organisations post transfer.</p>
Community Assets Transfers	<p>Developed and undertook an effective strategy for engaging with communities.</p> <p>Ensured that effective governance models were in place.</p> <p>Continued support and advice for community organisations post transfer.</p>
Joint working with Health	<p>Continued to rebuild effective working relationships at governance and operational levels.</p> <p>Ensured that effective joint service and financial planning was developed.</p> <p>Made clear and persuasive cases for joint funding from new sources of national funding.</p>
Business continuity planning	<p>Reviewed the internal Business Continuity Plans which continue to be progressed as part of the work programme of the Regional Emergency Planning Service.</p> <p>Ongoing plan maintenance.</p>
Changing service resource demands from new legislation including Social Services Wellbeing and Future Generations Act	<p>Ensured that forward planning, forecasting and demand management arrangements were in place.</p> <p>Continued to be aware of and challenge unsustainable national policy proposals which may emerge.</p> <p>Continued to make persuasive, evidenced cases for national funding to meet service cost pressures.</p>
Service Resilience in the face of the scale and pace of service portfolio planning	<p>Leadership of evidenced business planning and full and early member engagement on options for change with an earlier annual budget setting process than in earlier years drawing on the forward business plans for services.</p> <p>Effectively allocated the Council's capacity, also using Invest to Save funds well to add capacity.</p> <p>The continued use of the Programme Boards to oversee and manage change programmes.</p>

In addition there were strategic issues which were identified in the Improvement Plan for 2015/16 which are more service-based.

ANNUAL GOVERNANCE STATEMENT

The Issue:	What Flintshire did:
Strategic Issues	
School Modernisation	<p>Developed an effective strategy for change based on the Council's revised Schools modernisation policy.</p> <p>Made additional resource available for project management as required.</p> <p>Planned a scalable and affordable programme of capital investment.</p>
Social Services Market Fragility	<p>Reviewed commissioning fees paid to providers</p> <p>Retention of Council direct provision.</p> <p>Improved national funding and support.</p> <p>Developed new market models in partnership.</p>
Competitiveness of the North East Wales sub-regional economy in a competitive and changing UK market.	<p>Full and active support for the regional strategic work e.g. on business cases for rail infrastructure.</p> <p>Full participation in cross border partnerships and business cases for national growth strategies and bids specifically the Mersey Dee Alliance, the Northern Powerhouse, and the North Wales-Cheshire and Warrington Local Economic Partnership Growth Bids.</p>
Social Housing Provision Delivery e.g. SHARP	<p>Forward strategy and capital planning.</p> <p>Sufficient programme management resourcing.</p> <p>Ensured that Welsh Government capital funding e.g. Major Repairs Allowance (MRA) were retained.</p>

Tudalen 261

ANNUAL GOVERNANCE STATEMENT

What are the significant governance and strategic issues identified during 2016/17?

The review of the effectiveness of the Council's governance framework has identified the following significant issues that will need to be addressed during 2017/18. These are categorised as:

- i) Internal Council Governance issues – those derived from the portfolio annual self assessments that affect the internal governance arrangements of the Council.
- ii) Strategic Improvement Plan issues – those that have been identified as part of the Improvement Plan for 2016/17 which remain un-mitigated i.e. a 'Red' risk status.

Tudalen 262

i) Internal Council Governance issues	Risk	Mitigation
Views and experiences of citizens, service users and organisations of different backgrounds including reference to future needs are taken into account	<ul style="list-style-type: none"> • Service planning does not take into account service user's needs in the future • Legal and or judicial challenges 	Development of an integrated impact assessment approach to inform budget decisions and longer term sustainability of services.
Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> • Risks are not mitigated during transitional or implementation phases • Outcomes are under-achieved 	Consistent application of the Council's risk management approach across all strategic, operational and partnership working.
Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	<ul style="list-style-type: none"> • Misalignment of plans and strategies • Missed opportunities for joint and collaborative working 	Refresh of business plan approach across all portfolios including contributions to key corporate strategies.
Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> • Reduction in service quality • Inability to benchmark and compare service quality 	Ensure that service reform, succession and workforce planning takes into account information requirements.
Developing and maintaining an effective workforce plan to enhance strategic allocation of resources.	<ul style="list-style-type: none"> • Sustainability of service provision • Ineffective allocation of resources 	Workforce planning for senior levels within each portfolio assessing workforce demographics, changing requirements and market demand. Development of a succession plan, identifying areas of talent

ANNUAL GOVERNANCE STATEMENT

i) Internal Council Governance issues	Risk	Mitigation
		and additional support for growth and continued service delivery.
Effective arrangements for safe collection, storage, use and sharing data	<ul style="list-style-type: none"> • Legal challenge and fines • Personal confidentiality breached 	Provision of clear guidelines, awareness and appropriate training. Oversee and supervision of arrangements by managers.
Ensure there is effective internal financial management in place	<ul style="list-style-type: none"> • Mismanagement of public funds 	Roll out of financial management self-serve, ensuring that all budget areas are risk assessed, all budget managers are appropriately trained and continue to improve the systems and technology that support financial management.

Tudalen 263

ii) Strategic Issues from the Improvement Plan	Risk	Mitigation
Fragility and sustainability of the care home sector	<ul style="list-style-type: none"> • Reduced quality of care, increased difficulties with recruitment and retention of staff and reduced capacity in the care home sector. 	Refocus specialisms within in-house provision to fit with changing demands. Continue to monitor capacity in the sector.
Council funding for adaptations and home loans will not be sufficient to meet demand	<ul style="list-style-type: none"> • Adaptations are a statutory duty for the Council. Demand in excess of current budgets would create a financial pressure on the capital programme 	Monthly management monitoring of budgets and case load. Co-ordination across Council teams to ensure the approach to adaptations makes best use of the available budget.
Numbers of school places not matching the changing demographics	<ul style="list-style-type: none"> • High teaching ratios, unfilled places and a backlog of maintenance pressures. 	Continuation of School Modernisation Programme will reduce unfilled places, reduce backlog maintenance, and remove unwanted fixed costs and infrastructure
Limited funding to address the backlog of known repair and maintenance work in Education and Youth assets	<ul style="list-style-type: none"> • Fabric of Education and Youth buildings will continue to decline leading to an increase in health and safety issues and imbalance between surplus and unfilled places. 	Condition surveys continue to identify priorities for investment. Implement County Policy for School re-organisation and modernisation.

ANNUAL GOVERNANCE STATEMENT

Tudalen 264

ii) Strategic Issues from the Improvement Plan	Risk	Mitigation
Available funding for energy efficient measures may fall short of public demand	<ul style="list-style-type: none"> • Public frustration and reduced funding may impact upon the Council's reputation • Opportunities to reduce household costs and fuel poverty may not be fully realised 	<p>All potential sources of external funding proactively targeted for support.</p> <p>Use made wherever possible of innovative forms of finance.</p> <p>Managing public expectation as far as possible.</p>
Funding will not be secured for priority flood alleviation schemes	<ul style="list-style-type: none"> • Flood alleviation schemes will not be delivered leading to increased risks of damage to infrastructure and community disturbance. 	<p>Review our approach to funding capital projects</p>
The scale of the financial challenge	<ul style="list-style-type: none"> • The Council has insufficient funding to meet its priorities and obligations. 	<p>The Council's Medium Term Financial Strategy and efficiency programme.</p> <p>National negotiations on local government funding.</p>

ANNUAL GOVERNANCE STATEMENT

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

Tudalen 265

Colin Everett – Chief Executive

Cllr. Aaron Shotton – Leader of the Council

ANNUAL GOVERNANCE STATEMENT

Flintshire County Council Corporate Governance Framework Principal Statutory Obligations and Organisational Objectives

Behaving with integrity, demonstrating strong commitment to ethical values & respecting the rule of the Law

Ensuring Openness & Comprehensive Stakeholder Engagement

Defining Outcomes in terms of Sustainable Economic, Social & Environmental Benefits

Determining the Interventions to optimise the achievements of the intended outcomes

Developing the Council's capacity, including capability of its leadership & individuals within it

Managing risks & performance through robust internal control & strong financial management

Implementing good practices in transparency, reporting & audit to deliver effective accountability

Assurance Statement

Corporate Governance comprises the systems and processes, cultures and values, by which Flintshire County Council are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities

Public Key Documents: Annual Review / Production

- Annual Governance Statement
- Annual Outturn Finance Report
- Annual Performance Report
- Annual Information Governance Statement
- Capital Strategy and Asset Management Plan
- Code of Corporate Governance
- Contract Procedure Rules
- Digital Strategy
- Financial Regulations
- Improvement Plan
- Medium Term Financial Strategy
- Members' Allowance Scheme
- Overview and Scrutiny Annual Report
- Portfolio Business Plans
- Public Services Board Wellbeing Plan
- Statement of Accounts
- Strategic Equality Plan
- Strategic Risk Register
- Treasury Management Strategy

Key Documents: Ad-hoc Review / Production

- Anti-Fraud Work plan
- Business Continuity Plans
- Communications Principles
- Constitution
- Data Protection Policy
- Equality and Diversity Policies
- HR Policies
- Health & Safety Policies
- Internal/External Audit Protocol
- IT Policies
- Members Code of Conduct
- Officers Code of Conduct
- Procurement Strategy
- Social Media Policy
- Welsh Language Standards
- Whistle Blowing Policy

Contributing Processes Regulatory Monitoring

- Appraisal and Supervision
- Attendance management
- Audit Committee
- Budget Monitoring Reports
- Comments, Complaints and Compliments
- Corporate Governance
- Corporate Health & Safety
- Council (Plan) Governance Framework
- Council Meetings
- Engagement and Consultation
- External Audit
- FCC Web site
- Induction
- Inspectorate Reports
- Internal Audit
- Job Descriptions
- Manager Toolkits
- Member Training
- Monitoring Officer
- Partnership Self Assessments
- Performance Management
- Risk Management
- Scrutiny Framework
- Staff induction
- Your Council newsletter



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report – **Flintshire County Council**

Audit year: 2016-17

Date issued: September 2017

Document reference: 135A2017-18

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Contents

The Auditor General intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval.

Summary report

Introduction	4
Status of the audit	4
Proposed audit report	4
Significant issues arising from the audit	5
Recommendations arising from our 2016-17 financial audit work	7
Independence and objectivity	7

Appendices

Appendix 1 – Final Letter of Representation	8
Appendix 2 – Proposed audit report of the Auditor General to the Flintshire County Council	11
Appendix 3 – Summary of corrections made to the draft financial statements which should be drawn to the attention of Flintshire County Council	14
Appendix 4 – Responses to recommendations arising from our 2015-16 financial audit work	16
Appendix 5 – Recommendations arising from our 2016-17 financial audit work	17

Summary report

Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of Flintshire County Council (the Council) and its Group at 31 March 2017 and its income and expenditure for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The quantitative levels at which we judge such misstatements to be material for the Council and its Group is £4.9 million. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 5 This report sets out for consideration the matters arising from the audit of the financial statements of the Council, for 2016-17, that require reporting under ISA 260.

Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2017 on 30 June 2017, in the line with the statutory deadline, and have now substantially completed the audit work.
- 7 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with the Corporate Finance Manager and his team.

Proposed audit report

- 8 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
- 9 The proposed audit report is set out in [Appendix 2](#).

Significant issues arising from the audit

Uncorrected misstatements

- 10 Where we identify misstatements that are not trivial but have no impact on our opinion, we raise them with management who have the option to amend for them. Where they decide not to amend, their decision needs to be ratified by those charged with governance to ensure they agree. We set out below the misstatement we identified in the financial statements, which has been discussed with management who have decided not to amend it due to it not being material, a figure that is estimated that will be corrected in 2017-18, and therefore not having a significant impact on the accounts or our opinion.

Financing and Investment Income and Expenditure within the Comprehensive Income and Expenditure Statement is overstated by £387,000

- 11 Testing of the provision for aftercare of former landfill sites identified an error in a supporting spreadsheet for calculating the unwinding of discount used in estimating the future costs relating to one site. As a consequence the Financing and Investment Income and Expenditure line Comprehensive Income and Expenditure Statement is over stated by £387,000. The error also impacts upon corresponding entries; Gross Expenditure of the Streetscene and Transportation in Comprehensive Income and Expenditure Statement, the 'Expenditure and Funding Analysis' and the 'Group Accounts' and associated notes.
- 12 We have discussed this matter with the officers and are satisfied that it does not impact upon the financial position of the Council as the overall provision shown on the Balance Sheet is correct. The Council has informed us that this matter has been resolved for 2017-18.

Corrected misstatements

- 13 There are five misstatements that have been corrected by management, that we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 3](#).

Other significant issues arising from the audit

- 14 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you.

Accounting practices and financial reporting

- 15 The Council's draft financial statements were prepared to a good standard and were supported by comprehensive and timely working papers, helping us to achieve the overall completion timetable. The Accounts Governance Group which oversees the production of the financial statements has also continued to play an active role in supporting the Finance team and ensuring that the wider organisation engages appropriately in the Council's accounts preparation process. This has enabled us to complete our audit in a shorter elapsed time than in the previous year.
- 16 With the implementation of the earlier production and publication of local government annual accounts by the end May and July respectively from 2020-21, the Council should identify opportunities for streamlining its closedown processes. The Accounts Governance Group should play an important role in meeting the challenge by ensuring corporate ownership of the demands placed upon the Council in meeting the earlier preparation of the financial statements.
- 17 Recommendations from 2015-16, and how they were addressed, are set out in [Appendix 4](#).

We did not encounter any significant difficulties during the audit

- 18 The Corporate Finance Manager and his team maintained open and constructive dialogue with the audit team throughout the audit and, as a result, the audit process has gone smoothly.
- 19 We were not restricted in our work and we received the vast majority of the information that we required for our audit in a timely and helpful manner.

There were no significant matters discussed and corresponded upon with management which we need to report to you

- 20 No significant matters were discussed or corresponded upon during our audit.

There are no other matters significant to the oversight of the financial reporting process that we need to report to you

- 21 Last year we reported that the Council needed to accelerate its investigations into the potential liabilities arising from a number of former waste disposal sites to enable it to estimate the extent of the liabilities disclosed in Note 21 'Provisions' and Note 36 'Contingent Liabilities'. There is the potential for any liabilities to be significant should, for instance, there be a need for a landfill cap to be installed or replaced, or if alternative treatment plans are required.
- 22 Our review of the Council's arrangements for assessing the potential liabilities during the year found that it has progressed its review and has held frequent

discussions with Natural Resource Wales. As a consequence the Council has got a better understanding of the position at various former waste disposal sites and the financial statements reflect this. We will continue to monitor the Council's progress over the coming year.

We did not identify any material weaknesses in your internal controls

- 23 No material weaknesses in the Council's internal controls were identified during our audit.

Recommendations arising from our 2016-17 financial audit work

- 24 The recommendation arising from our financial audit work is set out in [Appendix 5](#). Management has responded to it and we will follow up progress on during next year's audit. Where any action is outstanding, we will continue to monitor progress and report it to you in next year's report.

Independence and objectivity

- 25 As part of the audit finalisation process, we are required to provide you with representations concerning our independence. We can confirm that with the exception of one member of staff, there are no known threats to the independence of the Auditor General for Wales or on the independence of staff or contractors working on his behalf.
- 26 With regards to the exception noted above, a member of the Financial Audit Manager's family is employed as a teacher in a Flintshire secondary school. We have taken appropriate steps to ensure that he has not been involved in any work at the school or any specific examination of the Council's education service and its payroll transactions.
- 27 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Council that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

27 September 2017

Representations regarding the 2016-17 financial statements

This letter is provided in connection with your audit of the financial statements of Flintshire County Council and of its Group for the year ended 31 March 2017 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Flintshire County Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements. The effect of the uncorrected misstatements identified during the audit is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Flintshire County Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Flintshire County Council on 27 September 2017.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Gary Ferguson
Corporate Finance Manager

Councillor Brian Lloyd
Chair of Flintshire County Council

27 September 2017

27 September 2017

Appendix 2

Proposed audit report of the Auditor General to Flintshire County Council

I have audited the accounting statements and related notes of:

- Flintshire County Council;
- Flintshire County Council Group; and
- Clwyd Pension Fund;

for the year ended 31 March 2017 under the Public Audit (Wales) Act 2004.

Flintshire County Council's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the Housing Revenue Account Income and Expenditure Account and Movement on Reserves Statement.

Flintshire County Council's Group accounting statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement.

Clwyd Pension Fund's accounting statements comprise the Fund Account and the Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2017 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the Auditor General for Wales

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 10, the responsible financial officer is responsible for the preparation of the statement of accounts, Flintshire County Council's Group accounting statements and Clwyd Pension Fund's accounting statements, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Flintshire County Council, Flintshire County Council Group's and Clwyd Pension Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made

by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Narrative Report to identify material inconsistencies with the audited accounting statements and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the accounting statements of Flintshire County Council

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Flintshire County Council as at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

Opinion on the accounting statements of Flintshire County Council Group

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Flintshire County Council Group as at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

Opinion on the accounting statements of Clwyd Pension Fund

In my opinion, the pension fund accounts and related notes:

- give a true and fair view of the financial transactions of Clwyd Pension Fund during the year ended 31 March 2017 and of the amount and disposition of the fund's assets and liabilities as at that date; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17.

Opinion on other matters

In my opinion, the information contained in the Narrative Report is consistent with the accounting statements and related notes.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the accounting statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit;
- the Annual Governance Statement does not reflect compliance with guidance.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Flintshire County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Anthony Barrett

For and on behalf of

Huw Vaughan Thomas

Auditor General for Wales

28 September 2017

24 Cathedral Road

Cardiff

CF11 9LJ

Appendix 3

Summary of corrections made to the draft financial statements which should be drawn to the attention of Flintshire County Council

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Nature of correction	Reason for correction	Impact
<p>Comprehensive Income and Expenditure Account – Service Expenditure Analysis – Theatre Clwyd was amended for the following:</p> <ul style="list-style-type: none"> • ‘Gross Expenditure’ from £4,038,000 to £5,768,000. • ‘Gross Income’ from £(4,085,000) to £(6,013,000). • ‘Net Expenditure’ from £(47,000) to £(245,000). 	<p>Transactions between the Council and its wholly owned subsidiary, Theatr Clwyd Productions Ltd, were omitted in error. Whilst not material to the financial statements, the transactions are necessary to support Theatr Clwyd Productions Ltd’s claim for Theatre Tax Relief.</p>	<p>Corresponding increases were included in Note 15 ‘Short Term debtors – Other entities and individuals’ and Note 19 ‘Creditors – Other entities and individuals’. Appropriate corresponding amendments were also included in the Balances Sheet, Movement in Reserves Statement and Expenditure and Funding Analysis.</p> <p>The amendment decreased the ‘Deficit on the provision of Services’ by £198,000.</p>
<p>Cash Flow Statement was amended for the following:</p> <ul style="list-style-type: none"> • ‘Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities’ from £(10,811,000) to £(22,811,000). • ‘Net cash flows from operating activities’ from £6,027,000 to £(5,973,000). • ‘Net cash flows from investing activities’ £(34,245,000) to £(25,468,000). 	<p>Testing of the Cash Flow Statement identified a transposition error of proceeds from Short Term Investments as they were incorrectly entered in the Council’s supporting working paper as a cash outflow of £(6,000,000) as opposed to a cash inflow of £6,000,000.</p>	<p>Appropriate corresponding amendments were made to the disclosure notes supporting the Cash Flow Statement:</p> <ul style="list-style-type: none"> • Note 25 – Operating Activities • Note 26 – Investing Activities <p>The change had no other impact on the Council’s financial statements.</p> <p>Presentation disclosure only.</p>

Nature of correction	Reason for correction	Impact
<p>Note 9 'Property, Plant and Equipment – Other Land & Buildings' was amended for the following:</p> <ul style="list-style-type: none"> • 'Cost or Valuation - from Assets derecognised' from £(66,000), to £(4,940,000). • 'Accumulated Depreciation and Impairment – Assets Derecognised' from £66,000 to £4,940,000. 	<p>Testing of 'Other Land & Buildings' identified that Note 9 incorrectly included the gross book value of £4,874,000 for Holywell High School and a corresponding figure for 'accumulated depreciation and impairment'. The impairment for the demolition of the old school site was not reflected in Council's asset register.</p>	<p>Appropriate corresponding amendments were made to the total cost of valuation at 31 March 2017 and the total Accumulated Depreciation and Impairment at 31 March 2017. The change had no other impact on the Council's financial statements.</p> <p>Presentation disclosure only.</p>
<p>Note 15 'Short term Debtors – Other entities and individuals - 2016' was amended from £11,580,000 to £14,160,000; and Note 19 Creditors – Short Term – Central Government bodies - 2016' was amended from £3,993,000 to £6,573,000.</p>	<p>The prior year 2015-16 National Domestic Rates debtor balance was not netted off the associated credit balance and the net balance included in short-term creditors. This resulted in an understatement of both short-term debtors and short-term creditors of £2,580,000.</p>	<p>An appropriate adjustment was reflected in the prior-year Balance Sheet.</p> <p>Presentation disclosure only.</p>
<p>Note 34 'Joint Arrangements' was amended for the following:</p> <ul style="list-style-type: none"> • 'Gross expenditure – GWE' was amended to include £15,833,000. • 'FCC Share – Expenditure – allocation basis – Pro rata to pupil population was amended to include £3,589,000. 	<p>The Council did not receive the relevant information from GWE, the North Wales Regional School Effectiveness and Improvement Service, to populate the disclosure note until September 2017.</p>	<p>No other impact upon the Council's financial statements.</p> <p>Presentation disclosure only.</p>

Appendix 4

Responses to recommendations arising from our 2015-16 financial audit work

We set out all the recommendations arising from our 2015-16 audit work with a summary of action taken by management during 2016-17. We have followed these up as part of the 2016-17 audit and summarise our findings:

Recommendation	Management and Audit Response
<p>The basis of the housing stock valuation was not appropriate and needed to be reviewed and recalculated</p> <p>For the next housing stock valuation (as at 1/4/2020) ensure that an appropriate basis for revaluation is used.</p>	<p>Management Response</p> <p>The Council has reviewed and revised the basis for calculating the housing stock valuation for future accounting periods.</p> <p>Audit response</p> <p>Review of the other assets valued in 2016-17 has confirmed that an appropriate valuation basis for has been used by the Council's valuer.</p>
<p>The Council was unable to estimate the value of any potential liabilities relating to the cost of landfill restoration and aftercare.</p> <p>Progress ongoing investigations into the status of former sites to establish whether there is the need for restoration or aftercare. Should that identify that liabilities exist, set aside a financial provision in the accounts.</p>	<p>Management Response</p> <p>The Council has a strategic plan for completing all of the assessments, which are complex, can involve different land owners and other public bodies such as Natural Resources Wales, and often take a number of years to be completed. However, assessments at two of the sites are now nearing completion.</p> <p>A more detailed report outlining the issue, the risks and how the Council will mitigate those risks will be brought to Cabinet and the relevant Overview and Scrutiny Committee to track progress.</p> <p>Audit Response</p> <p>The Council has progressed its ongoing investigations into the status of former landfill sites and have assessed the need for restoration against current national guidance. Where future costs have been identified, the Council has accounted for these appropriately.</p>
<p>Accuracy of pension records</p> <p>The Council needs to liaise with the Pension Fund administrator to resolve discrepancies in pension data.</p>	<p>Management Response</p> <p>A Steering Group of Senior Officers from the Clwyd Pension Fund and the unitary authorities has been set up which meets periodically to discuss and resolve such issues. Plans are in place to implement an online computer module that will allow information to be submitted by employers more directly and efficiently into the pension administration system. This will be implemented on a phased basis with each unitary authority in 2016/17 and 2017/18.</p> <p>Audit Response</p> <p>Progress has been made by the Council and the Pension Fund administrator in resolving the discrepancies in pension data. An online computer module has been implemented for Denbighshire County Council. Work is ongoing to implement the module for Flintshire County Council and Wrexham County Borough Council.</p>

Appendix 5

Recommendation arising from our 2016-17 financial audit work

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

Matter arising 1 – Removing non-material and duplicated disclosures	
Findings	The 2016-17 include a number of non-material disclosures such as Note 34 'Joint Arrangements' and duplicated descriptions of the core statements in the 'Narrative Report' and the primary statements.
Priority	Low
Recommendation	In preparing for the earlier closure and preparation of the financial statements the Council should review its financial statements to identify opportunities for removing non-material and duplicated disclosures.
Benefits of implementing the recommendation	To streamline and de-clutter the Council's financial statements.
Accepted in full by management	Yes
Management response	The Council will review the financial statements during the year for opportunities to remove non-material disclosures and any duplicated descriptions to streamline and de-clutter the document.
Implementation date	31 March 2018

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WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Audit of Financial Statements Report – **Clwyd Pension Fund**

Audit year: 2016-17

Date issued: September 2017

Document reference: 145A2017-18_

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Contents

The Auditor General intends to issue an unqualified audit report on your financial statements. There are some issues to report to you prior to their approval

Summary report

Introduction	4
Status of the audit	4
Proposed audit report	4
Significant issues arising from the audit	5
Recommendations arising from our 2016-17 financial audit work	7
Independence and objectivity	7

Appendices

Appendix 1 – Final Letter of Representation	8
Appendix 2 – Summary of corrections made to the draft financial statements which should be drawn to the attention of Flintshire County Council	11
Appendix 3 – Recommendation arising from our 2016-17 financial audit work	13

Summary report

Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of Clwyd Pension Fund (the Pension Fund) at 31 March 2017 and its income and expenditure for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The quantitative levels at which we judge such misstatements to be material for the Pension Fund are £16.8 million. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and reader sensitivity.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 5 This report sets out for consideration the matters arising from the audit of the financial statements of the Pension Fund for 2016-17, that require reporting under ISA 260.

Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2017 on 30 June 2017, and have now substantially completed the audit work.
- 7 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with Pension Fund Officers and the Corporate Finance Manager.

Proposed audit report

- 8 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
- 9 The proposed audit opinion is included within the audit report on Council's main financial statements as set out in [Appendix 2](#) of the Audit of Financial Statements report for Flintshire County Council.

Significant issues arising from the audit

Uncorrected misstatements

- 10 There are no misstatements identified in the financial statements which remain uncorrected.

Corrected misstatements

- 11 There are misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process. They are set out with explanations in [Appendix 2](#).

Other significant issues arising from the audit

- 12 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year.

We have some concerns about the qualitative aspects of your accounting practices and financial reporting and the Pension Fund did not achieve its own earlier closure timetable, but it did meet its statutory deadline for preparing the draft financial statements

- 13 The Pension Fund's draft financial statements were not prepared to the standard consistently achieved in previous years. We identified a number of accounting errors and a large number of discrepancies with supporting working papers, which resulted in the financial statements being corrected. We also encountered some prolonged delays in receiving responses to audit queries. Officers advised us that the difficulties in part arose due to extenuating internal circumstances arising from staffing issues during the closedown process. Despite this, we achieved our overall completion timetable on a timely basis, enabling us to meet the Council's reporting deadlines.
- 14 With the advent of the earlier production and publication of local government annual accounts by the end May and July respectively by 2020-21, the Pension Fund also intended sharing its draft financial statements for audit by 19 June 2017. The draft financial statements were subsequently shared with us on 30 June 2017, and whilst this was in line with the statutory deadline, it was later than planned.
- 15 To ensure the Pension Fund and ourselves are well placed to meet the earlier deadlines we will review this year's account preparation process and audit at a joint

post project learning session and agree a plan to incrementally bring forward the accounts closure and audit over the next few years.

- 16 Last year we also reported that monthly reconciliations of the transactions relating to lump sums and death benefit pension payments between the financial ledger and the pensions administration system identified a number of non-material differences that had not been explained or corrected. We recommended that the Pension Fund fully reconciled the monthly transactions relating to lump sums and death benefit payments, ensuring any differences were corrected.
- 17 The Pension Fund informed us that obtaining reports from the pensions system to facilitate the reconciliation remained problematic during the year. Internal Audit followed up progress in addressing our 2016-17 recommendation and found that 'lump sum reconciliations and differences resulting from these have improved from the previous year' but there remain differences between the general ledger and Pensions Administration System. The Pension Fund has accepted Internal Audit's recommendation to address the remaining variances and continues to develop reports to facilitate the reconciliation. We will following progress as part of our 2017-18 audit work.

There are no other matters relevant to the oversight of the financial reporting process that we need to report to you and the Pension Fund has made good progress in updating the accuracy of membership records

- 18 We planned and performed our audit to address the financial statement risks as reported within our 2017 Audit Plan. No significant issues were identified from the audit of these areas.
- 19 Last year we reported that Pension Fund membership records held in the pension's administration system were not up to date for the three main employer bodies, namely Denbighshire County Council, Flintshire County Council, and Wrexham County Borough Council. We recommended that the Pension Fund should work with employer bodies to ensure that membership records were brought up to date and subsequently maintained.
- 20 Our follow up confirmed that good progress has been made in updating membership records. The Council, in its role as the administering authority, has been working with employer bodies to ensure membership records are brought up to date and subsequently maintained. An automated interface system (I –connect) has been implemented for Denbighshire County Council and some smaller bodies in 2016-17, and others bodies will use the system over the next two years. In addition, the Pension Fund has established an Employer Liaison Team to work with the admitted bodies to ensure the accurate and timely transfer of information.

There are no other matters that we need to report to you

- 21 There are no other matters to report to you. In particular:
- We did not encounter any significant difficulties during the audit.
 - There were no significant matters discussed and corresponded upon with management which we need to report to you.
 - We did not identify any material weaknesses in your internal controls that we have not reported to you already.
 - There are no other matters specifically required by auditing standards to be communicated to those charged with governance.

Recommendation arising from our 2016-17 financial audit work

- 22 The key recommendation arising from our financial audit work is set out in [Appendix 3](#). Management has responded to it and we will follow up progress during next year's audit. Where the actions remains outstanding, we will continue to monitor progress and report it to you in next year's report.

Independence and objectivity

- 23 As part of the audit finalisation process, we are required to provide you with representations concerning our independence. We can confirm that with the exception of one member of staff, there are no known threats to the independence of the Auditor General for Wales or on the independence of staff or contractors working on his behalf.
- 24 With regards to the exception noted above, a member of the Financial Audit team's family is a member of the Pension Fund. We have taken appropriate steps to ensure that the team member has not been involved in any work that could compromise her independence.
- 25 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and the Council that we consider to bear on our objectivity and independence.

Appendix 1

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

27 September 2017

Representations regarding the 2016-17 financial statements

This letter is provided in connection with your audit of the financial statements of the Clwyd Pension Fund for the year ended 31 March 2017 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of any fraud or suspected fraud that we are aware of and that affects the Clwyd Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements.

Representations by Flintshire County Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Flintshire County Council on 27 September 2017.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Gary Ferguson
Corporate Finance Manager

Councillor Brian Lloyd
Chair of Flintshire County Council

27 September 2017

27 September 2017

Appendix 2

Summary of corrections made to the draft financial statements which should be drawn to the attention of Flintshire County Council

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Nature of correction	Reason for correction	Impact
<p>Note 3 'Expenses Borne by the Fund – Fund Management Fees' table was amended as follows:</p> <p>Oversight & Governance</p> <ul style="list-style-type: none"> • 'Supplies & Services' from £1,000 to £58,000. • 'Consultancy & Actuarial' from £1,272,000 to £1,226,000. • An additional 'Miscellaneous' category was included for £11,000. <p>Investment Management fees</p> <ul style="list-style-type: none"> • 'Net Fund Management Fees' from £12,904,000 to £14,386,000. <p>Administration Expenses</p> <ul style="list-style-type: none"> • 'Supplies & Services' from £773,000 to £365,000. 	<p>The 'Net Fund Management Fees' disclosed in the Pension Fund Account was understated by £1,482,000 as a number of fund manager fees were omitted in error in the supporting analysis.</p>	<p>An appropriate corresponding adjustment was included in the Pension Fund Account.</p>
<p>The table in Note 5 'Transactions and Returns on Investments' was amended for the following:</p> <p>'Unrealised Gain/(Loss)'</p> <ul style="list-style-type: none"> • Property from £4,752,000 to £5,412,000. • Infrastructure from £5,760,000 to £6,629,000. • Timber from £4,443,000 to £4,579,000. • Private equity from £9,996,000 to £11,085,000. • Opportunistic from £1,265,000 to £1,320,000. 	<p>To ensure the unrealised gain/(loss) on investments disclosed reflected most up to date position.</p>	<p>Appropriate corresponding adjustments were included in the Clwyd Pension Fund Account, the Net Assets Statement and corresponding notes as summarised:</p> <p>The amendments increased the unrealised gain by £2,809,000.</p>

Nature of correction	Reason for correction	Impact
<p>‘Market Value 2016/17’</p> <ul style="list-style-type: none"> • ‘Property’ from £114,054,000 to £114,714,000. • ‘Infrastructure’ from £30,892,000 to £31,761,000. • ‘Timber & Agriculture’ from £28,967,000 to £29,103,000. • ‘Private Equity’ from £151,334,000 to £154,423,000. • ‘Opportunistic’ from £17,911,000 to £17,966,000. <p>‘Investment Income’</p> <ul style="list-style-type: none"> • ‘Property’ from £1,676,000 to £2,501,000. • ‘Infrastructure’ from £725,000 to £1,584,000. • ‘Private Equity’ from £5,000 to £2,537,000. • ‘Opportunistic’ from £564,000 to £669,000. <p>‘Fees within pooled vehicles – Unrealised gains/(loss)’ from £10,046,000 to £7,176,000.</p>	<p>To ensure the market value of investment disclosed in Note 5 reflected the most up to date valuations.</p> <p>The investment income in Note 5 did not agree with the general ledger. As a consequence investment income was incorrectly classified as and in ‘Change in Market Value of Investments’.</p> <p>To ensure the fees within pooled vehicles agreed to supporting records.</p>	<p>The amendments increased the market value of investments by £2,809,000.</p> <p>The amendment increased ‘investment income’.</p> <p>The amendment decreased the unrealised gain by a corresponding amount.</p>
<p>Note 7 ‘Fair Value of Investments - Fixed Interest Securities’ amounting to £198,621,000 in the hierarchy table analysing the Fund’s assets was amended from ‘Level 1’ to ‘Level 2’.</p>	<p>The hierarchy analysis of the Fund’s assets at 31 March 2017 was amended as it did not agree to the Pension Fund’s supporting working paper.</p>	<p>No other impact upon the financial statements. Presentational disclosure only.</p>

Appendix 3

Recommendations arising from our 2016-17 financial audit work

We set out all the recommendations arising from our audit with management's response to them. We will follow up these next year and include any outstanding issues in next year's audit report:

Matter arising 1 – Reconciliation of lumps sums and death benefit pension payments	
Findings	Monthly reconciliations of the transactions relating to lump sums and death benefit pension payments between the financial ledger and the pensions administration system are performed. Whilst progress has been made in reconciling the differences in the reconciliations, Internal Audit have identified a number of differences that had not been explained or corrected.
Priority	High
Recommendation	The Pension Fund to fully reconcile the monthly reconciliation of transactions relating to lump sums and death benefit payments, ensuring any differences are corrected.
Benefits of implementing the recommendation	To ensure that transactions are both accurate and complete.
Accepted in full by management	Yes
Management response	The differences identified have now been explained and corrected
Implementation date	-

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Gary Ferguson
Chief Finance Officer
Prif Swyddog Cyllid



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Cardiff.
CF11 9LJ

Your Ref/Eich Cyf
Our Ref/Ein Cyf
Date/Dyddiad
Ask for/Gofynner am
Direct Dial/Rhif Union
Fax/Ffacs

LOR 16.17
27 September 2016
Liz Thomas
01352 702289
01352 700149

Dear Sir,

Representations Regarding the 2016/17 Financial Statements

This letter is provided in connection with your audit of the financial statements of Flintshire County Council and of its Group for the year ended 31 March 2017 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management Representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

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www.flintshire.gov.uk
Neuadd y Sir, Yr Wyddgrug. CH7 6NB
www.siryfflint.gov.uk



The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawu gohebiaeth yn y Gymraeg neu'r Saesneg

Information Provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Flintshire County Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial Statement Representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements. The effect of the uncorrected misstatements identified during the audit is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by Flintshire County Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Flintshire County Council on 27 September 2017.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Gary Ferguson
Corporate Finance Manager (Chief
Finance Officer)

Councillor Brian Lloyd
Chair of Flintshire County Council

Date: 27th September 2017

Date: 27th September 2017

Mae'r dudalen hon yn wag yn bwrpasol

Colin Everett
Chief Executive
Prif Weithredwr
Administrator to the Fund / Gweinyddwr y Gronfa

Cronfa Bensiynau Clwyd
Clwyd Pension Fund

Gary Ferguson, CPFA
Corporate Finance Manager (Section 151 Officer)
Rheolwr Cyllid Corfforaethol (Swyddog adran 151)
Treasurer to the Fund / Trysorydd y Gronfa

Auditor General for Wales,
Wales Audit Office,
24 Cathedral Road,
Cardiff.
CF11 9LJ

Your Ref/Eich Cyf
Our Ref/Ein Cyf
Date/Dyddiad
Ask for/Gofynner am
Direct Dial/Rhif Union
Email/ Ebst

LOR 16/17
27th September 2017
Philip Latham
01352 702264

Dear Sir,

Representations regarding the 2016/17 financial statements

This letter is provided in connection with your audit of the financial statements of the Clwyd Pension Fund for the year ended 31 March 2017 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management Representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Administered by
Gweinyddwyd gan



Judalen 303

County Hall, Mold. CH7 6NA
www.clwydpensionfund.org.uk
Neuadd y Sir, Yr Wyddgrug. CH7 6NA
www.cronfabensiynauclwyd.org.uk

The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawu gohebiaeth yn y Gymraeg neu'r Saesneg

Information Provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of any fraud or suspected fraud that we are aware of and that affects the Clwyd Pension Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial Statement Representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements.

Representations by Flintshire County Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Flintshire County Council on 27 September 2017.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Gary Ferguson
Corporate Finance Manager (Chief Finance Officer)

Councillor Brian Lloyd
Chair of Flintshire County Council

Date: 27th September 2017

Date: 27th September 2017

Mae'r dudalen hon yn wag yn bwrpasol

SUPPLEMENTARY FINANCIAL INFORMATION TO STATEMENT OF ACCOUNTS 2016/17

TABLE 1 - COUNCIL EMPLOYEES

Post Title	Note	Remuneration (excluding Employers Pension Contributions) £	Employers Pension Contributions £	Annualised Pay (where applicable) £
Senior Manager - Learning Engagement		60,541	15,383	
Senior Manager - School Improvement		64,191	16,311	
Theatr Clwyd - Artistic Director		65,000	16,517	
Total		189,732		

TABLE 2 - POSTS COVERED BY INTERIM / TEMPORARY ARRANGEMENTS / CONTRACT

Post Title	Note	Cost £	Theoretical Annual Costs £
Children's Services Social Worker - Fostering Service		6,800	62,918
Mental Health Social Worker - Substance Misuse Team		22,560	61,094
Solicitor		57,168	88,739
Housing Asset Manager		33,600	115,200
Senior Surveyor		15,181	60,486
Senior Surveyor		18,446	60,364
Senior Surveyor		21,148	62,814
Trading Standards Officer		11,018	74,022
Integrated Transport Unit Manager		73,273	106,320
Total		259,194	

Please note: Payments shown are made to the organisations employing these individuals. These payments DO NOT reflect the salaries those individuals have been paid by their respective organisations.

SUPPLEMENTARY FINANCIAL INFORMATION TO STATEMENT OF ACCOUNTS 2016/17

TABLE 3 - PAYMENTS TO CONSULTANTS AND NON-PERMANENT POSTS 2016/17

Portfolio	Description	Actual Cost Incurred £	Theoretical Annual Costs £
E&Y	Specialist services for Schools Modernisation Project to undertake sustainability & suitability review of primary schools	27,998	109,358
P&R	Financial systems related to enable Alternative Delivery Models (P2P Configuration)	4,050	108,000
P&R	Project management - Finance Modernisation	9,450	72,000
P&R	Project management - Financial systems related to enable Alternative Delivery Models (Masterpiece migration)	10,000	96,000
P&R	Providing nursing services to the Occupational Health service	2,450	84,000
P&R	Providing nursing services to the Occupational Health service	4,463	65,160
P&R	Professional advice related to enable Alternative Delivery Models (Masterpiece migration)	12,000	72,000
Gov	Project Management - E-Invoicing and Supplier Charging Project	33,750	100,001
Gov	Solicitor - Engaged to compile legal agreements to enable Alternative Delivery Models	17,824	71,172
Gov	ICT & Customer Services - Programme Manager for migration from Lotus Notes to Microsoft Exchange	720	86,400
Gov	Business Systems Architect to enable Alternative Delivery Models (Masterpiece migration)	22,777	86,793
HRA	Procurement Advice relating to Strategic Housing And Regeneration Programme	2,825	169,502
S&T	Fleet review - specialist procurement advice	16,244	169,502
S&T	Detailed review of Transport Operations and full implementation of proposals	12,251	106,320
Central and Corporate	Specialist advice site remediation - Orphaned Site in Sandycroft	62,833	76,402
Total		239,635	

Please note: Payments shown are made to the organisations employing these individuals. These payments DO NOT reflect the salaries those individuals have been paid by their respective organisations.

Eitem ar gyfer y Rhaglen 14



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday 27 th September 2017
Report Subject	Treasury Management Annual Report 2016/17
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

The report presents the Treasury Management Annual Report 2016/17 for Member approval.

RECOMMENDATIONS

1	Council approves the Annual Treasury Management Report for 2016/17.
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REPORT DETAILS

1.00	EXPLAINING THE ANNUAL REPORT
1.01	On 16 th February 2016, the Council approved the Treasury Management Investment Strategy 2016/17, following the recommendation of the Cabinet and consideration by the Audit Committee.
1.02	The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for execution and administration of treasury management decisions to the Corporate Finance Manager, who acts in accordance with the Council's Treasury Management Policy Statement, Strategy and Practices.
1.03	The Council has nominated Audit Committee to be responsible for ensuring effective scrutiny of Treasury Management Strategy and Policies.

<u>CONSIDERATIONS</u>	
1.04	The Annual Treasury Management Report 2016/17 is attached as Appendix 1. As required by the Council's Financial Procedure Rules, this Annual Report was reviewed by Audit Committee on 19 th July 2017 and Cabinet on 26 th September 2017.
<u>Summary of Key Points</u>	
1.05	<p>2016/17 was an extraordinary year politically, with 'Brexit' and the outcome of the US elections. This political uncertainty has contributed to significant market volatility. The Bank of England's Monetary Policy Committee (MPC) judged the repercussions to be sufficiently severe to prompt a cut in the Bank Rate to 0.25% in August, in addition to further measures. Section 2 of the report provides a full economic and interest rate review of 2016/17.</p> <p>The cut to the Bank Rate contributed to the low level of interest the Council was able to generate on its investments, with an average return of 0.43%. Section 4 provides further details of the Council's investment activity during the year.</p>
1.06	No new long term borrowing was undertaken in 2016/17, but the Council did, as expected, start to borrow in the short term. Section 3 provides more information on borrowing and debt management during the year.
1.07	Debt rescheduling opportunities were considered in detail by officers and the Council's Treasury Management advisors. A sample of PWLB loans were considered for rescheduling with the results reported to the Audit Committee on 15 th March 2017. The results indicated it was not prudent to reschedule any PWLB debt. This situation will remain to be kept under continual review.
1.08	The first £3.4m of the loan to NEW Homes was drawn down during the year, as detailed in paragraph 3.09 of the annual report.
1.09	The treasury function operated within the limits detailed in the Treasury Management Strategy 2016/17.

2.00 RESOURCE IMPLICATIONS	
2.01	Financial implications are addressed in the report; no other resource implications directly as a result of this report.

3.00 CONSULTATIONS REQUIRED / CARRIED OUT	
3.01	Arlingclose Ltd, being the Council's treasury management advisors.

4.00	RISK MANAGEMENT
4.01	Risk Management directly addressed within the report and appendices including identification of risks and measures to mitigate likelihood and impact of risks identified.

5.00	APPENDICES
5.01	1. Treasury Management Annual Report 2016/17

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Liz Thomas – Technical Finance Manager Telephone: 01352 702289 E-mail: liz.thomas@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Authorised Limit: A statutory limit that sets the maximum level of external debt for the Council.</p> <p>Balances and Reserves: Accumulated sums that are held, either for specific future costs or commitments (known as earmarked) or generally held to meet unforeseen or emergency expenditure.</p> <p>Bank Rate: The official interest rate set by the Bank of England’s Monetary Policy Committee and what is generally termed at the “base rate”.</p> <p>Basis Point: A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in interest rates and bond yields. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points.</p> <p>Bond: A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.</p> <p>Capital Expenditure: Expenditure on the acquisition, creation or enhancement of capital assets.</p> <p>Capital Financing Requirement (CFR): The Council’s underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.</p>

Certificates of Deposits (CD's): A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks. The term of a CD generally ranges from one month to five years.

Cost of Carry: The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Consumer Price Index (CPI): The UK's main measure of inflation (along with Retail Price Index or 'RPI') The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try and keep CPI at or close to the target set by the Government. The calculation of CPI includes many items of normal household expenditure but excludes some items such as mortgage interest payments and Council Tax.

Credit Rating: Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

Corporate Bonds: Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Counterparty List: List of approved financial institutions with which the Council can place investments.

Debt Management Office (DMO): The DMO is an Executive Agency of Her Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the Debt Management Account Deposit Facility (DMADF). All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign credit rating.

Federal Reserve: The US central bank, the equivalent of the Bank of England. (Often referred to as "the Fed").

Financial Instruments: Financial instruments are tradable assets of any kind. They can be cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument

Gilts: Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged'. They are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

LIBID: The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks).

LIBOR: The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers'

Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

LOBO: Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.

IFRS: International Financial Reporting Standards.

Maturity: The date when an investment or borrowing is repaid.

Maturity Structure / Profile: A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.

Monetary Policy Committee (MPC): Government Body that sets the Bank Rate. Its primary target is to keep inflation within 1% of a central target of 2%. Its secondary target is to support the Government in maintaining high and stable levels of growth and employment.

Money Market Funds (MMF): Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

Minimum Revenue Provision (MRP): An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Non Specified Investment: Investments which fall outside the WG Guidance for Specified investments (below).

Operational Boundary: This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts: In the context of local authority borrowing,
(a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
(b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

Prudential Code: Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators: Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB): The PWLB is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Quantitative Easing (QE): In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller's bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy.

Revenue Expenditure: Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

Retail Price Index (RPI): A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent.

Term Deposits: Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Specified Investments: Term used in the Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

Supported Borrowing: Borrowing for which the costs are supported by the government or third party.

Supranational Bonds: Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are the European Investment Bank, the International Bank for Reconstruction and Development.

Treasury Bills (T-Bills): Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. They are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have an AAA-rating.

Treasury Management Code: CIPFA's Code of Practice for Treasury

Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

Treasury Management Practices (TMP): Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.

Temporary Borrowing: Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Unsupported Borrowing: Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

Yield: The measure of the return on an investment instrument.

Mae'r dudalen hon yn wag yn bwrpasol



FLINTSHIRE COUNTY COUNCIL

TREASURY MANAGEMENT

ANNUAL REPORT 2016/17

1.00 INTRODUCTION

- 1.01 The Council approved the Treasury Management Strategy (Strategy) 2016/17 including key indicators, limits and an annual investment strategy on 16th February 2016.
- 1.02 The Strategy was produced based on the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice.
- 1.03 The purpose of this report is to review the outcomes from 2016/17 treasury management operations and compare with the Strategy.
- 1.04 Treasury management comprises the management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2.00 ECONOMIC & INTEREST RATE REVIEW 2016/17

Provided by Arlingclose Ltd the Council's Treasury Management advisors.

Economic background: Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the International Labour Organisation (ILO) unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets: Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

3.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

3.01 PWLB (Public Works Loans Board) Certainty Rate

The Council again qualified for the PWLB Certainty Rate, allowing the authority to borrow at a reduction of 20 basis points on the Standard Rate.

3.02 Borrowing Activity in 2016/17.

The total long term borrowing outstanding, brought forward into 2016/17 totalled £251.3 million. Loans with the Public Works Loans Board were in the form of fixed rate (£222.4m) and variable rate (£10m). The remaining £18.95m was variable in the form of LOBO's (Lender's Option, Borrower's Option). The Council's average borrowing rate throughout the year was 5.02%.

	Balance 01/04/2016 £m	Debt Maturing £m	New Debt £m	Balance 31/03/2017 £m
Capital Financing Requirement	280.3	6.2	31.2	305.3
Short Term Borrowing	0.00	0.00	10.00	10.00
Long Term Borrowing	251.3	0.00	0.00	251.3
TOTAL BORROWING	251.3	0.00	10.00	261.3
Other Long Term Liabilities	6.5	0.5	0.00	6.0
TOTAL EXTERNAL DEBT	257.8	0.5	10.00	267.3
Increase/(Decrease in Borrowing (£m))	-	-	9.5	

3.03 The Council's underlying need to borrow as measured by the Capital Financing Requirement (CFR) as at 31st March 2017 was £305.3m. The Council's total external debt was £267.3m.

3.04 Loans at Variable Rates

The Council has £10m of PWLB variable rate loans, at an average rate of 0.55% which mitigate the impact of changes in variable rates on the Authority's overall treasury portfolio (the Authority's investments are deemed to be variable rate investments due to their short-term nature). This strategic exposure to variable interest rates will be regularly reviewed and, if appropriate, reduced by switching into fixed rate loans.

3.05 Internal Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments without compromising the longer-term stability of the portfolio. The differential between the cost of new longer-term debt and the return generated on the Council's temporary

investment returns was significant at around 1.92%. The use of internal resources in lieu of borrowing was judged to be the most cost effective means of funding £31.2m of capital expenditure incurred during the year for the majority of the financial year. This, for the time being, lowered overall treasury risk by reducing both external debt and temporary investments. However, the position was not sustainable for the whole year and the Council had always expected it would need to borrow for capital purposes from 2017/18 onwards.

3.06 Short Term Borrowing

Towards the end of the financial year, short term borrowing was undertaken as necessary in accordance with the 2016/17 borrowing strategy. The total short term (temporary) borrowing as at 31st March 2017 was £10m with an average rate of 0.4%.

3.07 Lender's Option Borrower's Option Loans (LOBOs)

The Authority holds £18.95m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS had options during the year, none of which were exercised by the lender.

3.08 Debt Rescheduling

Debt rescheduling opportunities were considered in detail by officers in conjunction with the Council's Treasury Management advisors. A sample of PWLB loans were considered for rescheduling with the results reported to the Audit Committee on 15th March 2017. The results indicated it was not prudent to reschedule any PWLB debt. No rescheduling activity was undertaken as a consequence.

However, The Chief Finance Officer, along with the Council's Treasury Management Advisors, keeps under review any opportunities which may arise for restructuring the Council's debt in order to take advantage of potential savings as interest rates change and to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

3.09 Loan to NEW Homes

In May 2016 Cabinet approved a loan to the Council's wholly owned company, NEW Homes Ltd, to build 62 homes on The Walks site in Flint for rent at affordable levels. To enable the funding of this loan, Council approved an increase in the Council's borrowing limit in June 2016.

The first £3.4m of this loan was drawn down on 31st March 2017 and was funded

by short term borrowing at 31st March 2017.

The loan to NEW Homes does not meet the definition of an investment and is not therefore included in the Council's investment figures below. It is classed as capital expenditure.

4.00 INVESTMENT ACTIVITY

4.01 The Welsh Government's Investment Guidance gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

4.02 Investment Activity in 2016/17

Summary of investments as at 31st March 2017.

Country	Total	<1 month	1 –12 months	>12 months
	£m	%	£m	£m
UK BANKS				
UK BUILDING SOCIETIES	1.0		1.0	
OVERSEAS				
MMF's				
LOCAL AUTHORITIES				
DMO	7.6	7.6		
<u>TOTAL</u>	8.6	7.6	1.0	0.0
% OF PORTFOLIO		88.4%	11.6%	0.0%
TARGET 2016/17		35%	55%	10%

4.03 Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Strategy for 2016/17. Investments during the year included:

- Deposits with the Debt Management Office
- Deposits with other Local Authorities
- Investments in AAA-rated Constant Net Asset Value Money Market Funds
- Call accounts and deposits with Banks and Building Societies
- Certificates of Deposit

4.05 Credit Risk

The Authority assessed and monitored counterparty credit quality with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP and share price. The

minimum long-term counterparty credit rating determined by the Authority for the 2016/17 treasury strategy was A-/A-/A3 across rating agencies Fitch, S&P and Moody's.

4.06 Counterparty Update

Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.

None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Authority's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

On the advice of Arlingclose, new investments with Deutsche Bank and Standard Chartered Bank were suspended in March 2016 due to the banks' relatively higher credit default swap (CDS) levels and disappointing 2015 financial results. Standard Chartered was reintroduced to the counterparty list in March 2017 following its strengthening financial position, but Deutsche Bank was removed altogether from the list.

In July, following a review of unrated building societies' annual financial statements, Cumberland, Harpenden and Vernon building societies were removed from the Authority's list due to a deterioration in credit indicators. The maximum advised maturity was also lowered for eleven other societies from 6 months to 100 days due to the uncertainty facing the UK housing market following the EU referendum.

4.07 Liquidity

In keeping with the WG's Guidance on Investments, the Authority maintained a sufficient level of liquidity through the use of Money Market Funds and call

accounts. The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed.

4.08 Yield

The UK Bank Rate remained at 0.50% until August when it was reduced to 0.25% where it has since stayed. Short term money market rates also remained at very low levels which continued to have a significant impact on investment income. The low rates of return on the Authority's short-dated money market investments reflect prevailing market conditions and the Authority's objective of optimising returns commensurate with the principles of security and liquidity.

Income earned on £2m of longer-dated investments made in 2015/16 at a rate of 1.05% provided some cushion against the low interest rate environment.

The Authority's budgeted investment income for the year had been estimated at £65k. The average cash balance was £30.9m during the period and interest earned was £133k, at an average interest rate of 0.43%.

5.00 COMPLIANCE

5.01 The Council can confirm that it has complied with its Prudential Indicators for 2016/17. These were approved by Council as part of the Treasury Management Strategy on 16th February 2016, before being revised and approved by Council on 14th June, to allow for the loan to NEW Homes (see 3.08 above).

5.02 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2016/17. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

5.03 The treasury function operated within the limits detailed in the Treasury Management Policy and Strategy Statement 2016/17.

6.00 OTHER ITEMS

6.01 The following were the main treasury activities during 2016/17:

- The Council received a Mid-Year Report on 16th February 2017.
- Quarterly update reports were presented to the Audit Committee.
- The 2017/18 Investment Strategy Statement was approved by Council on 16th February 2017.
- The Council continues to be an active member of the CIPFA Treasury Management Network.

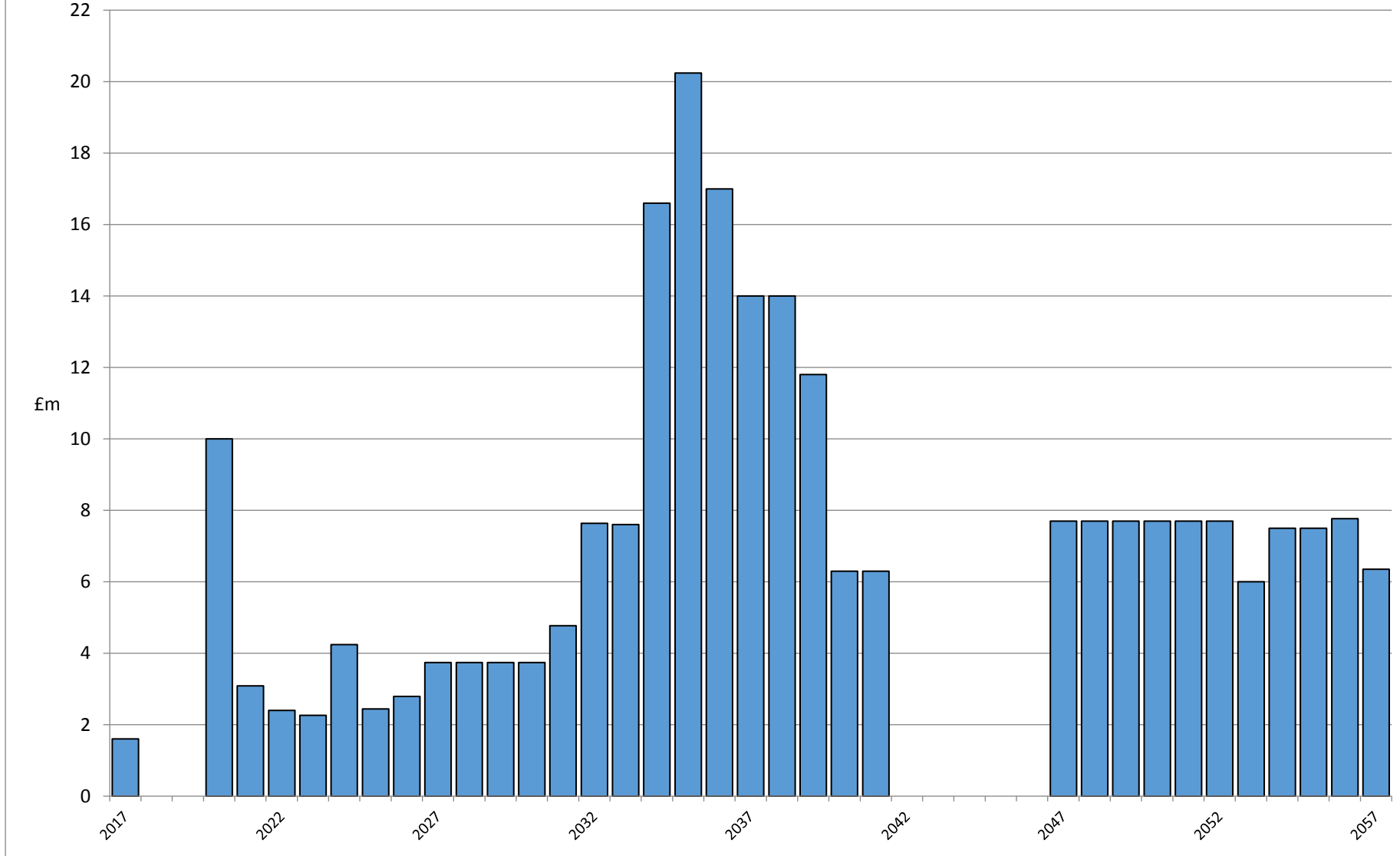
- The Council's cash flow was managed on a daily basis. During the year the Authority acted both as a borrower and as a lender and was a net borrower over the year in question. The maximum investments the Authority had on deposit at any one time was £51.1m and the maximum long-term borrowing at any one time was £251.3m.

7.00 CONCLUSION

- 7.01 The treasury management function has operated within the statutory and local limits detailed in the 2016/17 Treasury Management Strategy.
- 7.02 The Policy was implemented in a pro-active manner with security and liquidity as the focus.

Debt Maturity Profile - June 2017

Tudalen 326



Eitem ar gyfer y Rhaglen 15



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday 27 th September 2017
Report Subject	Welsh Government Consultation Paper <i>Electoral Reform in Local Government in Wales</i>
Report Author	Chief Executive

EXECUTIVE SUMMARY

Earlier this year Welsh Government published a White Paper called *Reforming Local Government: Resilient and Renewed*. The White Paper was a statement of intent for the future of local government in Wales. The White Paper included proposals for electoral reform. Flintshire made a formal response to the consultation following a debate by full Council.

The Cabinet Secretary for Local Government and Finance has made statements on the intentions of Welsh Government to draft legislation to follow the White Paper, having taking into account the results of the consultation. The first more detailed consultation paper to emerge is entitled *Electoral Reform in Local Government in Wales*.

The consultation paper covers:-

- the voting franchise
- registration
- the voting system
- the voting process
- standing for election
- Returning Officers

The closing date for consultation responses is 10 October.

The report reminds Council of the position in took on the previous White Paper and sets out an outline of a response as the basis of a debate by Council. A comprehensive suggested draft response, which covers all of the consultation questions, will be circulated at the meeting.

RECOMMENDATION

1. That Council make a response to the consultation paper.

REPORT DETAILS

1.00	BACKGROUND: WHITE PAPER REFORMING LOCAL GOVERNMENT: RESILIENT AND RENEWED
1.01	Earlier this year Welsh Government published a White Paper called <i>Reforming Local Government: Resilient and Renewed</i> . The White Paper was a statement of intent for the future of local government in Wales. The White Paper included proposals for electoral reform. Flintshire made a formal response to the consultation following a debate by full Council.
1.02	The White Paper replaced the earlier Local Government (Wales) Bill of the previous Welsh Government, a piece of draft legislation which had proposed a structural reorganisation of local government. In a change of policy direction the new White Paper advocated extensive regional collaborative working, supported by the unitary local authorities which are in existence, as an alternative to a structural reorganisation. The White Paper reinforced the role and importance of the local government in Wales.
2.00	CONSULTATION PAPER: ELECTORAL REFORM IN LOCAL GOVERNMENT IN WALES
2.01	The Cabinet Secretary for Local Government and Finance has made statements on the intentions of Welsh Government to draft legislation to follow the White Paper, having taking into account the results of the consultation. The White Paper had included a chapter on electoral reform and the first more detailed consultation paper to emerge is entitled <i>Electoral Reform in Local Government in Wales</i> . Much of the content is consistent with the earlier White Paper. The closing date for consultation responses is 10 October. (The full consultation paper is attached at Appendix 1)
2.02	<p>The consultation paper covers:-</p> <ul style="list-style-type: none"> • the voting franchise • registration • the voting system • the voting process • standing for election • Returning Officers
2.03	<p>The formal response of the Council to the chapter of the earlier White Paper on electoral reform, which was high level and general in content, said:-</p> <p><i>“We welcome the opportunity to modernise electoral registration and elections practices through for example digitisation and mobility of voting. We fully support a public debate on lowering the voting franchise age to 16. Any modernisation should ideally be introduced across the whole of Wales uniformly in the interests of consistency of practice. Given that Wales has a small and expert professional elections community this is entirely possible. National investment will be required to support systems development and testing, new equipment, and training and skilling. As yet there has been no consultation with the professional community or national expert bodies such</i></p>

	<i>as the Electoral Commission. We do not support the conferment of the power to councils to introduce the Single Transferable Vote (STV) for local elections. There should be a uniform voting system in Wales which is commonly understood and practiced consistently. Flintshire calls for a national referendum on the introduction of STV if Welsh Government is to pursue its introduction.”</i>
2.04	The Council response should build on this previous position to be consistent.
2.05	The more prominent proposals or options within the consultation paper are:- <ul style="list-style-type: none"> • the proposal to lower the age of franchise for voting to 16 for elections where Welsh Government has jurisdiction; • the proposals to introduce the discretionary power for councils to introduce the Single Transferable Vote (STV) for their own elections if there is a two-thirds majority of the council membership in favour; • the option for council employees being eligible to stand for election for their own council; • various options for modernising electoral registration and voting methods; and • the option to extend the right to vote to prisoners.
2.06	The Council has already taken a position on the first and second of these issues. It is disappointing that despite an overwhelming rejection of the STV proposal by local government during the earlier White Paper consultation this proposal has been carried forward into this next paper. Similarly, the option for council employees to stand for election for their own council was tested out by Welsh Government in a much earlier consultation (entitled <i>Power to the People</i>) and, as the commentary in this new consultation papers notes “ <i>at that time the weight of opinion was against this idea but we wish to test it again</i> ”. Council will be invited to strongly object to this option as restrictions to prevent employees (not bound by the rules on political restrictions due to seniority) from entering into high profile political or partisan roles which would bring their impartiality into question, and could cause conflicts in relationships with members and fellow officers, is in the interests of good governance.
2.07	A comprehensive suggested draft response, which covers all of the consultation questions, will be circulated at the meeting. This will be introduced with a short presentation.

3.00	RESOURCE IMPLICATIONS
3.01	None specific at this early stage of the legislative process. However, changes to elections systems would require investment in new technologies and their trialling, capacity, training, and public awareness. Welsh Government should accept. The options and proposals within the consultation paper are un-costed at this stage.

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	The consultation on the White Paper preceded this more specific consultation.

5.00	RISK MANAGEMENT
5.01	There are a number of risks to governance, public participation and confidence in the elections system, and resources, posed by the consultation paper.

6.00	APPENDICES
6.01	1. Consultation Paper: <i>Electoral Reform in Local Government in Wales</i>

7.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
7.01	<p>Previous Welsh Government and Council papers on the White Paper.</p> <p>Contact Officer: Chief Executive Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>White Paper: a policy paper which sets out the intention to pass legislation and is published for consultation and scrutiny.</p> <p>Bill: the piece of draft legislation which precedes an Act in the legislative process.</p>



Welsh Government
Consultation Document

Electoral Reform in Local Government in Wales

Date of issue: 18 July 2017

Action required: Responses by 10 October 2017

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview	This consultation is seeking views on a range of electoral reforms. These proposed reforms deal primarily with the way in which people register to vote and cast their vote.
How to respond	<p>The closing date for responses is 10 October 2017.</p> <p>Responses can be submitted via the online document of consultation questions: https://consultations.gov.wales/consultations/electoral-reform-local-government-wales</p> <p>To respond to the consultation, please either complete the online form or request the accompanying questionnaire and return it either by email: RLGProgramme@wales.gsi.gov.uk</p> <p>or by post to Local Government Democracy Division Welsh Government Cathays Park Cardiff CF10 3NQ</p>
Further information and related documents	<p>Large print, Braille and alternative language versions of this document are available on request.</p> <p>The consultation document can be accessed from the Welsh Government website at: https://consultations.gov.wales/consultations/electoral-reform-local-government-wales</p>
Contact details	<p>For further information:</p> <p>Local Government Democracy Division Welsh Government, Crown Buildings, Cathays Park, Cardiff, CF10 3NQ</p> <p>email: RLGProgramme@wales.gsi.gov.uk</p>
Data protection	<p>telephone: 03000 256913</p> <p>How the views and information you give us will be used</p> <p>Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other</p>

Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

Table of Contents

Foreword	5
1. Introduction	6
2. Building the franchise	7
• Votes for 16 and 17-year-olds	7
• EU Citizens and citizens of other countries	8
• Prisoners - See Annex.....	8
3. Improving registration	10
• Data-sharing and Automatic Registration	10
• Enabling a wider range of Council Officers to assist people to register	11
• Relaxing rules on individual registration	12
• Targeted registration campaigns	12
• Identifying people moving into and out of an area	13
• Developing an all-Wales electronic register.....	13
4. The voting system	14
• Offering a choice: First Past the Post or Single Transferable Vote.....	14
• Five year terms	15
5. The voting process	16
• All-postal voting	17
• Electronic voting	18
• Remote voting	19
• Electronic counting	19
• Mobile polling stations	20
• Voting at places other than polling places	21
• Voting on different days and on more than one day	21
• Simpler postal voting procedures	22
• Presenting ID at a polling station	22
6. Standing for election	24
• Removing need to publish candidate’s postal address	24
• On-line publication of candidate’s statement	24
• Prohibition of Assembly member standing as council candidate	24
• Requirement to declare party affiliation	25
• Allowing council staff to stand for their own council	25
7. Returning officers	27
• Ending right to personal fee for returning officer	27
• Simplifying fees and charges system.....	28
8. Conclusion	29
Annex – Prisoner Voting	30

Foreword

With the relevant provisions of the Wales Act on electoral and registration matters due to come into effect next year, the Welsh Government and the Assembly has a new opportunity seriously to review how democracy functions here, how people become eligible to vote, how they exercise their right to vote and how elections are organised.

In our local elections last month, with a few exceptions, for the mass of people the experience of voting was the same as that of their grandparents would have had: walking to the local polling station and filling out a ballot paper with a pencil tied on a string. I enjoy that experience, as do many others, but it can also be viewed as anachronistic and nothing like other comparable procedures people experience in their everyday lives.

Although this consultation paper deals primarily with the arrangements for registration and voting and how we might change them, the Welsh Government will, separately, be continuing its efforts to raise interest in democratic participation, with the aim of reducing the number of uncontested seats and increasing the turnout in elections.

In line with this, I want to explore ways in which we can allow more people to participate in elections by extending the franchise to young people, by making registration easier and more automatic, by making it easier to vote using different methods and making sure people are well informed about who is standing for election.

I am well aware of concerns about security and electoral fraud. These are important considerations, but ways of addressing them must be found which do not compromise the basic democratic right of citizens to participate in elections.

I hope you will respond to this consultation. This is a genuine exercise in finding out what is possible, practical and desirable before we move towards any legislative change. My hope is that the next 12 weeks will add new ideas and fresh possibilities, as well as responding to the ones set out here. In that way, by the time 16 year olds get to cast their vote in the next local elections, it will be easy for them to register, easy for them to vote and as a result, will be encouraged to do so in large numbers.

Mark Drakeford,
Cabinet Secretary for Finance and Local Government.

1. Introduction

- 1.1. Participation in elections is essential if we are to have a healthy democratic system. This cannot be achieved solely, or even mainly, by legislative means but requires people to be inspired sufficiently to engage. Welsh Government, local government, political parties and other stakeholders, all have a role to play in addressing the low levels of turnout and the scale of uncontested seats at local elections, which we witnessed in the May elections. This paper, however, deals primarily with the way in which people register to vote and cast their vote.
- 1.2. The Wales Act 2017 received Royal Assent on 31 January this year and contains provisions (section 5 *et seq*) which have the effect of transferring competence to the National Assembly to legislate in relation to the administration of elections to the Assembly itself and of those to local government. In addition, legislative competence for the registering of electors eligible to vote in these elections and the franchise applying to them are also devolved. An exception to this is the digital registration system operated by the UK Government.
- 1.3. Up until now, the Assembly has had very limited powers in relation to local elections or registration of electors and its powers in relation to Assembly elections have been confined to the appointment of returning officers (where constituencies crossed county boundaries) and regional returning officers, as well as the financing of these elections through providing funds to returning officers and the costs of distributing candidates' literature to Royal Mail.
- 1.4. The transfer of competence by the Wales Act, once the relevant provisions are brought into force, provides the opportunity for the Welsh Government to review the framework of legislation applying to Welsh local elections.¹ This paper concentrates on the franchise for local elections, the registration of electors, voting procedures and systems, standing as a candidate and the returning officer function. Where appropriate, the Welsh Government intends to include provisions within forthcoming local government legislation when the opportunity arises.
- 1.5. In putting forward these proposals for consultation, we recognise that any reforms brought into effect will require detailed planning and cooperation between the electoral community of returning officers, electoral administrators and the statutory bodies. The Welsh Government has enjoyed a strong working relationship with this community (who are noted for their excellent record in the successful delivery of elections and other polls in Wales) and will seek to work closely with them and other stakeholders in progressing the reform programme.

¹ The National Assembly is conducting a separate review of the size, electoral system and franchise for the Assembly and there may well be issues in this paper which could apply to both

2. Building the franchise

- **Votes for 16 and 17-year-olds**

- 2.1. The extension of the franchise to include all those aged 16 on polling day in Welsh local government elections would be the biggest change to the franchise since 1970, when 18- year-olds were able to vote for the first time. This younger cohort is already able to vote in Scottish local elections and elections to the Scottish Parliament and participated actively in the Scottish independence referendum.
- 2.2. It has been Welsh Government policy for several years to reduce the voting age to 16 and indeed the National Assembly by a clear majority voted in favour of this move in May 2013. Furthermore, the policy was included in the manifestos of the Labour Party, Plaid Cymru and the Liberal Democrats at the General Election. We should soon be in a position to implement this.
- 2.3. The case for enabling 16-year-olds to vote has been well-rehearsed. With most of the 16 and 17-year-old cohort these days being in school, it makes them far more exposed to political education of some sort than was the case in previous generations. Use of social media and electronic media sites is high amongst this age group and discussion of major political events is common.
- 2.4. Citizenship and political education are important parts of the curriculum and learners currently have the opportunity to study politics and current affairs through Personal and Social Education, Education for Sustainable Development and Global Citizenship (ESDGC) and the new Welsh Baccalaureate.
- 2.5. The 'Active citizenship' theme in the existing Personal and Social Education (PSE) framework, the key document which schools and colleges should use to review and develop existing PSE provision for 7 to 19-year-olds, allows learners to develop their knowledge on politics and their rights in a democratic society which reflects the United Nations Convention on the Rights of the Child. This should mean a more politically aware section of the population.
- 2.6. The 2014 Scottish referendum – where votes at 16 were made available for the first time in the UK – gives some indication of likely rates of registration. 109,533 16 and 17 year-olds registered, estimated at 89 per cent of those eligible.
- 2.7. Turnout of 16 and 17 year-olds was estimated at 75%, compared with 54% of 18-24 year olds and 72% of 25-34 year olds, though it was lower than for the electorate as a whole (85%). This presents an argument in favour of extending the franchise, as an early experience of voting could well lead to a maintained engagement, which would hopefully lead on to a greater interest in democratic politics more generally, including standing as a candidate. The lowering of the voting age would require a drive for maximum rates of registration. This might be easier for this age group than for those a couple of years older because most of them are still at home and, as stated earlier, attending school.
- 2.8. Currently, those who are entitled to vote at Assembly elections are people who are registered and who are entitled to vote at local government elections. Extending the local government register to include 16 and 17-year-olds would, without changes to the current legislation, apply automatically to voting at

Assembly elections. It will, of course, be for the Assembly to determine, if it so wishes, to remain affixed to the local government register.

Q1 – Do you agree that the qualifying age for voting in Welsh local government elections should be lowered to 16?

- **EU Citizens and citizens of other countries**

- 2.9. At present, it is unclear how the decision to leave the European Union (EU) will affect the automatic right of EU citizens to vote in council and Assembly elections here.
- 2.10. This issue will form part of the negotiations. Both the UK Government and the other EU member-states have expressed a strong willingness to reach an agreement which protects in full the existing rights of EU citizens who already are resident in the UK and this is also the clear position of the Welsh Government.
- 2.11. The question of EU citizens who arrive in the UK after EU withdrawal from the EU is a slightly different one, even if this too could form part of the discussion about the future of the relationship between the EU and the UK. It could be argued that such citizens should be no differently treated to citizens of non-EU countries once the UK is no longer a member of the EU – although, of course, citizens of Commonwealth countries already have and would presumably retain a right to vote here.
- 2.12. Citizens of other countries who may be resident here (other than EU citizens or citizens of Commonwealth countries) have no entitlement to vote. So a citizen of, say, the United States, China or Russia cannot participate. If it were decided that an EU citizen who arrives in the UK after UK withdrawal from the UK should have voting rights, then depending on the level of ongoing integration between the UK and the EU, the differentiation between EU/Commonwealth and non-EU/Commonwealth citizens arguably becomes less defensible. There is a case to be made that if someone lives in Wales lawfully, the local and Assembly franchises should also include them.

Q2 – Should EU citizens who move to Wales once the UK has left the EU continue to acquire the right to vote?

Q3 – Should voting rights be extended to all legal residents in Wales, irrespective of their nationality or citizenry?

Q4 – EU and Commonwealth citizens can stand for election to local government in Wales, Should this continue and be extended to all nationalities made eligible to vote?

- **Prisoners - See Annex**

- 2.13. Extending the franchise to prisoners is a subject that raises a number of issues, such as where a prisoner should be deemed resident for the purposes of voting

and whether the franchise should be universally extended to the prison population or linked to specific criteria such as the length or type of sentence. Because of these complexities we are not making firm policy proposals at this stage while legal issues continue to be explored. However, we would welcome responses to the questions at the end of the annex as a test of public opinion on this subject which we would take into account when considering whether we will legislate on this subject.

3. Improving registration

- 3.1. In this section we are considering policies designed to help people to register more easily. Registering to vote does not suggest any compulsion to use that vote. However, being on the register is a necessary pre condition to voting. In this section we put forward proposals to help ensure so that all those eligible to vote have these choices.
- 3.2. Electoral registration is the act of including names on the register held by the local Electoral Registration Officer (ERO) and denotes all those entitled to vote in that area (in Wales, there is an ERO for each of the 22 counties). It is compulsory to provide the required information to register when requested to do so, subject to a fine for failure to do so.
- 3.3. The register is therefore a list of people eligible to vote. The proposals which follow are designed to maximise the number of eligible persons included on the register. They do not imply any compulsion or obligation to cast a vote. That is an individual choice.

- **Data-sharing and Automatic Registration**

- 3.4. The introduction of individual electoral registration to replace household registration has generally been welcomed, in principle, in that it cast off a system primarily based on the “head of the household” having the power to provide personal information on the persons resident at an address, possibly without their knowledge, and replaced it with one placing the responsibility to register on each individual.
- 3.5. Unfortunately, this has led to a fall in the numbers registered, particularly amongst certain groups. The inability of landlords to register their tenants has led to big drops in the numbers of students on the electoral roll and there are also problems associated with other mobile populations. So, areas with high levels of students, migrants or people with unsettled lifestyles may suffer disproportionately from reduced levels of registration.
- 3.6. The Electoral Administration Act 2013 provided UK Ministers with the power to allow pilot schemes for improving registration. These are being pursued by the UK Cabinet Office’s Modernising Electoral Registration Programme, in which the Welsh Government participates.
- 3.7. One of the innovations that the UK Government has introduced to counter this fall in registration is the concept of data-sharing. In particular, data from the Department of Work and Pensions has been used to compare with the register, enabling EROs to make enquiries as to whether any persons absent from the register were resident at the named address. EROs can include someone on the register where other data confirms their belief that someone is resident at that address. Any data sharing would be in compliance with the Data Protection Act (due to be replaced next year by the General Data Protection Regulation²) and personal information would be treated in accordance with the principles of that Act

² <http://www.eugdpr.org/>

- 3.8. There could be considerable scope for expanding this resource by making available other official sources of data, which record persons' addresses, such as those maintained by the DVLA, HMRC and other listings maintained by local authorities.
- 3.9. This could be done by providing EROs with the freedom to make their own decisions as to what alternative sources of data might be relied upon, provided, of course that the proposed data-holder has a legal basis to disclose it.
- 3.10. There could be merit in moving far closer towards a system of automatic registration.
- 3.11. This position has been proposed by Claire Bassett, chief executive to the Electoral Commission, recently, in stating:
- "We believe that more automatic registration processes would greatly improve the system, with voters being added to the register after providing their details to other government services. A key example would be the automatic registration of young people when they are issued with a National Insurance number, helping to address historic under-registration of this age group".*
- 3.12. There will be other examples where this possibility exists and EROs could be given freedom to make use of them. This suggests a widening of the power of EROs to gather data for the register in a more flexible fashion than has been allowed for in recent regulations. The Representation of the People (England and Wales) (Amendment) Regulations 2016 includes provisions which allow EROs to exercise their discretion as to the issuing of Household Enquiry Forms and to use electronic means to send out invitations and reminders to register.
- 3.13. We could seek to move to a situation whereby, routinely, electors would only need to check they were registered rather than having to apply for registration. If individuals are added to the register without their initial knowledge, it should be remembered that registration is compulsory, and that being on the register only provides the right to vote – it does not require the right to be exercised.

Q5 – Should Electoral Registration Officers have a greater range of sources available to them to assist citizens to be added to the register?

Q6 – Which data sources do you think should be used by Electoral Registration Officers?

- **Enabling a wider range of Council Officers to assist people to register**

- 3.14. The more sources which are used to compile the register, of course, the more necessary it is for the available software to be formatted to identify and discard duplicate entries. There could be distinct advantages in allowing access to the register to a wider range of council staff, so enabling, for instance, the possibility of registering at a local library or leisure centre. When members of the public

contact their council for whatever reason, including, for instance, enquiries about council tax, there could be an automatic check against the register.

- 3.15. There would inevitably need to be a system by which the ERO or their staff were automatically informed when an amendment were made to the register by other council staff but this should not be an insurmountable problem, particularly as we move towards electronic registers. It could become a routine exercise as people make use of council services.

Q7 – Should a wider range of local authority staff be empowered to assist citizens to obtain registration through access to the local government register and have the ability to amend it?

Q8 – What controls should be put in place to ensure the Electoral Registration Officer maintains overall control of the register?

- **Relaxing rules on individual registration**

- 3.16. There may be a case for relaxing the rules on individual registration, so that a household form is permissible in certain circumstances but allowing for each individual to “sign”, either in paper format or through using some identifier provided to them. This would mean each individual would still need to indicate their participation in the process but a single form could be accepted by the ERO.
- 3.17. This could have positive advantages where a number of people reside in accommodation with a single landlord, such as a university residence or care home.

Q9 – Should the individual registration rules be relaxed to allow for block registrations in certain circumstances, protecting the right to vote for populations otherwise at risk of exclusion?

- **Targeted registration campaigns**

- 3.18. EROs are already able to conduct targeted registration campaigns but it may be possible to broaden these, aiming, for instance, at school students, the unemployed, council tenants, older persons in care – any category where it is possible to reach known individuals.
- 3.19. Welsh Government officials liaise closely with the UK Cabinet Office’s Modernising Electoral Registration Programme and the pilot exercises being promoted by this and we are supportive of its goals. These pilots allow EROs to be imaginative about how they conduct their annual canvass of households, in order to use their resources most effectively.
- 3.20. Targeted campaigns have also taken place in some areas aimed at working with universities, housing associations and other third parties to try and reach those least likely to register otherwise. There is a case for allowing EROs discretion as to how they conduct their canvassing exercises so as to maximise registration.

The Behavioural Insights Team (a social purpose company dedicated to the application of behavioural sciences) worked recently with two Welsh local authorities on registering students and their work could help to inform the design of literature aimed at this group.

Q10 – Should we place a duty on Electoral Registration Officers to consider whether any individual groups within their electoral area should be specifically targeted in registration campaigns?

- **Identifying people moving into and out of an area**

- 3.21. It should be possible for mechanisms to be introduced to identify people moving into or within an area to be provided with registration forms as a matter of course. This could be coupled with them receiving notice of their responsibility to pay council tax, for instance.
- 3.22. Social services departments or health bodies could be the first to be aware of people moving into, within, or out of an area and could provide people with registration forms and inform the ERO of the move. Universities should be aware of students changing address and similarly could have a link to the registration process. Housing associations, care homes and even estate agents could be included in this process.

Q11 – Should we introduce arrangements so that agencies who are aware of people moving have a duty to inform the Electoral Registration Officers?

- **Developing an all-Wales electronic register**

- 3.23. Despite the inclusion of provisions in the Electoral Administration Act 2006 for the development of a Co-ordinated On-Line Record of Electors (CORE), no such scheme has been established. Wales, with its 22 EROs, would appear to be ideal for the development of a single electronic register, which might facilitate some of the reforms proposed in this consultation and we would seek to work with the Electoral Commission and other stakeholders on its development.
- 3.24. For some of the proposals in the next section to work effectively, an electronic register would be a positive advantage. The CORE project was seen as essential in enabling multi-channel e-enabled elections and this could be our aim for Wales.
- 3.25. An all-Wales register would mean the use of common software on which to carry the register. Should electronic / remote voting be introduced it should be formatted so that the vote is recorded against the register whenever it was cast and from what location.

Q12 – What are your views on the development of a single electronic register for Wales?

4. The voting system

- **Offering a choice: First Past the Post or Single Transferable Vote**

- 4.1. The Local Government White Paper (Reforming Local Government: Resilient and Renewed) contained the proposal to allow individual local authorities to decide on their preference to stay with the first-past-the-post (FPTP) system or to move to election through a Single Transferable Vote system. Such a move would require a fresh electoral review of the council area to enable multi-member wards. The proposal would prevent a council, having changed to a different electoral system, from moving back until at least two elections had passed.
- 4.2. FPTP has been the only electoral system used to elect local councils in Wales since the introduction of elected local government in the late 19th century. It is also the system used to elect MPs, constituency AMs and community councillors in Wales. Accordingly, it is the electoral system with which Welsh voters are most familiar. Nevertheless, voters appeared to cope adequately with the elections for regional members of the Assembly, the European Parliament and Police and Crime Commissioners which all use different methods of proportional representation.
- 4.3. Supporters of FPTP take the view that the voting and counting procedures are simple, familiar and relatively cheap and there is a straightforward relationship between where a candidate finishes in the tally of votes and whether or not they are elected.
- 4.4. The Single Transferable Vote (STV) is a preferential electoral system, which means voters are asked to rank the available candidates in order of preference. Voters may choose to rank all the available candidates or only as many as they wish, which may be as few as just one.
- 4.5. STV is considered to be a system of “proportional representation”. It usually produces election results which generally reflect the proportions of votes cast for the different political parties, groups and independents in an individual electoral area and across the election as a whole.
- 4.6. Each election of a principal council is a separate election. It is appropriate that the council should decide on its electoral method just as the Assembly will be able to decide on its preferred option, albeit by a two-thirds majority. We propose that each authority should be allowed to decide for itself on the electoral system they prefer. We do not propose to introduce the option of STV for elections to community councils, because a root and branch review of the sector is underway.

Q13 – Do you agree that individual principal councils should be able to choose their voting system?

Q14 – Do you agree that a constitutional change such as this should be subject to a two-thirds majority?

- **Five year terms**

4.7. It is the intention of Welsh Government to introduce statutory five year terms for local government, replacing the existing arrangements for four year terms. This would be in keeping with the five year terms for the UK Parliament (as set in the Fixed Term Parliaments Act 2011) and for the Assembly in the Wales Act. This would mean that the next ordinary date of elections to local government would be in May 2022.

Q15 – Do you agree that the term of local government in Wales should be set at five years?

5. The voting process

[NOTE: Any reforms to voting methods proposed below could apply to elections, including by elections, to community councils as well as to those to principal councils]

- 5.1. For most people, the experience of voting has not changed significantly during their lifetimes. It is true that a higher proportion than ever now vote by post since absent voting rules were changed in the Representation of the People Act 2000 to provide it as an option on demand but it is still a minority activity.
- 5.2. The general experience is of attending the polling station allocated to your area, informing the presiding officer of your identity, receiving a ballot paper, taking it to a booth, completing it with the pencil provided and placing it in the ballot box provided.
- 5.3. This remains the case despite the fact that most people's experience of "voting" for other things would involve use of some type of computer screen, mobile or land phone or TV remote control. In many cases, such as elections or ballots within trade unions or other societies, the voting systems are designed to be secure, with individual codes of some sort to try and ensure that the correct person is voting – and doing so only once.
- 5.4. Despite the testing of various pilots at local and regional elections in the early 2000s, the traditional system remains in place. The question this raises is whether, as the electoral voting system diverges increasingly from how people otherwise live their lives, its relative monopoly will come to be seen as an anachronistic relic. Having said that, of course, there is plenty of evidence to show that when people really think voting is important, they turn up at old-fashioned polling stations in numbers. That does not mean, though, that even more would not participate if there were alternative voting methods available. This could be particularly the case in relation to young people, for whom the polling station process will be increasingly divorced from their normal experience of completing forms and providing personal details on line for almost all official communications.
- 5.5. In saying this, we have to attend to one of the main reasons why change has not been pursued. Issues around security and fraud have been associated with postal voting in particular and are feared in relation to any form of remote voting. In introducing any of the proposed reforms to the method of voting below, ROs would need to be vigilant and continue the scrutiny of the process as they do now to spot any irregularities. We do not wish to be resistant to reform, however, due to concerns over scrutiny when there have been no significant cases of electoral fraud in Wales in recent times.
- 5.6. There is now the opportunity to consider reforms to voting methods which could be piloted at council by-elections, or at the ordinary council elections in 2022, or even introduced across Wales in 2022. We would retain existing provisions in UK legislation requiring the Electoral Commission to evaluate any electoral pilot and we would seek to work with the Electoral Commission – and other stakeholders - on the development of any new methodology.

Q16 – Do you agree in principle with the desirability of reforming the voting system to encourage greater participation?

Q17 – Are there other initiatives not covered which might be taken to enable greater participation in elections in Wales?

- **All-postal voting**

- 5.7. This would involve all electors in the relevant area receiving a ballot paper by post at the normal time for issuing postal votes. It would not appear conceivable that this could operate successfully without removing the need for the personal identifiers required to support a postal vote application as requiring the application process would both be administratively problematic and also inevitably lead to a declining number of electors. The personal statement element, confirming that the vote was cast by the intended person, should remain, however, as providing at least a self-administered honesty check.
- 5.8. Of course, it would not be practicable to operate this system if the local elections were held at the same time as another poll for which normal rules applied to postal voting. Requiring personal identifiers for one form of postal vote but not another – particularly if there were multiple voters in one household – would make the process difficult to follow and open to criticism.
- 5.9. Previous pilots in the early 2000s indicated that all-postal voting led to an increased turnout (although in Wales the pilot was only at a single community council by-election). This has a logic to it. If you receive a ballot paper with instructions and a pre-paid reply envelope, there is a stronger chance that you will respond than being required to attend a polling station on a set day between certain hours. The expense of conducting an exercise by post, including use of pre-paid reply envelopes, would need to be balanced against the savings made by the removal of the need to operate polling stations.
- 5.10. In May 2003, 35 local authorities in England piloted all-postal voting. The outcome of those pilots was a recommendation from the Electoral Commission that all-postal voting should be adopted as the normal method of voting at local elections in the UK. This reflected the positive impact on voter turnout at these elections (in some places, turnout doubled) and the fact that there was no evidence at that time of an increase in fraud.
- 5.11. The local elections scheduled for May 2004 were postponed to June and combined with the European Parliament elections. The UK government used this opportunity to trial all-postal voting in these elections across four regions and the pilots did show a significant increase in turnout in those areas.
- 5.12. The Electoral Commission report into these elections drew back from their earlier recommendation because its research showed that a large minority of people wished to retain the option of voting at polling stations. Thus, the Commission recommended that a new model of multiple voting methods should be developed, including postal voting, rather than proceeding with elections run entirely by all-postal voting.

5.13. We recognise also the Electoral Commission's concerns about potential abuses of postal voting and would support their calls for it to be made an offence for anyone other than the voter concerned to interfere in the postal voting process.

Q18 – Should councils be able to choose to use all-postal voting at council elections?

Q19 – Should it be subject to pilot exercises first?

Q20 – Should councils be able to operate all-postal voting in an individual ward or a number of wards within a council area?

- **Electronic voting**

5.14. This implies the installation of equipment at polling stations (and possibly other locations) to enable touch-screen voting. Polling would still be subject to a form of limited supervision. It would be important to ensure that officers presiding at the polling places could not see how people were voting but they would also need to ensure that voters did not receive unauthorised assistance or guidance as to how to cast their vote.

5.15. Electronic voting is already used widely internationally, particularly in India but also in Belgium and Estonia amongst others.

5.16. Technology could probably provide that the touch-screen capacity could be made available in places other than normal polling stations but there would still need to be trained staff present to oversee and help. Also, there would need to be a way that the register was marked to indicate who had voted.

5.17. There are clear cost implications for this. Whether or not dedicated hardware would be required, the returning officer would need to be certain that they had sufficient working equipment available on polling day.

5.18. There are potentially considerable cost savings on the counting of votes, the hiring of counting premises and time. After close of voting, there would need to be a set location where the results of poll were displayed, showing the number of votes cast and how they were shared between the different candidates.

5.19. There would need to be measures to prevent voting patterns being viewed ahead of counting time to prevent this information assisting candidates or their campaigners. Similarly, there would need to be secure procedures in place to ensure the security of data being transmitted from the polling places to the central count operations. The challenging of votes could become less likely. Systems might be configured so that an error in completion of the ballot form could lead to the vote being rejected and voters being allowed another attempt.

Q21 – Should electronic voting be enabled at local elections?

- **Remote voting**

- 5.20. This refers to a process of voting through access of the internet by an electronic device, using an individual recognition code. The use of codes of different sorts to ensure that only the intended person is accessing a system is now commonly used for purchasing, banking, voting in elections within political parties, trade unions and other organisations. Registration to vote is now routinely performed on line, as is registering/taxing a motor vehicle and accessing a multitude of other public services or transactions.
- 5.21. Remote voting was piloted in local elections at South Buckinghamshire in May 2007. Although only a minority made use of the facility, 10 years later the option is likely to be more popular. There were no particular technical difficulties but the Electoral Commission called for the pilots to be suspended – along with all others – until the system was generally more secure. There is a risk that, with registering being done remotely, fictitious voters could be created and that voting might not take place in secure environments. In addition, realistic concerns exist about cyber security, and any system needs to be as secure as possible from the dangers of hacking and manipulating votes. This must be weighed against this method becoming more and more commonplace in relation to other types of voting or completion of official forms and having likely efficiency savings. There are remote voting procedures operating in at least one European country allowing the casting of a vote more than once by the same person, with only the final vote cast before close of poll counting. This is to provide for the possibility that an elector may be subject to intimidation when voting but would take a later opportunity to vote in private.
- 5.22. There would need to be a window during which time voting could take place; counting would need to be performed at a set time and be open to scrutiny and arrangements might be needed for people who found it difficult or did not wish to cast their votes this way .
- 5.23. Both electronic and remote voting could include methodologies which make mistakes less likely and increase the possibility of dealing with multiple polls on the same day by assisting voters through the process.

Q22 – Should remote voting be enabled at local elections?

- **Electronic counting**

- 5.24. Electronic counting is not necessarily linked to electronic voting and is now, for instance, the accepted method of counting votes cast in Scottish local elections. Its use is particularly justified by the decision of the Scottish Parliament to elect councils by the single transferable vote system, which throws up a more complex counting process than in traditional first-past-the-post elections (see above).
- 5.25. It is not always the case, however, that use of the STV electoral process is linked to electronic counting. STV votes are counted manually in Northern Ireland and the Republic of Ireland. It absorbs more time and resource but is believed to have

a greater degree of transparency.

- 5.26. Electronic counting is an expensive option. The Scottish Government has reportedly paid £6.5million for the contract for the counting machines to be used this year. It would be much less, of course, for an individual Welsh authority but could still be a six-figure sum. It is, however, an area in which we could anticipate greater adaptability of equipment in the future. Authorities might prefer to purchase equipment and training for their staff rather than enter all-embracing arrangements with contractors.
- 5.27. Of course, electronic counting could also be an option on FPTP elections. It should still speed the process and have some consequential savings in time and counting staff.
- 5.28. Observing electronic counting is a less complex, and possibility less exciting prospect than traditional paper counts. The machines are quick and count less visibly, not putting votes into piles but recording the totals. They also are able to identify wrongly completed ballot papers and display them for judgement by the RO.
- 5.29. In some pilots and in the Scottish elections of 2007, there were some technical problems with the counting machines which delayed results. These appear to be largely overcome and more recent elections have taken place smoothly.

Q23 – Should electronic counting be introduced for local elections in Wales?

- **Mobile polling stations**

- 5.30. This conceives some polling stations operating like mobile libraries, visiting different parts of an area, in addition to “normal” polling stations. This might be particularly useful in hard-to-reach areas, neighbourhoods with traditionally low turnouts and concentrations of elderly persons.
- 5.31. People would need to know in advance at what times the mobile station would be calling – preferably when polling cards are distributed - and there might need to be some form of broadcast message on site.
- 5.32. For this to be able to operate successfully, an electronic register system would need to be in place, ensuring that voters casting their vote in the mobile station were not able to vote again at a “normal” polling station – or vice versa. If operating an auto-update register, there would need to be a high degree of surety that reliable connections operated between the mobile polling station and the central register so that linked polling stations would see which votes had been cast. Otherwise, you would need to employ a system whereby people would have to register in advance to have a mobile vote.
- 5.33. If the same mobile polling station served more than one ward, a process would need to be in place to ensure the ballot papers from one were separated from those in another. This would be easier if electronic voting were introduced.

- 5.34. There would also need to be restrictions on campaigning close to a mobile station akin to those relating to other polling stations. The mobile stations themselves, of course, would need to be accessible to disabled people.
- 5.35. Mobile polling stations are allowed in Canada but have not been piloted in the UK.

Q24 – Should mobile polling stations be enabled at local elections?

- **Voting at places other than polling places**

- 5.36. This proposal would suggest enabling voting at places like supermarkets, local libraries, leisure centres and bus and railway stations – public places local people might visit during the course of a normal day.
- 5.37. If these were to be in addition to “normal” polling stations, so not confined to a particular polling district, again an electronic register would be required so that an elector, once having voted, had their name marked against the register to avoid the possibility of multiple voting.
- 5.38. Voting at places other than normal polling stations was piloted in the early 2000s. Although it appears not to have been problematic, most people preferred to stick with their local polling stations. Any places designated as additional to normal polling stations would need to be accessible to all and able to cater for voting in secret.

Q25 – Should we enable returning officers to make use of polling places in addition to fixed polling stations?

- **Voting on different days and on more than one day**

- 5.39. Election Day in the UK is traditionally a Thursday, possibly because of a combination of historic factors. Under the Fixed Term Parliaments Act 2011, all General Elections should take place on the first Thursday in May every five years, barring special circumstances (as we have just witnessed).
- 5.40. Most other European countries hold elections on a Sunday. In the past, objections to Sunday voting have been raised from religious quarters. These days, however, many activities take place on a Sunday – like shopping and sport – which were once not permitted or commonplace.
- 5.41. Local authorities are not bound to hold by elections on Thursdays and occasionally choose not to. Community polls, for instance, can be held on different days. Pilots in the early 2000s included voting on days in addition to Thursday and, if we move to a situation by which the register can be marked electronically to record the casting of votes, there should be a greater possibility of stretching an electoral process over a number of days. Voting on more than one day could help to overcome circumstances such as occurred in parts of London at the time of the European referendum, where flooding led to serious disruption of transport links on polling day.

- 5.42. Any requirement to staff polling days over several days, of course, would come with the commensurate costs.
- 5.43. Counting would, of course, need to be completed at one time after all votes were cast and there would be a need to keep ballot boxes secure for a longer period of time.

Q26 – Should we enable local elections to be held on more than one day and on days other than a Thursday?

- **Simpler postal voting procedures**

- 5.44. Anyone can apply for a postal vote, either for a single election on a specific date, for a specific period or permanently. You will need to provide your name, address, signature and date of birth when completing the application form.
- 5.45. When voting by post, you are required to mark your vote on your ballot paper in secret, fill in a postal voting statement (which confirms that you are the person entitled to cast the vote), put the ballot and statement in the envelope provided and seal it yourself, and then post it.
- 5.46. There may be more than one election on the same day, most commonly in the case of county and community elections, but it is usually the case that both ballot papers can be inserted in the same reply envelope.
- 5.47. Many users of postal voting are elderly or otherwise infirm. For many people in these circumstances, official forms can be irksome and they may need help to deal with them, which partly defeats the object. But it is also the case that individuals without any particular vulnerabilities who have chosen to vote by post find the instructions difficult to follow and, in some cases, the sealing process less than straightforward.
- 5.48. There may well be a case for examining whether the postal vote material can be made simpler to understand and complete. There are certainly organisations who would volunteer their services to address this.

Q27 – Should consideration be given to simplifying postal voting procedures and literature?

Q28 - How do you think the process could be simplified?

- **Presenting ID at a polling station**

- 5.49. In August 2016, the UK Government published a review of electoral fraud carried out by Sir Eric Pickles (<https://www.gov.uk/government/publications/securing-the-ballot-review-into-electoral-fraud>). Although it contains many proposals, the most publicised has been the proposal that voters should be required to present some form of personal identity document when attending a polling station before they could receive their ballot paper. Acceptable ID might be a passport, driving licence or utility bill. This is not that unusual. In some cases, such documents

need to be produced before being allowed entry to a council recycling centre to prove your local residence.

- 5.50. However, the introduction of such a requirement is not one which would lead to a higher turnout. It is more likely to result in people being turned away who then don't bother to return. As such, it puts the interest of security of the vote above that of accessibility.
- 5.51. Wales has, fortunately, been relatively free of any allegations of significant electoral fraud in recent years, in contrast to certain inner city areas in England. The case, therefore, for the introduction of ID at Welsh polling stations is therefore harder to justify.

Q29 – Should electors attending a polling station be required to produce ID before they are allowed to vote? If so, what types of identification should be accepted?

Q30 – Do the advantages of requiring ID outweigh the risk of deterring voters?

6. Standing for election

- **Removing need to publish candidate's postal address**

- 6.1. We need to be mindful of recent, though thankfully rare, occasions where politicians' accessibility has been abused, resulting in them being attacked, in one case fatally. It may be that there is no longer a necessity for the returning officer to publish the candidate's home address on election literature. The RO would, of course, need to be satisfied that the candidate at a local election was qualified to stand but if there remains a need to publish contact details, possibly an e-mail or social media address could replace their physical location. There is no intention in this proposal to prevent a candidate from showing their connection to a locality.

Q31 – Do you agree that it should no longer be necessary to publish a candidate's home address in election literature, including anything published electronically?

- **On-line publication of candidate's statement**

- 6.2. On the other hand, there could be more information available to the public about the candidates' beliefs or policies, using on-line facilities. Each candidate could be required to provide a statement which would be published collectively by the returning officer and could be located in one spot on the web.
- 6.3. What we are proposing is a facility provided by an RO but in which the responsibility for the content remains with the candidate. It is the candidates' responsibility to ensure that their statement complies with the law. ROs may refuse to publish a statement if they consider it may be in breach of legislation. This practice is already employed in New Zealand and the Netherlands.

Q32 – Do you agree that each candidate should be required to provide a personal statement for inclusion on a website provided by the authority to whom they are seeking election?

- **Prohibition of Assembly member standing as council candidate**

- 6.4. The National Assembly's Constitutional and Legislative Affairs Committee, in a 2014 report (<http://senedd.assembly.wales/mglIssueHistoryHome.aspx?lId=14799>), called for the Welsh Government to review whether it was appropriate for an Assembly Member to also serve as a county councillor. The Welsh Government's view is that this is not appropriate, given the full-time role an Assembly Member fulfils. However, it is possible that this issue will be addressed through disqualification from the Assembly, rather than through amending local government legislation. Otherwise, the disqualification rules for election to local authorities could be amended. In either case, we are proposing that a councillor should be free to stand for election to the Assembly, and that Assembly Members be able to stand for election to a council, but that, if elected, they would need to vacate the first held position within a year.

Q33 – Do you agree that it should not be permissible to serve both as an Assembly Member and councillor?

- **Requirement to declare party affiliation**

- 6.5. Welsh Government policy is also that it should not be acceptable for a person to stand for election without declaring their membership of a political party, if that is in fact the case. Consideration could be given to making that illegal at council elections, with the result declared invalid if it were proven that a candidate withheld this information. Making this an offence suggests the possibility of disqualification for a period of time.
- 6.6. Party affiliation needs to be declared on a candidate's online statement (see above) if the candidate has been a member of any political party during the twelve months up to and including the election.

Q34 – Do you agree that candidates should be required to disclose a party affiliation if they have one?

Q35 – What sort of evidence should be required to suggest there is an undisclosed party affiliation?

- **Allowing council staff to stand for their own council**

- 6.7. This matter was raised previously in the consultation paper "Power to Local People"³ and at that time the weight of opinion was against this idea but we wish to test it again in the context of limited progress on diversity illustrated at the 2017 local elections.
- 6.8. Officers and staff in Local Authorities generally have a thorough understanding of their communities and a deep commitment to improving their well-being. Many might themselves make effective elected members, but there are restrictions on some senior employees of a Local Authority standing for elections. In particular, although all Local Authority employees (including school staff) can stand for election unless they hold a politically restricted post (generally higher paid officers), none of them can stand for election to their own employing Authority. This makes sense from the point of view of them not being able to make decisions affecting their own employment conditions.
- 6.9. The Welsh Government recognises the need for checks and balances to ensure the integrity and impartiality of advice offered by officers to elected members. However, given that Local Authorities are major employers in all areas of Wales, these restrictions may be preventing a wide range of suitable candidates from diverse backgrounds from coming forward to stand for election in their local area.
- 6.10. Whilst any person who is disqualified currently from standing may resign their post to stand for election, this is a significant disincentive due to the risk it carries for the individual. There may be a case for this disqualification being reviewed. It results in thousands of individuals being unable to stand for election in their own area. Views are being sought as to whether any Local Authority officers should be entitled to stand for election to their own Authority. In Scotland they are only

³ <http://gov.wales/docs/dsjlg/consultation/150203-power-to-local-people-full-en.pdf>

required to resign their paid employment with the Authority once they are elected. Alternatively, there could be a period of secondment to the council, entitling the individual to return to their employed position after completing a council term, should their employing authority so decide. An alternative approach is that the code of conduct regime could ensure that an interest is declared on any matter in which the member has a pecuniary or other interest. This would widen the pool of potential candidates while ensuring there is no conflict of interest once the candidate is elected

- 6.11. In terms of politically restricted posts – those post-holders in local authorities who cannot participate in political matters – this is in keeping with the traditional view that those officers who advise a local authority from a senior position should be politically neutral. Current arrangements require that, in addition to chief officers, each council should keep a list of officers other than these who advise or act on behalf of the council on a regular basis. Anyone on this list has to apply to an Independent Adjudicator appointed by Welsh Ministers before they can be freed to participate. Any applications for permission are extremely rare. There have been none since the 2010s. Views are being sought as to whether the need for such a list – and therefore the adjudicator position – is still justified.

Q36 – Should any council staff below senior level be able to stand for election to their own authority?

Q37 – Is there still justification for councils to keep a list of those other than senior officers who should be politically restricted?

7. Returning officers

- **Ending right to personal fee for returning officer**

- 7.1. Existing legislation enables ROs to reclaim an amount for their services and expenses incurred in the running of an election from the body responsible for the funding of the elections. For Welsh elections, this means the Welsh Government for Assembly elections and individual local authorities for county and community elections.
- 7.2. ROs have an independent position, governed by statute. ROs, when performing their functions, are treated as distinct from what might be their everyday job, and have the responsibility to ensure the proper administration of the election from start to finish. This implies a greater element of risk than might apply in their normal employment, although there are indemnities and insurances normally in place partly to balance this.
- 7.3. For Welsh elections, the RO must be an ERO of a principal council. Each council must appoint one of its officers as the ERO and this is usually, though not always, its chief executive. The chief executive is therefore usually also the RO.
- 7.4. An option under consideration is that the function of ERO/RO becomes an automatic function of the proposed statutory chief executive (included within the Draft Local Government Bill of 2016).
- 7.5. Within the expenses that an RO can claim from the funding body has traditionally been an element representing a personal fee. This recognises that the role is additional to – or separate from – their normal job. In recent years, however, there has been significant public attention brought to the level of salaries payable to senior public servants at a time of general restraint and limitations over pay more generally and of lower level public servants in particular. This has included the issue of RO fees, which, in some cases, are claimed in multiples. (This is the case in Assembly elections, for instance, if an RO covers more than one constituency and/or is appointed as Regional RO for the purpose of the election of Regional Assembly Members).
- 7.6. We are considering legislating to prevent ROs recovering a personal fee from their own authority and to replicate this policy in relation to the fees and charges payable at Assembly elections.
- 7.7. Local authorities will be able, if they wish, to consider whether to recognise the compulsory RO role within the salary of the chief executive. In doing so, they will need to take into account that the RO responsibility embraces the management of Assembly and town and community council elections as well as those to their own authority. Should they wish to increase the salary for this purpose, they would need to consult the Independent Remuneration Panel for Wales for a view.

Q38 – Do you agree that the statutory chief executive role should include that of returning officer?

Q39 – Do you agree that any addition to salary in recognition of returning officer duties should be a matter for the local authority to determine?

- **Simplifying fees and charges system**

- 7.8. The existing system of paying for elections to the Assembly involves the Assembly approving a fees and charges order which details the maximum amounts claimable by an RO for services and expenses at an election.
- 7.9. ROs are able to claim an advance on the expenses and there is then a complex process by which accounts are submitted and checked with calculations taking place as to whether the RO is entitled to an addition to the advance fee or is required to return any of the fee received.
- 7.10. It can take up to a year after the election for accounts to be finalised and the resource and time required to do this, at both local authority and Welsh Government level is significant. It has the advantage of accuracy. However, it would probably represent an overall saving on public funds to move to a system whereby election costs were paid on a formula basis – linked to the size of the electorates – within which ROs would need to accommodate their expenditure on the election.
- 7.11. In this situation, there would need to be arrangements in place to deal with the recovery of any surplus and the process would have to be open to audit.

Q40 – Should Welsh Government move to a system of calculating Assembly election costs on an agreed formula, based on the size of electorate?

8. Conclusion

- 8.1. Any changes which we decide to pursue will be subject to consultation with our stakeholders through the establishment of an Electoral Reform Programme Board. We will also be participating in the Wales Elections Coordination Board, established by the Electoral Commission.
- 8.2. We are aware that these proposals are not the only proposals for change which may emerge in the coming period. The UK Government's Modernising Electoral Registration Programme is ongoing and the UK Cabinet Office has recently consulted on changes to anonymous registration. The Assembly's Presiding Officer (Y Llywydd) has established an expert panel to consider, amongst other things, reform to the way the assembly is elected.
- 8.3. On top of this, the Law Commissions of England and Wales, Scotland and Northern Ireland have reviewed electoral law and report on recommended reforms. They aimed to consolidate electoral law, at the same time modernising and simplifying. We understand that their proposals are unlikely to lead to the publication of a Government Bill but may be pursued – to an extent – through secondary legislation.
- 8.4. This consultation document introduces a panoply of potential reforms to the electoral process in Wales. This is a real opportunity for a modernisation of procedures which have changed little for many, many years. We need to encourage a far greater degree of participation in political life and easing the processes leading to casting a vote could play a major role in this.
- 8.5. While we have set out many proposals within this paper it is certainly not intended that these are exhaustive. We would welcome any alternative suggestions for reform of electoral administration and democratic processes where these promote registration and participation.
- 8.6. Responses are welcomed. If you responded to the electoral section of the previous White Paper, you can refer to your previous submission without needing to duplicate it.

Please send response to RLGProgramme@wales.gsi.gov.uk by 10 October 2017.

Annex – Prisoner Voting

1. The UK Government has, despite earlier indications that it was under consideration, failed to address the ruling of the European Court of Human Rights that a blanket ban against prisoner voting contravenes Article 3 of Protocol No 1 of the European Convention on Human Rights. The First Minister of Scotland has, however, indicated that there will be a need for Scottish Ministers to consider their position on prisoner voting in the light of the 2016 Scotland Act.
2. The UK Government has indicated that it does not intend to bring forward legislation to respond to the European Court of Human Rights' judgment. The Council of Europe's Committee of Ministers, which is responsible for enforcing judgments of the European Court of Human Rights, has twice called upon the UK to respond to the Court's judgment.
3. In 2010, Mark Harper, then UK Minister for Constitutional Reform, issued a statement saying:

“The Government will therefore bring forward legislation providing that the blanket ban in the existing law will be replaced. Offenders sentenced to a custodial sentence of four years or more will lose the right to vote in all circumstances, which reflects the Government’s clear view that more serious offenders should not retain the right to vote. Offenders sentenced to a custodial sentence of less than four years will retain the right to vote, but legislation will provide that the sentencing judge will be able to remove that right if they consider that appropriate. Four years has in the past been regarded as the distinction between short and long-term prisoners, and the Government consider that permitting prisoners sentenced to less than four years’ imprisonment to vote is sufficient to comply with the judgment.”

4. The four-year qualification proposed in 2010 would mean that in the region of 45% of prisoners would become entitled to vote and clearly those convicted of the most serious offences, would, in the main, have been given longer sentences.
5. However, the Parliamentary Joint Select Committee which considered the draft Voting Eligibility (Prisoners) Draft Bill in 2013 recommended:
 - That all prisoners serving sentences of 12 months or less should be entitled to vote in all UK parliamentary, local and European elections;
 - That such prisoners should be registered to vote in the constituency where they were registered prior to sentencing; and that, where there is no identified prior residence, they should be able to register by means of a declaration of local connection;
 - That prisoners should be entitled to apply, 6 months before their scheduled release date, to be registered to vote in the constituency into which they are due to be released.
6. Neither of these proposals have come into effect and the Conservative government elected in 2015 made it clear that they would not be taking the matter forward. It seems unlikely in the short term that there will be any change to the current franchise in relation to prisoners, meaning that only remand prisoners are entitled to vote. (Discussions are however still underway between the UK Government and the Council of Europe.)

7. It would be possible for voting rights to be extended to the approximately 3200⁴ prisoners resident in Wales. The issue of where they would be resident for the purposes of registration would be important here. Prisoners could be deemed resident at their addresses outside prison, or they could declare a local connection to an addresses to which they had attachments, such as their parents or family addresses. The alternative approach is that of the prison address being the relevant residence, although this could cause a sudden growth, possibly unwelcome, to the nature of the electorate of the local ward. It is noted that many inmates of Welsh prisons will have their previous or attached addresses in England, where the franchise may not have been extended.
8. In a consultation of 2009, the then UK Ministry of Justice, raised the possibility of registering prisoners to vote by using a special convicted prisoners' voting registration form attested by a designated prison official. This would enable convicted prisoners to register to vote through the 'rolling registration' route, by reference to a previous residence or enabling prisoners to make a 'declaration of local connection' where there is no connection to a previous residence. The consultation also asked whether it would be preferable for prisoners to vote by post and how prisoners' details should appear on the electoral register.
9. An alternative approach for Wales could be that eligible convicted prisoners should maintain their entry on the register at the time of their conviction. The returning officer (RO) would need to arrange for them to receive a postal vote at the institution where they were resident, or a proxy vote cast on their behalf. They would remain on that register until they were released.
10. There could still be a process of registration for unregistered persons as described in the options above. Any extension of the franchise to 16 and 17 year olds would need to be addressed and there would need to be a process for registering young people below voting age who reach the qualifying voting age during their period of detention.
11. Prisoner voting is routinely permitted in Ireland, France, the Netherlands, Italy and Germany, as it is in Finland and Sweden (which also allows political parties to hold campaign meetings in prison).

Q41 – Should Welsh prisoners be allowed to register to vote and participate in Welsh local government elections? If so, should it be limited to those sentenced to less than twelve months, four years, or any sentence length?

Q42 – By what method should prisoners cast a vote?

Q43 – At what address should prisoners be registered to vote?

⁴ <https://www.gov.uk/government/statistics/prison-population-figures-2017>

Consultation Response Form

Your name:

Organisation (if applicable):

email / telephone number:

Your address:

Q1 – Do you agree that the qualifying age for voting in Welsh local government elections should be lowered to 16?

Q2 – Should EU citizens who move to Wales once the UK has left the EU continue to acquire the right to vote?

Q3 – Should voting rights be extended to all legal residents in Wales, irrespective of their nationality or citizenry?

Q4 – EU and Commonwealth citizens can stand for election to local government in Wales, Should this continue and be extended to all nationalities made eligible to vote?

Q5 – Should Electoral Registration Officers have a greater range of sources available to them to assist citizens to be added to the register?

Q6 – Which data sources do you think should be used by Electoral Registration Officers?

Q7 – Should a wider range of local authority staff be empowered to assist citizens to obtain registration through access to the local government register and have the ability to amend it?

Q8 – What controls should be put in place to ensure the Electoral Registration Officer maintains overall control of the register?

Q9 – Should the individual registration rules be relaxed to allow for block registrations in certain circumstances, protecting the right to vote for populations otherwise at risk of exclusion?

Q10 – Should we place a duty on Electoral Registration Officers to consider whether any individual groups within their electoral area should be specifically targeted in registration campaigns?

Q11 – Should we introduce arrangements so that agencies who are aware of people moving have a duty to inform the Electoral Registration Officers?

Q12 – What are your views on the development of a single electronic register for Wales?

Q13 – Do you agree that individual principal councils should be able to choose their voting system?

Q14 – Do you agree that a constitutional change such as this should be subject to a two-thirds majority?

Q15 – Do you agree that the term of local government in Wales should be set at five years?

Q16 – Do you agree in principle with the desirability of reforming the voting system to encourage greater participation?

Q17 – Are there other initiatives not covered which might be taken to enable greater participation in elections in Wales?

Q18 – Should councils be able to choose to use all-postal voting at council elections?

Q19 – Should it be subject to pilot exercises first?

Q20 – Should councils be able to operate all-postal voting in an individual ward or a number of wards within a council area?

Q21 – Should electronic voting be enabled at local elections?

Q22 – Should remote voting be enabled at local elections?

Q23 – Should electronic counting be introduced for local elections in Wales?

Q24 – Should mobile polling stations be enabled at local elections?

Q25 – Should we enable returning officers to make use of polling places in addition to fixed polling stations?

Q26 – Should we enable local elections to be held on more than one day and on days other than a Thursday?

Q27 – Should consideration be given to simplifying postal voting procedures and literature?

Q28 - How do you think the process could be simplified?

Q29 – Should electors attending a polling station be required to produce ID before they are allowed to vote? If so, what types of identification should be accepted?

Q31 – Do the advantages of requiring ID outweigh the risk of deterring voters?

Q32 – Do you agree that it should no longer be necessary to publish a candidate's home address in election literature, including anything published electronically?

Q33 – Do you agree that each candidate should be required to provide a personal statement for inclusion on a website provided by the authority to whom they are seeking election?

Q34 – Do you agree that it should not be permissible to serve both as an Assembly Member and councillor?

Q35 – Do you agree that candidates should be required to disclose a party affiliation if they have one?

Q36 – What sort of evidence should be required to suggest there is an undisclosed party affiliation?

Q37 – Should any council staff below senior level be able to stand for election to their own authority?

Q38 – Is there still justification for councils to keep a list of those other than senior officers who should be politically restricted?

Q39 – Do you agree that the statutory chief executive role should include that of returning officer?

Q40 – Do you agree that any addition to salary in recognition of returning officer duties should be a matter for the local authority to determine?

Q41 – Should Welsh Government move to a system of calculating Assembly election costs on an agreed formula, based on the size of electorate?

Q42 – Should Welsh prisoners be allowed to register to vote and participate in Welsh local government elections? If so, should it be limited to those sentenced to less than twelve months, four years, or any sentence length?

Q44 – By what method should prisoners cast a vote?

Q45 – At what address should prisoners be registered to vote?

Q44- We would like to know your views on the effects that electoral reform would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

Q45 - Please also explain how you believe the proposed options could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Q46 - We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Please enter here:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

Eitem ar gyfer y Rhaglen 16



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday 27 th September 2017
Report Subject	Trade Union (Wales) Act
Report Author	Chief Executive

EXECUTIVE SUMMARY

The National Assembly for Wales passed the Trade Union (Wales) Act in July 2017. The Act dis-applies key provisions of the UK Government Trade Union Act 2016 to the devolved public services in Wales including health, education, local government and the fire services.

Council previously debated the predecessor Bill in February 2017, during the consultation stage, and gave its full support to the proposals to dis-apply the provisions of the UK Government Act in Wales (the previous Council report is appended). This latest report updates Council on the passing of the legislation and confirms that the current arrangements for working relationships with recognised Trade Unions for facilities agreements and the collection of membership subscriptions through payroll at source, and the thresholds for participation in ballots for industrial action to be legitimate, will remain unchanged.

RECOMMENDATIONS

1	That the Council welcomes the passing of the Trade Union (Wales) Act.
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REPORT DETAILS

1.00	THE TRADE UNION (WALES) ACT
1.01	Trade Union (Wales) Act dis-applies key provisions of the UK Government Trade Union Act 2016 for the devolved public services in Wales including health, education, local government and the fire service.
1.02	<p>The Council debated the predecessor Bill at its meeting in February 2017. The report described the local arrangements as follows:-</p> <p>“The Council has a long history of mutual co-operation and effective working with the trade unions. The principal recognised unions in Flintshire (public services trade unions with members in our employment) are GMB, UNISON and UNITE, and the teaching trade unions. The only industrial action taken within Flintshire in recent years has been participation in national actions over pay and conditions of employment. There is no recent history of local industrial disputes which have been escalated to industrial action. Therefore, the need to impose thresholds for trade union member participation in ballots has not been tested locally.</p> <p>“The Council has a local Trade Union Procedural and Facilities Agreement with the recognised trade unions. This Agreement has recently been reviewed and updated. The Agreement provides clarity over the types of roles undertaken by the trade unions - for example Union Learning Representatives (ULRs) and Health & Safety Representatives - and steps for approving reasonable time allowances for trade union related duties. Without a Facilities Agreement it would be difficult to make sufficient provision for employees to act in trade union capacities or indeed to regulate the number of trade union officials and their total working hours on their trade union duties. Trade unions are recognised by law and play an invaluable role in negotiating changes to the terms of employment, such as the local Single Status Agreement, and in advising the workforce in times of planned organisational change such as the recent agreement to move to a Leisure, Libraries and Museums employee mutual. Employees are also entitled to trade union representation in disciplinary and other cases, and when placed at the risk of redundancy during times of service review and change. Facilities Agreements should be flexible, subject to local agreement, and are best based on recommended practice without requiring the imposition of law. The Council promotes access to trade union membership for its employees as it is in their interests to have access to advice, support and representation should they so wish.</p> <p>“The Council provides the facility for employees to pay their trade unions subscriptions through their salary. This is convenient for the employee and the trade unions and generates a transaction handling income for the Council as the employer. This is a beneficial business arrangement for all three parties. There is no practical reason to discontinue with the arrangement.”</p>
1.03	The introduction of the Trade Union (Wales) Act means that the current arrangements for working relationships with recognised Trade Unions for facilities agreements and the collection of membership subscriptions

	through payroll at source, and the thresholds for participation in ballots for industrial action to be legitimate, will remain unchanged.
1.04	The Act also protects the position that agency workers are prevented in Wales from covering the work of public sector employees during industrial action should the UK Government pass supplementary legislation to that effect.
1.05	The Council has since reviewed the local Facilities Agreement with the Trade Unions for employees to be released for union duties in work time. The new Agreement is both proportionate to the size and operational needs of the Trade Unions and the organisation, and is cost-effective.

2.00	RESOURCE IMPLICATIONS
2.01	None as there is no change to the status quo.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	None.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Council report 17 February 2017. Contact Officer: Chief Executive Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Recognised Trade Unions: trade unions which have members who are employees of the employing body. Facilities Agreement: an agreement between employers and recognised

	trade unions for employees to be released for trade union duties in work time.
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Eitem ar gyfer y Rhaglen 17



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday 27 th September 2017
Report Subject	Reappointment of Town and Community Council Representative to the Standards Committee
Report Author	Chief Officer (Governance)

EXECUTIVE SUMMARY

The term of office for the Town and Community Representative came to an end with the local elections in May. A report was presented at the Annual Meeting of the Council in May and the Standards Committee in July recommending that Councillor Duggan-Keen, the current representative, be reappointed for a further term.

Before making the reappointment Council needed to consult the town and community councils on the proposal. That consultation was undertaken and no council disagreed with the proposal therefore it can go ahead.

RECOMMENDATIONS

1	That the Council notes that no town or community council has objected to the reappointment of Councillor Duggan-Keen.
2	That Council reappoints Councillor Duggan-Keen.

REPORT DETAILS

1.00	REAPPOINTMENT
1.01	At the Annual Meeting of the County Council it was agreed: <ol style="list-style-type: none">1. to reappoint Councillor Duggan-Keen to the Standards Committee subject to consultation with Town and Community Councils; and2. for Councillor Duggan-Keen to continue in position during the consultation.
1.02	The Monitoring Officer consulted with the Town and Community Councils, asking for their observations on the reappointment. The following responses were received: <ul style="list-style-type: none">• Halkyn - no observations• Whitford – do not object to the appointment
1.03	A copy of the consultation email to Town and Community Councils was also sent to One Voice Wales, who did not object to his re-appointment.
1/04	The Standards Committee at its meeting in July recommended the reappointment of Councillor Duggan-Keen.

2.00	RESOURCE IMPLICATIONS
2.01	None.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Consultation with Town and Community Councils was carried out following the Annual Meeting of Council in May the results of which were reported to the Standards Committee in July.

4.00	RISK MANAGEMENT
4.01	None.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Report of the Monitoring Officer to the Annual Meeting of the Council and Standards Committee in July</p> <p>Contact Officer: Gareth Owens, Monitoring Officer Telephone: 01352 702344 E-mail: gareth.legal@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	None.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 18



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 27 th September 2017
Report Subject	Appointments to Outside Bodies
Report Author	Chief Officer (Governance)

EXECUTIVE SUMMARY

The Appointments to Outside Bodies list was last reported to the Annual Meeting. Nominations were made to all but one of the bodies on the list, which is attached. Of the current vacancies, some of those relate to the late Councillor Ron Hampson. There was one body where Group Leaders, in consultation with the Chief Executive were unable to make a nomination and so it remains as a vacancy.

All appointments will run until May 2022.

RECOMMENDATIONS

1	That the Council notes the current Outside Bodies list which is attached as appendix A
2	That any vacancies which remain unfilled should be removed from the Outside Bodies list.

REPORT DETAILS

1.00	EXPLAINING THE OUTSIDE BODIES LIST
1.01	<p>The County Council maintains a list of the Members whom it nominates to serve on a number of outside bodies. Following on from the Annual Meeting, the Chief Executive, in consultation with the Group Leaders made appointments to all but one outside body.</p> <p>We have previously recognised that it may not be possible to make nominations to all of the outside bodies: nominations have tended to be because individual members have specialist knowledge or experience which enables them to make a meaningful contribution to that organisation. As effective links exist between that organisation and the Council's officers, it is suggested that representation at Member level may not be required for all organisations the time being. There is one vacancy where we have not been able to make a nomination. This is the North Wales Association for the deaf. It is recognised that Members already have a huge number of conflicting demands on their time.</p> <p>There are a number of vacancies which were previously filled by the late Councillor Ron Hampson. These are ward related and will be filled following the Buckley Bistre West by election.</p> <p>All appointments made this year will run until May 2022.</p>
2.00	RESOURCE IMPLICATIONS
2.01	None arising directly from this report.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Consultation has been carried out with Group Leaders.
4.00	RISK MANAGEMENT
4.01	The Outside Bodies list is regularly reviewed to ensure that our representation is appropriate and effective. Anti-poverty, environment and equalities issues are borne in mind where applicable.
5.00	APPENDICES
5.01	Current Outside Bodies list.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None, other than the attached.</p> <p>Contact Officer: Robert Robins, Democratic Services Telephone: 01352 E-mail: robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Outside Bodies: organisations outside the Council onto which Flintshire nominates Members.</p> <p>Mersey-Dee Alliance (MDA): the partnership between the public sector in North East Wales and North West England to “work together on common strategic interests to ensure a sustainable future for the area and facilitate a coherent approach to social, economic and environmental issues.”</p> <p>Welsh Local Government Association (WLGA) This body represents the interests of local government and promotes local democracy in Wales. It represents the 22 local authorities in Wales and the 3 fire and rescue authorities and 3 national park authorities are associate members. The WLGA's primary purposes are to promote better local government and its reputation and to support authorities in the development of policies and priorities which will improve public services and democracy.</p>

Mae'r dudalen hon yn wag yn bwrpasol



MEMBERSHIP OF OUTSIDE BODIES

Tudalen 377

Civic & Members Services
Corporate Services
County Hall
Mold
Flintshire
CH7 6NR

Karen Jones / Lesley Wood (01352) 702151
Robert Robins (01352) 702320

Amended on 12th September 2017

**FLINTSHIRE COUNTY COUNCIL
MEMBERSHIP OF OUTSIDE BODIES**

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Area of Outstanding Natural Beauty Partnership Tudalen 878	3	Paul Cunningham, Colin Legg & Owen Thomas Substitutes: Mared Eastwood		Until May 2022	Karen Holthofer & Howard Sutcliffe Clwydian Range & Dee Valley AONB Loggerheads Country Park Nr Mold Denbighshire CH7 5LH Tel No: 01352 811010/810614 Email:karen.holthofer@denbighshire.gov.uk & howard.sutcliffe@denbighshire.gov.uk
Argoed Sports Association	2	Local Members: Mared Eastwood & Hilary McGill		Until May 2022	Mrs. Joan Bellis Secretary Argoed Sports Association 34 Tir Wat, Mynydd Isa Mold, Flintshire CH7 6SD Tel: 01244 549156 Email:joan.bellis@talktalk.net
Arts Council of Wales	1 + 1 Officer	Mared Eastwood		Until May 2022	Miss. Helen Williams, PA to Director of Enterprise and Regeneration, Arts Council for Wales, Princes Park II, Princes' Drive, Colwyn Bay, LL29 8PL Tel: 01492 539758/07814646030 Email:Helen.williams@artswales.org.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Association for Public Service Excellence (APSE)	1 + 1 Officer	Andrew Dunbobbin		Until May 2022	Mr. Wayne Priestley, Principal Adviser Ass. for Public Service Excellence, 2 nd Floor Washbrook Hs., Lancastrian Office Centre 32 Talbot Road, Old Trafford, Manchester, M32 0FP. Tel: 0161 772 1810 Email: wpriestley@apse.org.uk
Association for Public Service Excellence (APSE) Service Transformation Strategic Forum	1	Andrew Dunbobbin		Until May 2022	Mr. Wayne Priestley, Principal Adviser Ass. for Public Service Excellence, 2 nd Floor Washbrook Hs., Lancastrian Office Centre 32 Talbot Road, Old Trafford, Manchester M32 0FP. Tel: 0161 772 1810 Email: wpriestley@apse.org.uk
Association for Public Service Excellence (APSE) Wales Housing & Building Maintenance Advisory Group	1	Andrew Dunbobbin		Until May 2022	Mr. Wayne Priestley, Principal Adviser Ass. for Public Service Excellence, 2 nd Floor Washbrook Hs., Lancastrian Office Centre 32 Talbot Road, Old Trafford, Manchester M32 0FP. Tel: 0161 772 1810 Email: wpriestley@apse.org.uk
Bangor University	1	Cabinet Member for Education: Ian Roberts	Yes	Until May 2022	Lynne Hughes, Planning & Governance Office Bangor University, Bangor, Gwynedd, LL57 2DG Tel: 01248 382776 Email: l.hughes@bangor.ac.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Buckley Sports Facility Consultative Committee	3 + 2 Officers	Local Members: Carol Ellis, Dennis Hutchinson & VACANCY X 1		Until May 2022	Mr. Jeff Shields & Mr. Colin Hughes Facility Manager, Buckley Sports Centre Mill Lane, Buckley Flinthshire CH7 3HQ Tel: 01244 845440 Email:Jeff.shields@flintshire.gov.uk Colin.hughes@flintshire.gov.uk
Clwyd Alyn Housing Association - Flintshire Support Network Tudalen 380	1 + 1 Officer	Cabinet Member for Housing: Bernie Attridge	Yes	Until May 2022	Mrs. Janice Armit, Senior Resident Services Administrator, Clwyd Alyn Housing Association, Unit 72, Ffordd William Morgan St. Asaph Business Park, Glascoed Road, St. Asaph Denbighshire LL17 0JD Tel:01745 536815 Email:janice.armitt@clwydalyn.co.uk
Clwyd Powys Archaeological Trust	1 + 1 Officer	Janet Axworthy		Until May 2022	Mr. Chris Martin, 41 Broad Street, Welshpool, Powys SY21 7RR Tel: 01938 553670 Email:chrismartin@cpat.org.uk
Clwydian Range and Dee Valley Area of Outstanding Natural Beauty Joint Committee	2	Cabinet Member for Economic Development: Derek Butler & Cabinet Member for Streetscene & Countryside: Carolyn Thomas	Yes	Until May 2022	Mr Steve Price, Democratic Services Manager, Denbighshire County Council, County Hall, Wynnstay Road, Ruthin, Denbighshire LL15 1YN Tel: 01824 712589 Email:steve.price@denbighshire.gov.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Connah's Quay Sports Centre Management	4 + 2 Officers	Local Members: Andrew Dunbobbin, Paul Shotton, Ian Dunbar & Ian Smith		Until May 2022	Mrs. Ann Peers, Head Teacher, Connah's Quay High School, Golftyn Lane, Connah's Quay, Deeside, CH5 4BH Tel: 01244 813491 Email:cqmail@connahsquayhs.org.uk
Environmental Protection U.K. North West Division	2 + 3 Officers	Cabinet Member for Planning and Public Protection: Chris Bithell & David Evans	Yes	Until May 2022	Mr. Neil Turner, Vice President, Environmental Protection U.K., 45 Down Green Road Harwood Bolton BL2 3QD Tel: 07888700431 Email:nandeve.turner@ntlworld.com
Flintshire Disability Forum (The FDF) Llodalen 381	1	Cabinet Member for Social Services: Chris Jones	Yes	Until May 2022	Mrs. Jan Thomas, Chief Officer The FDF c/o Old Town Hall Earl Road Mold Flintshire CH7 1AB Tel: 01352 756618 & 01352 755546 Email:thomasj@thefdf.org.uk
Flintshire Local Access Forum	1	David Evans		Until May 2022	Mr Stephen Bartley Secretary to Flintshire Local Access Forum, Public Rights of Way, Planning & Environment ,County Hall, Mold, CH7 6NF Tel: 01352 704622 laf@flintshire.gov.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Flintshire Tourism Association	1	Cabinet Member for Economic Development: Derek Butler	Yes	Until May 2022	Richard L Jones, Business Development Officer, Flintshire County Council County Hall, Mold, Flintshire. Tel: 01352 702136 Email:Richard.L.Jones@flintshire.gov.uk
Food Waste Joint Committee	1 + 1 Officer	Cabinet Member for Streetscene & Countryside: Carolyn Thomas	Yes	Until May 2022	Samantha Bates Waste Operation Manager Kinmel Park Depot, Kinmel Park, Bodelwyddan, Denbighshire, LL18 5UX Tel:01824 712112 Email:samantha.bates@denbighshire.gov.uk
Foster Care Panel	1	Dave Mackie	No	Until May 2022	Peter Robson, Resource Manager, Children's Services, Flintshire County Council Tel: 01352 701028 Email:peter.robson@flintshire.gov.uk
Groundwork North Wales	1	Cabinet Member for Economic Development: Derek Butler	Yes	Until May 2022	Karen Balmer CPFA Chief Executive Groundwork North Wales 3-4 Plas Power Road Tanyfron Wrexham LL11 5SZ Tel: 01978 757524 Email:Karen.balmer@groundworknorthwales.org.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Hawkesbury Community Centre Management Committee	3	Local Members: Dennis Hutchinson, Carol Ellis & VACANCY X 1		Until May 2022	Mrs Julia Jones Secretary to Management Committee, Hawkesbury Community Centre, 1 Church Close Buckley, Flintshire, Email:juliajones31@hotmail.co.uk
John Wynne School and Exhibition Trusts	2	Cabinet Member for Education: Ian Roberts & local member: Andrew Holgate	Yes	Until May 2022	Mrs. Jane Jones, Secretary 19 Bron Haul, Trelawnyd, Rhyl, LL18 6DU Tel: 01745 570982 Email: janejones1920@hotmail.co.uk
Joint Council for Wales Executive Committee	2 + 1 Officer	Billy Mullin & Aaron Shotton Aaron Shotton	Yes	Until May 2022	Mrs. Sharon Carney, Senior Manager, Human Resources and Organisational Development, Flintshire County Council, County Hall, Mold. Tel: 01352 702139 Email: sharon.carney@flintshire.co.uk
Leeswood Community Centre Management Committee	1	Local Member: Ray Hughes		Until May 2022	Mr. C. Venables, Chairman, Leeswood Community Centre, 23 Heol-y-Goron, Leeswood, Nr. Mold, Flintshire, CH7 4RN. Tel: 01352 770728 Email:
Llwyni Strategy Group	2	Local Members: Ian Smith & Ian Dunbar		Until May 2022	Mr Tom Woodall. Countryside Service, Wepre Park, Wepre Drive, Connah's Quay, CH5 4HL Tel: 01352 703902 Email:tom.woodall@flintshire.gov.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Management Committee of the Daniel Owen Community Centre	2	Chris Bithell & Haydn Bateman	Yes	Until May 2022	Mr. Karen Hodgkinson, Daniel Owen Community Association, Daniel Owen Precinct, Earl Road, Mold, CH7 1AP Tel : 01352 754792 Email:danielowencmold@hotmail.com
Mersey Dee Alliance	1 + 1 Officer	Aaron Shotton	Yes	Until May 2022	Mrs. Nicola Powell, Mersey Dee Alliance, Programme Officer, Cheshire West & Chester HQ, 2 Nicholas Street, 2 nd Floor, Chester, CH1 2NP. Tel: 0151 356 6567 Email:nicola.Powell@cheshirewestandchester.gov.uk
North Wales Community Health Council Flintshire Local Committee	3	David Wisinger, David Mackie & Gladys Healey	Yes	Until May 2022	Ms Gill Cashman, Department for Health & Social Services, Welsh Government Cathays Park, Cardiff CF10 3NQ Tel: 02920 821579 Email:gill.cashman@wales.gsi.gov.uk Chief Officer, Betsi Cadwaladr Community Health Council, 11 Chestnut Court, Park Menai, Bangor, Gwynedd, LL57 4FH Email:admin@waleschc.org.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
North Wales Deaf Association	1	VACANCY X 1		Until May 2022	Sarah Matthews, Chief Executive, North Wales Deaf Association, 77 Conway Road, Colwyn Bay, LL29 7LN. Tel: 01492 530013 Email:sarah.matthews@deafassociation.co.uk
North Wales Economic Ambition Board	1	Cabinet Member for Economic Development: Derek Butler	Yes	Until May 2022	Glesni Williams Senior Support & Information Officer Support Service, Gwynedd Council Council Offices, Shire Hall Street, Caernarfon, Gwynedd , LL55 1SH Tel: 01286 679701 (2701) Email:glesniwilliams@gwynedd.gov.uk
North Wales Fire Authority	6	Paul Shotton, Ian Dunbar, David Wisinger, Owen Thomas, Marion Bateman & Veronica Gay		Until May 2022	Miss Alwen Davies, Member Liaison Officer North Wales Fire & Rescue Service, St. Asaph Business Park, St. Asaph, Denbighshire Tel: 01745 535286 Email:alwen.davies@nwales-fireservice.org.uk
North Wales Police and Crime Panel	2	Neville Phillips (LD) and Chris Bithell (L)		Annual Appointment	Angharad Jones, PA to the Police and Crime Commissioner and the Chief Executive, Glan y Don, Colwyn Bay, LL29 8AW Tel: 01492 805143 Email:OPCC@nthwales.pnn.police.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
North Wales Psychiatric Fund	1	Adele Davies-Cooke		Until May 2022	Hilary Owen, Admin Building, Bryn y Neuadd Hospital, Aber Road, Llanfairfechan Conwy LL33 0HH Tel: 01248 682509 Email: hilary.owen@wales.nhs.uk
North Wales Residual Waste Partnership Tudalen 386	2	Leader: Aaron Shotton and Cabinet Member for Streetscene: Carolyn Thomas	Yes	Until May 2022	Mr. Colin Everett, Chief Executive, County Hall, Mold Tel: 01352 702100 Email: chief_executive@flintshire.gov.uk
North Wales Safer Communities Board 386	1	Cabinet Member for Planning & Public Protection: Chris Bithell	Yes	Until May 2022	Dr. Sian Jones, Community Safety Manager, Community Protection, Flintshire County Council, County Hall, Mold, Flintshire. Tel: 01352 702132 Email: sian-jones@flintshire.gov.uk
North Wales Trunk Road Agency Joint committee	1	Cabinet Member for Streetscene: Carolyn Thomas	Yes	Until May 2022	Mr. Stephen Jones, Chief Officer Streetscene & Transportation, Environment Dept, County Hall, Mold Tel: 01352 704700 Email: Stephen.O.Jones@flintshire.gov.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Popeth Cymraeg – Welsh Unlimited (formerly Canolfan Iaith Clwyd)	1	Sean Bibby & Tudor Jones		Until May 2022	Mr. Ioan Talfryn, Welsh Language Centre, Lenten Pool, Denbigh, LL16 Tel: 01745 812287 Email: ioan@popethcymraeg.com
Post 16 Partnership Group with Coleg Cambria	2 plus 1 officer	Cabinet Member for Education: Ian Roberts & Tony Sharps	Yes	Until May 2022	Kim Brookes, Business Support Manager, Education & Youth, County Hall, Mold Tel: 01352 704025 Email: kim.brookes@flintshire.gov.uk
Public Services Board	1	Leader: Aaron Shotton	Yes	Until May 2022	Karen Armstrong, Policy & Performance Manager, Corporate Services, County Hall, Mold, Flintshire Tel: 01352 702470 Email: karen.armstong@flintshire.gov.uk
Quarry Liaison Groups (including Landfill Liaison Groups and Padeswood Cement Works Liaison Group)		Local and adjoining ward Members as appropriate		Until May 2022	Gary Nancarrow, Manager Minerals & Waste Planning Planning Services, Planning and Environment, Flintshire County Council, County Hall, Mold. Tel: 01352 703275 Email: gary.nancarrow@flintshire.gov.uk
Reserve Forces & Cadets' Association for Wales	1	Andy Dunbobbin (Flintshire Armed Forces Champion)		Until May 2022	Jody Buttle, Head of Communications, Reserve Forces & Cadets Ass For Wales, Centre Block, Maindy Barracks, Cardiff ,CF14 3YE. Tel: 02920 375735 Email: wa-comms@rfca.mod.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
SACRE	8	Chris Bithell, Colin Legg, Adele Davies-Cooke, David Mackie, Ian Roberts & Janet Axworthy VACANCY x 2	Yes	Until May 2022	Kim Brookes Flintshire County Council, County Hall, Mold. Tel: 01352 704025 Email: kim.brookes@flintshire.gov.uk
School Budget Forum	2	Leader: Aaron Shotton & Cabinet Member for Education: Ian Roberts	Yes	Until May 2022	Janet Kelly, Overview & Scrutiny, Flintshire County Council, County Hall, Mold Tel: 01352 702301 Email:janet.kelly@flintshire.gov.uk
Shotton Community Association Ardalenn 388	2	Ron Davies & David Evans		Until May 2022	Cllr. Elwyn Roy Jones Chairman, 1 Beaconsfield Road, Shotton, Deeside, Flintshire, CH5 1EZ Tel: 01244 822107 / 07900291153 Email: joneselwyn@btinternet.com
Talacre Warren and Gronant Dunes Consultative Board	2	Local Members: Sian Braun & Glyn Banks		Until May 2022	Mr Tom Woodall Countryside Services, Flintshire County Council, Wepre Park, Connah's Quay, Flintshire Tel: 01352 703902 Email:tom.woodall@flintshire.gov.uk
Theatr Clwyd Board of Governors	9	Veronica Gay, David Mackie, Marion Bateman, Chris Bithell, Derek Butler, David Evans, Brian Lloyd, Glyn Banks & VACANCY X 1	Yes	Until May 2022	Melanie Jones Theatr Clwyd Tel: 01352 701566 Email:Melanie.Jones@flintshire.gov.uk

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
Valuation Tribunal for Wales North Wales Region – Joint Appointing Panel (Flintshire) Area	1	Dave Hughes		Until May 2022	Gillian Kind, Clerical Officer, North Wales Region, Government Buildings Block A (L1) Sarn Mynach Llandudno Junction LL31 9RZ Tel: 03000 625350 Email:vtwalesnorth@vtw.gsi.gov.uk
Wales Council of the Blind	1	Paul Cunningham		Until May 2022	Rebecca Phillips External Engagement Officer Wales Council of the Blind 2nd Floor Hallinans House 22 Newport Road Cardiff CF24 0DB Tel: 02920 473954 Email: bec@wcb-ccd.org.uk
Welsh Books Council	1	Cabinet Member for Education: Ian Roberts	Yes	Until May 2022	Mr. Elwyn Jones, Chief Executive, Welsh Books Council, Castell Brychan, Aberystwyth, Ceredigion, SY23 2JB Tel: 01970 624151 Email:castellbrychan@cllc.org.uk
Welsh Border Community Transport	1	Veronica Gay		Until May 2022	Mr. Gary Feather, Welsh Border Community Transport, Town Council Building, The Cross, Mold Road, Buckley, Flintshire, CH7 2JB Tel: 01244 544474 Email:welshborderct@aol.com

OUTSIDE BODY	NO. OF SEATS	COUNCILLOR REPRESENTATIVES	CABINET MEMBER	TERM OF OFFICE	CONTACT DETAILS
WLGA Executive Board	1	Leader: Aaron Shotton	Yes	Until May 2022	Susan Perkins Welsh Local Government Association Local Government House, 10 Drake Walk, Cardiff, CF10 4LG Tel: 029 2048 8600 Email: susan.perkins@wlga.gov.uk
WLGA Council	4	Leader: Aaron Shotton, Deputy Leader: Bernie Attridge, Leader of the Independent Group: Tony Sharps and Michelle Perfect	Yes	Until May 2022	Susan Perkins Welsh Local Government Association Local Government House, 10 Drake Walk, Cardiff, CF10 4LG Tel: 029 2048 8600 Email: susan.perkins@wlga.gov.uk

Tudalen 390

Outside bodies which have been disbanded or to which we no longer nominate Member representatives
The Alliance (formerly Alliance for Regional Aid)
Cadwyn Clwyd
Coed Llai Sport and Social Club
Coleg Cambria Corporation
Deeside Community Arts
Environment Protection Advisory Committee for Wales
Flintshire Community Safety Executive
Flintshire Furniture Recycling
Flintshire Rural Partnership
Flintshire Sports Council
Greenfield Valley Trust Ltd
Health, Social Care and Well-being Partnership Board
Heather & Hillforts
Mold Town Partnership Executive Committee

North East Wales Homes
North Wales Economic Forum
North Wales Waste Planning Member Group
Tourism Partnership North Wales
Wales Home Safety Council
Welsh Joint Education Committee
Voluntary Council for Wales
Taith Consortium

Tudalen 391

Mae'r dudalen hon yn wag yn bwrpasol