

Pecyn Dogfen Gyhoeddus



Swyddog Cyswllt:
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At: Bob Aelod o'r Cyngor

16 Hydref 2019

Annwyl Gynghorydd

Fe'ch gwahoddir i fynychu cyfarfod Cyngor Sir y Fflint a fydd yn cael ei gynnal am 2.00 pm Dydd Mawrth, 22ain Hydref, 2019 yn Siambr y Cyngor, Neuadd y Sir, Yr Wyddgrug CH7 6NA i ystyried yr eitemau canlynol

R H A G L E N

1 YMDDIHEURIADAU AM ABSENOLDEB

Pwrpas: I dderbyn unrhyw ymddiheuriadau.

2 COFNODION (Tudalennau 5 - 16)

Pwrpas: I gadarnhau, fel cofnod cywir gofnodion y cyfarfod ar 11 Medi 2019.

3 DATGAN CYSYLLTIAD

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

4 CYHOEDDIADAU'R CADEIRYDD

Pwrpas: Derbyn unrhyw gyhoeddiad fel y'i dosbarthwyd.

5 DEISEBAU

Pwrpas: Mae hwn yn gyfle i Aelodau'r Cyngor gyflwyno deisebau ar ran pobl yn eu ward. Unwaith y byddant wedi dod i law, caiff deisebau eu pasio i'r Prif Swyddog priodol ar gyfer gweithredu ac ymateb iddynt.

PRIF EITEMAU BUSNES

6 ADRODDIAD PERFFORMIAD BLYNYDDOL 2018/19 (Tudalennau 17 - 78)

Adroddiad Prif Weithredwr - Arweinydd y Cyngor ac Aelod Cabinet Addysg

Pwrpas: Mabwysiadu Adroddiad Perfformiad Blynyddol 2018/19.

7 ADRODDIAD BLYNYDDOL RHEOLI'R TRYSORLYS 2018/19 (Tudalennau 79 - 108)

Adroddiad Rheolwr Cyllid Corfforaethol -

Pwrpas: I gyflwyno drafft Adroddiad Blynyddol Rheoli'r Trysorlys ar gyfer 2018/19 er cymeradwyaeth yr Aelodau.

8 ADRODDIAD BLYNYDDOL Y PWYLLGOR ARCHWILIO (Tudalennau 109 - 144)

Adroddiad Cadeirydd Pwyllgor Archwilio -

Pwrpas: Cymeradwyo Adroddiad Blynyddol y Pwyllgor Archwilio 2018/19.

EITEMAU CYFFREDIN BUSNES

9 ADOLYGU SAFONAU SIR Y FFLINT (Tudalennau 145 - 154)

Adroddiad Prif Swyddog (Llywodraethu) -

Pwrpas: Mabwysiadu Safon ddiwygiedig Sir y Fflint ar safonau ymddygiad disgwylidig.

10 COD YMDDYGIAD CYNGHORWYR (Tudalennau 155 - 176)

Adroddiad Prif Swyddog (Llywodraethu) -

Pwrpas: I ddiwygio'r Cod Ymddygiad yn unol â'r argymhellion o Bwyllgor Safonau mewn Bywyd Cyhoeddus.

11 RHYBUDD O GYNNIG (Tudalennau 177 - 178)

Pwrpas: Derbyn unrhyw Rhybuddion o Gynnig: daeth dau i law erbyn y dyddiad cau.

Y Cynghorydd Andy Dunbobbin - Codi ymwybyddiaeth o drais yn erbyn merched a cham-drin domestig

Y Cynghorydd Kevin Hughes - Hyfforddiant Cymorth Cyntaf mewn ysgolion

ER GWYBODAETH YN UNIG

12 CWESTIYNAU GAN Y CYHOEDD

Pwrpas: Derbyn Cwestiynau Cyhoeddus ar gyfer yr eitem hon: doedd dim wedi dod i law erbyn y dyddiad cau.

13 CWESTIYNAU

Pwrpas: Nodi'r atebion i unrhyw gwestiwn a gyflwynwyd yn unol â Rheol Sefydlog 9.4(A) y Cyngor Sir: doedd dim wedi dod i law erbyn y dyddiad cau.

14 CWESTIYNAU GAN AELODAU AM GOFNODION PWYLLGORAU

Pwrpas: Mae'r Llyfr Cofnodion, Argraffiad 2 2019/20, wedi ei ddosbarthu 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 Dydd Mercher, 16 Hydref, 2019: doedd dim wedi dod i law erbyn y dyddiad cau.

Yn ddiffuant,



Robert Robins
Rheolwr Gwasanaethau Democratiaidd

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 Democratiaidd ar 01352 702345.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 2

FLINTSHIRE COUNTY COUNCIL **11 SEPTEMBER 2019**

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Wednesday, 11 September 2019

PRESENT: Councillor Marion Bateman (Chair)

Councillors: Janet Axworthy, Glyn Banks, Haydn Bateman, Sean Bibby, Chris Bithell, Sian Braun, Helen Brown, Clive Carver, Geoff Collett, Bob Connah, David Cox, Paul Cunningham, Jean Davies, Rob Davies, Adele Davies-Cooke, Chris Dolphin, Rosetta Dolphin, Ian Dunbar, Mared Eastwood, Carol Ellis, David Evans, Veronica Gay, David Healey, Gladys Healey, Patrick Heesom, Cindy Hinds, Andrew Holgate, Dave Hughes, Kevin Hughes, Ray Hughes, Dennis Hutchinson, Rita Johnson, Paul Johnson, Richard Jones, Tudor Jones, Colin Legg, Brian Lloyd, Mike Lowe, Dave Mackie, Hilary McGuill, Billy Mullin, Ted Palmer, Mike Peers, Michelle Perfect, Vicky Perfect, Neville Phillips, Ian Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Ralph Small, Ian Smith, Carolyn Thomas, Owen Thomas, Martin White, Andy Williams, David Williams, David Wisinger and Arnold Woolley

APOLOGIES:

Councillors: Mike Allport, Bernie Attridge, Derek Butler, Ron Davies, Andy Dunbobbin, George Hardcastle, and Christine Jones

IN ATTENDANCE:

Chief Executive; Chief Officer (Governance); Chief Officer (Planning, Environment and Economy); Corporate Finance Manager; Strategic Finance Manager, Democratic Services Manager; Team Leader – Electoral Services, Democratic Services Manager, Democratic Services Officers; and Councillor Reverend Daniel Stroud for prayers

33. PRESENTATION

Flintshire apprentice Francesca Sciarrillo – awarded Welsh Learner of the Year at the Urdd Eisteddfod 2019.

The Chair welcomed Francesca to the meeting and referred to her local connections. She congratulated Francesca on her exceptional achievement and invited the Chief Executive and Leader of the Council to express further recognition on behalf of the Council.

The Chief Executive advised that Francesca was a graduate of the Council's apprenticeship scheme and began her Marketing and Public Relations apprenticeship whilst working with Aura Leisure and Libraries last year. He congratulated Francesca on her Award and her determination to continue to develop her Welsh language skills through Coleg Cambria and the support and opportunities available with Aura Leisure and Libraries.

Councillor Ian Roberts also congratulated Francesca on her award and said she was an outstanding example of what could be achieved by anyone who wished

to learn the Welsh language and thereby contribute towards the Welsh Government's target of one million Welsh speakers by 2050.

Francesca thanked the Chair, Chief Executive and Councillor Roberts for their kind words. She also thanked Aura Leisure and Libraries and the Learning Development Team for the support and encouragement that had been given to her. Speaking on her personal experience she said that living in Flintshire on the Welsh border was no barrier to learning the Welsh language and described it as a rich, vibrant, and living language which should be embraced in Flintshire.

34. MINUTES

The minutes of the meeting held on 23 July 2019 were submitted.

RESOLVED:

That the minutes be approved and signed by the Chair as a correct record.

35. DECLARATIONS OF INTEREST

The Chief Officer (Governance) referred to Item 8 – Local Democracy & Boundary Commission for Wales and advised that Members did not have a personal interest in the item and would be able to participate fully. He also referred to Item 9 – Local Development Plan: Confirming Renewable Energy Local Areas of Search and explained that as the item was to consider areas of renewable energy search Members would not have to declare an interest unless they were involved in the ownership of a renewable energy company.

There were no declarations of interest.

36. CHAIRMAN'S COMMUNICATIONS

A copy of the Chair's Communications had been circulated to all Members prior to the meeting. The Chair highlighted a number of events and thanked Councillor Glyn Banks for his invitation to attend the 'Planes Over Talacre – World War Two' event; Councillor Sharps for arranging a visit to Westbridge Furniture and Kingspan, Holywell; Councillor Hilary McGuill for the invitation to the opening of the refurbished Mynydd Isa Scout hut; and Councillor Ray Hughes for his invitation to the Civic Service.

The Chair took the opportunity to refer to the recent resignation, for personal reasons, of Councillor Mike Reece. She said he had been a respected and valued Member of the Council and would be missed. The Chair extended her best wishes to him and his family.

Councillor Ian Roberts said it was a matter of regret that Councillor Mike Reece had decided to resign as a Member of the Council. He paid tribute to Councillor Reece and said he had been a friend as well as a colleague to many Members and to the local residents in his Ward. He reiterated the sentiments expressed by the Chair that Councillor Reece would be sadly missed.

37. PETITIONS

None were received.

38. STATEMENT OF ACCOUNTS 2018/19 AND SUPPLEMENTARY FINANCIAL INFORMATION TO STATEMENT OF ACCOUNTS 2018/19

The Corporate Finance Manager introduced Richard Harries and Mike Whiteley of the Wales Audit Office, and Liz Thomas, Strategic Finance Manager, Corporate Finance.

The Corporate Finance Manager advised that the final version of the Statement of Accounts 2018/19 was presented for approval following consideration by the Audit Committee prior to the meeting of County Council today. He explained that the Statement of Accounts 2018/19, incorporating those changes agreed with Wales Audit Office (WAO) during the course of the audit for Member approval was attached as appendix 1 to the report. The WAO presentation in connection with the audit of the Statement of Accounts 2018/19 was attached as appendix 2. During the audit, changes agreed with the WAO were made to the draft Statement of Accounts 2018/19 and those which are reportable under ISA 260 are shown in appendix 3. The Flintshire County Council Letter of Representation to the WAO was attached as appendix 4. Supplementary information to the Statement of Accounts 2018/19 on full time equivalent pay, in excess of £60,000, as requested by a notice of motion approved by Council on 29 January 2013, was attached as appendix 5.

The Corporate Finance Manager advised that there were no amendments to report to Council following consideration of the Statement of Accounts and the WAO findings by the Audit Committee at the meeting held prior to Council today. A note on previous questions raised by Members and the response provided had been circulated to Members and there had been opportunity throughout the summer for Members to raise any further issues or questions. No additional questions were received.

The Corporate Finance Manager reported that the overall findings of the WAO were positive and built on the improvements achieved in previous years. The WAO concluded that the financial statements were produced to a good standard and were supported by comprehensive working papers. There were no uncorrected misstatements. The only issue arising from the audit was regarding the process for valuation of assets and the actions planned to address this, in conjunction with the WAO, were accepted by the Audit Committee at the meeting held earlier today.

The Corporate Finance Manager advised that there would be an earlier statutory deadline for the accounts from 2020-21 for the submission of the draft annual financial statements. In conjunction with the WAO the Council would undertake a 'dry-run' in 2019-20 for producing its draft financial statements by 31 May 2020 and conclusion by WAO on 31 July 2020.

The Corporate Finance Manager reported that there was one material amendment regarding pensions arising from the Audit and was a consequence of a

national issue known as the national 'McCloud' legal case judgement which could impact on all public service pension schemes. He explained that there was a potential future impact at the current time on teacher's pay contributions and the Council had to account for the best estimate due to the value, however, there was no immediate impact on the Council's budget and any actuarial impact would be dealt with over the longer term through actuarial variation which determined the pay contributions over a number of years.

Mr Richard Harries, Financial Audit Engagement Lead for Flintshire County Council, reiterated that the overall findings by the WAO had been positive and said the corporate position was good. He spoke of the hard work undertaken to produce the Accounts and commented on the high standard of the comprehensive working papers provided. He also spoke of the positive professional working relationship and constructive dialogue between the WAO team and the Council throughout the audit process. Mr. Harries presented the ISA 260 report by way of a presentation which covered the following main points:

- overall findings
- Auditor General's responsibilities
- audit position
- issues arising from the audit
- independence
- looking ahead

In concluding his presentation Mr. Harries thanked the Corporate Finance Manager, and his Team for their work on the Accounts and the constructive help and support provided throughout the audit process.

The Chief Executive thanked Mr. Harries for his presentation and the Corporate Finance Manager and his Team for their work. He said discussion on how to address the earlier statutory deadline from 2020-21 would take place with the Constitution and Democratic Services Committee and it would be recommended to Council that in future the approval of the Statement of Accounts be delegated to the Audit Committee, with Members being given full access to the information.

The Chief Executive took the opportunity to comment on a local press report on a potential liability arising from the 'McCloud' judgement. He explained this was a national issue and gave a reassurance that if there was a liability to the Council as a contributing employer it would be paid for through employer contributions to the pension fund over a number of years, and would be a relatively small addition to the Council's annual employer contributions. He advised that the Council was completing the current actuarial review which took place every 3 years and that this would be reported at a later date. . In summary he advised that any resolution of the legal case would have no impact on the Council's budget at the present time or in the next financial year.

Councillor Tony Sharps congratulated the Corporate Finance Manager and his team on the presentation and high standard of the Statement of Accounts. Councillor Sharps thanked the Chief Executive for the clarification and reassurance given to Council concerning the potential implications of the 'McCloud' judgement. He asked

if the Leader of the Council could provide a press statement to ensure that the residents of Flintshire were given accurate factual information to allay any concerns that may arise as a result of the local press coverage. Councillor Ian Roberts confirmed that a press statement would be provided to inform the general public of the Council's position and give reassurance.

Councillor Chris Dolphin expressed thanks to the Corporate Finance Manager, the Strategic Finance Manager, and the Finance team for their hard work and successful completion of the Statement of Accounts 2018/19 in advance of the statutory deadline. Councillor Dolphin also thanked Mr. Harries and Mr. Whiteley for their work and presentation of the WAO findings. Councillor Dolphin reported that the Audit Committee had considered the Statement of Accounts 2018/19 at a meeting held prior to the meeting of County Council today. Officers from the WAO were in attendance and had presented and explained their audit findings to the Committee. Finance officers had provided a progress update on the draft accounts which had been considered at the previous meeting of the Audit Committee. The amendments to the Statement of Accounts were reviewed and there were no further amendments since the draft was agreed. In conclusion Councillor Dolphin moved the recommendations as detailed in the report.

In seconding the proposal Councillor Glyn Banks paid tribute to the Corporate Finance Manager and his Team for their hard work and expressed best wishes for the success of the 'dry run' planned in 2019-20 for producing the draft financial statements by 31 May 2020. He also thanked the WAO Team for their hard work and support.

The Chair expressed her thanks to all involved in the successful completion of the work on the Statement of Accounts 2018/19. She asked Members to vote on the recommendations in the report and on being put to the vote, the recommendations were carried.

RESOLVED:

- (a) That the final version of the Statement of Accounts 2018/19 be approved;
- (b) That the Letter of Representation – Flintshire County Council; be approved; and
- (c) That the Supplementary Financial Information to the Statement of Accounts 2018/19 be noted.

39. LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES LOCAL REVIEW

The Chief Executive introduced a report on the Local Democracy & Boundary Commission for Wales local review proposals and to seek the Council's views on what process it would like to follow to prepare and approve a response before the end of November 2019. He advised that the proposals were subject to constructive challenge and change during the review process and had only recently been published. There was a 12 week consultation period and a second response to the

Commission would be provided before the end of November. At the end of the consultation period the Commission would produce recommendations for all 22 authorities in Wales and a Final Proposals Report would be submitted to the Welsh Government to be adopted with or without amendment in readiness for the next local government elections which were scheduled to take place in 2022.

The Chief Executive referred to discussions which had taken place with Group Leaders to consider initial views on the proposals and how best to formulate a response to the Commission. He reported that the view of Group Leaders was that too many multi-Member wards were recommended by the Commission, with too much variation within them. He explained that Group Leaders also challenged why new proposals by the Commission substituted the proposals that the Council had made and which already complied. Group Leaders also challenged the extent to which the Commission had met its own criteria and felt that community 'ties', identity, and names were being lost in some cases. Concerns were raised around the non-alignment of community boundaries, the variance in figures across the total member wards where parity had been the objective, and population growth and its differential impacts on member-elect ratios across the County. The Chief Executive explained that initial views had been shared with the Commissioner by Group Leaders and officers at a meeting earlier today.

The Chief Executive suggested that during the coming weeks a number of informal meetings be offered to Members to consider the proposals in further detail. The Chief Executive also advised that where there was evidence of a strong alignment between the Council's views and that of the local Town or Community Council a joint response could be made to the Commission with greater strength than singular responses. In summary, the Chief Executive emphasised that the Commission had limited flexibility; a recommendation would be made to the WG; and changes to the current arrangement of local electoral wards would take place by 2022.

Councillor Ian Roberts moved that Council received the report and this was duly seconded. He thanked the Chief Executive for his comments and Group Leaders for their initial responses. He felt it was important that Members followed the process as outlined by the Chief Executive and that where there was interest from towns and rural areas that representatives of those Town and Community Councils meet with Officers of the Council to consider the possibility of putting forward a joint proposal to the Boundary Commission. He commented on the importance of local unity and said the Boundary Commission had asked for as much information and detail as possible and that the joint views of the Council, Town and Community Councils and, political bodies around historical ties, community links, and ward names did matter. It was important to make a collective response to the Commission.

Councillor Richard Jones expressed disappointment on the draft proposals published by the Commission for Flintshire and referred to the earlier proposal put forward by the Commission for a single member to represent each ward. He said the proposal to create three member wards, of which there were none in Flintshire at present, departed from the initial thinking by the Commission and created practical difficulties in terms of representing a ward. He said three member wards did not

benefit people who worked, were disabled, or were independent councillors. He said that creating larger geographical areas and electoral numbers, for example up to 7000 people, was easier for a larger political group to manage than for an independent councillor. Councillor Jones reiterated that larger ward areas and electoral numbers would not benefit residents or councillors. He expressed the view that the proposals were not fair or equitable for many reasons and did not provide parity.

The Chief Executive advised that the Commissioner had acknowledged the points which had been raised around practicalities, however, the Commission had limited criteria by law and explained that to achieve parity it was the member/elector ratio across a County that was used as the basis. The Chief Executive commented that the solution might be to move away from 3 member wards by having more 2 or 1 member wards.

The Chief Officer (Governance) explained that Town and Community Councils could have their own separate ward arrangements beneath the County Council ward. The Chief Officer went on to explain that Town and Community Council wards would not straddle the boundary of Council wards and provided further detail around the arrangements for Town and Community Council wards.

Councillor Mike Peers said he had asked the Commission for a written definition of the term 'electoral parity' which was used in the draft proposals and referred to by the Commission in the meeting held today. He referred to the proposals which had been put forward by Town and Community Councils which were understood to meet the parity and said representations had been put forward to the Commission on that basis. However, when referring to the draft proposals it appeared that they did not appear to have been considered. He referred to appendices 2 and 3 of the draft proposals and said there was clearly no electoral parity, and that there should be no confusion between ratio and variance. He said the Boundary Commission had been asked to reissue the guidelines on the variance to provide clarity going forward. He continued that appendices 2 and 3 also referred to variance from a county average and the Commission had been asked to confirm the relevant figures for the county average figure currently and for 2023 and the proposed arrangement on appendix 3. In summary Councillor Peers said he supported the Council's approach to try to get an agreement and provide evidence where necessary to make the changes required, as detailed in the report.

The Chief Executive advised that if the Council was to move to a proposed model of 65 members it would result in a county average ratio of 1,836 electors per member. He explained that the Commission's aim using the model as a guideline was that no Member would be above or below a 10% variation on that ratio figure. The maximum for tolerance was 25% and, therefore, anything above this variance would not be acceptable to the Commission.

The Chief Executive reiterated that Members would be offered small cluster sessions by area to work through the options and bring back to Council before the end of November for approval.

RESOLVED:

That the report be received.

40. DEPOSIT FLINTSHIRE LOCAL DEVELOPMENT PLAN: CONFIRMING RENEWABLE ENERGY LOCAL AREAS OF SEARCH

The Chair introduced a report to confirm the extent of the Flintshire Deposit Local Development Plan renewable energy local Areas of Search on the proposals map, to form part of the public consultation on the Plan commencing on 30 September 2019.

Councillor Chris Bithell referred to the endorsement of the draft Deposit Flintshire Local Development Plan (LDP) at the meeting of County Council on 23 July 2019, which was to go out for public consultation at the end of September. He said that, as reported at the meeting, the section of the LDP on Renewable Energy Local Areas of Search had not been included at the July Council meeting as the work was yet to be completed. He explained that the Council was required by Welsh Government (WG) to produce a section in the LDP on this important issue to assist the Government in meeting its target of producing 70% of electricity generation in Wales from renewable sources by 2030. This element of the LDP has now been completed and is presented for endorsement following a comprehensive search to identify land within the County to provide for large scale wind farms or solar farms to produce renewable energy. Councillor Bithell commented on Flintshire's location and the natural constraints around the allocation of land for large wind farms, but said there was more opportunity for allocation of land for solar farms and referred to the existing provision in Flintshire and new developments. Councillor Bithell moved the recommendations in the report.

The Chief Officer (Planning, Environment, and Economy) provided background information and explained the methodology used to identify an Area of Search. He gave a presentation on the process which covered the following main points:

- purpose
- what are Areas of Search and what they are not?
- potential for wind farms
- potential for solar farms
- Solar PV Local areas of search

Councillor Mike Peers thanked the Chief Officer and his team for their commitment and hard work to meet the LDP deadline and for a comprehensive and informative report which demonstrated a thorough search of the County. Councillor Peers seconded the proposal by Councillor Bithell

In response to comments from Councillor Patrick Heesom, the Chief Officer confirmed that the consultation period for the LDP was from 30 September to 11 November 2019.

In response to the concerns raised by Councillor Paul Johnson around the Holway Levels and SSI and his request that they be removed from the proposed LDP, the Chief Officer agreed to discuss the matters with Councillor Johnson prior to the LDP going out to formal consultation.

Councillor David Williams asked if hydro-electric power had been investigated for producing renewable energy. The Chief Officer explained that the directive was towards wind and solar power, however, the Authority was always looking at the potential for other renewable resources and advised that a small scale hydroelectric scheme was planned at Connah's Quay.

RESOLVED:

- (a) That the Indicative Local Search Areas for renewable energy to be shown on the proposals map and associated policy be included as part of the Deposit LDP public consultation be approved;
- (b) That the amendments to deposit LDP policy EN13 Renewable and Low Carbon Energy Development highlighted in this report be approved; and
- (c) That the Chief Officer (Planning, Economy and Environment) be authorised to make any additional minor wording, grammar, editorial, or cartographic changes to the Deposit LDP which may arise or be necessary prior to formal consultation to ensure consistency with the ongoing LDP evidence base and to assist final presentation of the Plan.

41. APPOINTMENT OF A LAY MEMBER TO THE AUDIT COMMITTEE

The Chair introduced a report to ask Council to consider appointing the preferred candidate for the Lay Member vacancy on the Audit Committee.

The Chief Officer (Governance) advised that at the Annual Meeting, Council had decided to appoint an extra lay member to the Audit Committee. There had been four applicants and, following interview, it was recommended that Allan Rainford be appointed. He provided background information and referred to the pen portrait of Allan Rainford which was appended to the report.

Councillor Chris Dolphin, Chair of the Audit Committee, said that the Committee would benefit greatly from Mr Rainford's skills and experience and strongly recommended that he be appointed as the new lay member to the Audit Committee. Councillor Marion Bateman seconded the proposal. On being put to the vote the recommendation was carried.

RESOLVED:

That Allan Rainford be appointed to the Audit Committee until the end of December 2023.

42. PUBLIC QUESTION TIME

None were received.

43. QUESTIONS

None were received.

44. NOTICES OF MOTION

The following Notice of Motion was received:

#IPledge2Talksuicide prevention campaign – Councillor Ian Roberts

‘This Authority supports the #IPledge2Talk suicide prevention campaign and will work to support positive mental health across Flintshire communities, in local schools, neighbourhoods and workplaces.

As a local authority, we acknowledge our crucial role in promoting awareness of this issue.

Encouraging mental well-being should be a priority across all the Local Authority’s areas of responsibility, including housing, education, and community safety and planning.

Throughout its work the Authority will champion mental health on an individual and strategic basis.

For your information the: #IPledge2Talk campaign was launched at the Senedd a couple of months ago by Eluned Morgan in collaboration with Mind Cymru’.

In moving the Motion, Councillor Ian Roberts, spoke of the anguish and regret of families who had experienced the death of a family member through suicide. He commented on the lasting and devastating impact on those families and the pain and sadness felt and said it was difficult to imagine the suffering and despair of individuals who saw suicide as the only course of action for them.

Councillor Roberts said that Jack Sargeant, Assembly Member, and his family, fully supported the campaign and urged others to pledge their support also. Councillor Roberts read out the commitments to provide help and support in the Pledge and asked Members to support the Motion.

Councillor Glyn Banks said he fully supported the campaign and thanked Councillor Roberts for bringing the Motion to Council. He encouraged people who were in difficulty to “speak out” and seek help and spoke of the need to be a ‘friend’ to others and to offer help and support where needed. Councillor Banks seconded the Motion.

Councillor Kevin Hughes also spoke in support of the campaign and emphasised the importance of seeking early help and support to prevent mental health issues developing into suicide.

The Chief Executive said that he and fellow officers fully supported the campaign, and referred to the Authority’s duty of care to employees and said initiatives were in place to support employees.

The Motion was carried.

RESOLVED:

That the Notice of Motion from Councillor Ian Roberts on #IPledge2Talk Suicide Prevention Campaign be supported.

45. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were no members of the press in attendance.

(The meeting started at 2.00 pm and ended at 3.30pm)

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Chairman

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 6



COUNTY COUNCIL

Date of Meeting	Tuesday 22 October 2019
Report Subject	Annual Performance Report 2018-19
Cabinet Member	Leader of the Council
Report Author	Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

The Annual Performance Report for 2018/19 reviews our progress against the Council Priorities as detailed in the Council Plan 2018/19.

The report reflects the overall progress that has been made against our priorities and the level of confidence we have in achieving the desired outcomes. It also shows the position against our 44 risks, with 1 risk increasing in significance during the year and 15 risks reducing in significance by year end.

Performance against the Council Plan measures was positive with 92% of agreed key activities being assessed as making good progress and 89% likely to achieve the desired outcome. In addition, 70% of the performance indicators met or exceeded target for the year, whilst 73% showed improvement or remained stable.

Risks are also being successfully managed with the majority being assessed as moderate (64%) or minor/insignificant (25%); 11% of risks showed a high risk status at year-end, mostly due to lack of financial resourcing.

RECOMMENDATIONS

1	To approve the 2018/19 Annual Performance Report as recommended by Cabinet.
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REPORT DETAILS

1.00	Council Plan Performance 2018/19
1.01	The Annual Performance Report (the Report) meets the statutory requirement to publish a Corporate Plan as required by the Local Government (Wales) Measure (2009) (the Measure). The report must be published by 31st October each year. The purpose of the report is to account for the organisation's previous year's performance against its Council Priorities.
1.02	The requirements of the Measure are met through the "forward looking" document; the Council Plan 2017/18. This sets out the vision and priorities for the Council. The second statutory requirement of the Measure is met by this Annual Performance Report, which reviews progress on commitments made in the previous year.
1.03	The Annual Performance Report must be approved by the full Council prior to publication.
1.04	<p>The Annual Performance Report for 2018/19 reviews our progress against the Priorities as detailed in the Council Plan 2018/19. This assessment takes into consideration assessments of our performance for each of the Council Priorities through:</p> <ul style="list-style-type: none"> • Progress against key actions and projects • Progress against identified risks and challenges • Performance indicator outturns (target and trend analysis) • Regulatory, audit and inspection activity • Progress against the Well-being of Future Generations sustainable development principles and goals. • Progress against the Council's Well-being Objectives
1.05	<p><u>Progress against Key Activities</u></p> <p>Overall good progress has been made against the 2018/19 Council Plan priorities and there is a high level of confidence in the achievement of desired outcomes. The Report summaries progress against the key activities supporting the priorities as follows:</p> <p>Progress:</p> <ul style="list-style-type: none"> • We are making good progress in 92% (49) • We are making satisfactory progress in 8% (4) <p>Outcome:</p> <ul style="list-style-type: none"> • We have a high level of confidence in the achievement of 89% (47). • We have a medium level of confidence in the achievement of 11% (6).

1.06 **Progress against Risks and Challenges**
 Good progress was made in managing our risks. Analysis of the year end risk levels for the 44 strategic risks identified in the Council Plan is as follows:

- 64% (28) risks remained the same.
- 34% (15) risks reduced
- 2% (1) risks increased

1.07 **Performance Indicator Outturns**
 The Report summaries our performance against the Council Plan measures and also nationally using the Public Accountability Measures (PAMs).

Council Plan Measures
 Assessment of actual performance against target:

- 70% (53) of performance measures achieved target or better.
- 20% (15) of performance measures missed target within an acceptable margin.
- 10% (8) of performance measures significantly missed target.

Analysis of trend was also undertaken. This is a comparison of current year performance with that of the previous year.

Where trend analysis could be undertaken: -

- 60% (37) of performance measures showed improved performance;
- 27% (17) showed performance which had downturned when compared with the previous year; and
- 13% (8) had maintained the same level of performance.

Public Accountability Measures
 17% of these national measures maintained or improved performance against 2017/18.

75% of these national measures maintained or improved quartile trend against 2017/18

Our quartile profile over previous years is as follows:

Year	Upper quarter	Upper middle quarter	Lower middle quarter	Lower quarter
2016-17	5	2	4	0
2017-18	7	1	4	3
2018-19	5	3	5	4

	The graph above shows the number of indicators in each of the quartiles over the last three years. The number of indicators in the top two quartiles has remained constant, whilst there has been an increase in the number of indicators in the bottom quartiles.
1.08	<p><u>Regulation, Audit and Inspection Activity</u></p> <p>The Wales Audit Office publishes an Annual Improvement Report (AIR) each year on behalf of the Auditor General for Wales. The AIR published in November 2018 for Flintshire summarised the findings and recommendations from the various reports that have been produced.</p> <p>Overall the Auditor General for Wales has reached a positive conclusion. <i>“The Council is meeting its statutory requirements in relation to continuous improvement but, as with all councils in Wales, it faces challenges going forward.”</i></p>
1.09	The Auditor General has not made any statutory recommendations with which the Council must comply.
1.10	The Report will be available via the Council’s website. Paper copies can be generated as required and the supporting documents which provide the more detailed information will be available as ‘hyperlinked’ documents.
1.11	<p>Both Cabinet and Corporate Resources Overview and Scrutiny Committee have continued to consider performance areas which under-performed (downward trend and/or low quartile benchmark position) throughout 2018/19.</p> <p>The Corporate Resources Overview and Scrutiny Committee have requested that the Social & Health Care Overview and Scrutiny Committee keep under review the performance indicator for the “Number of people kept in hospital while waiting for social care per 1,000 population aged 75+” due to their concern around the target not being met and to give the Committee the opportunity to understand current work to meet this target in the future.</p>
1.12	Progress against these action plans with mid-year performance will be monitored and reported in November as part of the mid-year performance reports.

2.00	RESOURCE IMPLICATIONS
2.01	There are no specific resource implications as part of this report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT														
3.01	<p>Ways of Working (Sustainable Development) Principles Impact</p> <table border="1"> <tr> <td>Long-term</td> <td rowspan="5">The Annual Performance Report covers all Five Ways of Working. Throughout the report you will be able to see the impact and the way we apply Five Ways of Working across the Council Priorities.</td> </tr> <tr> <td>Prevention</td> </tr> <tr> <td>Integration</td> </tr> <tr> <td>Collaboration</td> </tr> <tr> <td>Involvement</td> </tr> </table> <p>Well-being Goals Impact</p> <table border="1"> <tr> <td>Prosperous Wales</td> <td rowspan="7">Throughout the Annual Performance Report we refer to the Well-Being Goals and their impact.</td> </tr> <tr> <td>Resilient Wales</td> </tr> <tr> <td>Healthier Wales</td> </tr> <tr> <td>More equal Wales</td> </tr> <tr> <td>Cohesive Wales</td> </tr> <tr> <td>Vibrant Wales</td> </tr> <tr> <td>Globally responsible Wales</td> </tr> </table> <p>Council's Well-being Objectives The Council's wellbeing objectives have been measured against and evidence has been provided for each of the sub priorities. The evidence demonstrates the progress which have been made against the Well-being Objectives.</p>	Long-term	The Annual Performance Report covers all Five Ways of Working. Throughout the report you will be able to see the impact and the way we apply Five Ways of Working across the Council Priorities.	Prevention	Integration	Collaboration	Involvement	Prosperous Wales	Throughout the Annual Performance Report we refer to the Well-Being Goals and their impact.	Resilient Wales	Healthier Wales	More equal Wales	Cohesive Wales	Vibrant Wales	Globally responsible Wales
Long-term	The Annual Performance Report covers all Five Ways of Working. Throughout the report you will be able to see the impact and the way we apply Five Ways of Working across the Council Priorities.														
Prevention															
Integration															
Collaboration															
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Resilient Wales															
Healthier Wales															
More equal Wales															
Cohesive Wales															
Vibrant Wales															
Globally responsible Wales															

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	A Member workshop was held in May 2019 which gave Members the opportunity to better understand how performance information was presented. Consultation is undertaken throughout the year by Cabinet and Overview and Scrutiny Committees reviewing the quarterly performance reports.

5.00	APPENDICES
5.01	Appendix A - Draft Annual Performance Report 2018/19 Appendix B - Council Plan 2018/19 Risk Register Appendix C - Public Accountability Measures 2018/19 Performance

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Council Plan 2018/19 WAO Annual Improvement Report Council's Well-being Objectives

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Karen Armstrong, Corporate Business and Communications Executive Officer</p> <p>Telephone: 01352 702740</p> <p>E-mail: karen.armstrong@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<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 objectives and publish a Plan.</p> <p>Public Accountability Measures: nationally agreed measures to be collected and monitored by all councils for benchmarking purposes.</p>

Annual Performance Report

2018/19



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Introduction

Welcome to Flintshire’s Annual Performance Report (APR). This document gives an overview of the performance of the Council during 2018/19 against the priorities we set. It also covers progress against our Well-being Objectives.

The report covers: -

- Progress against key actions and projects;
- Actual and comparative performance information against local and nationally set performance indicators;
- An assessment of how well the Council is managing the strategic risks and challenges it faces;
- The outcomes of external regulatory work and the Council's response to improve governance and public services as a result; and
- Our performance against the Future Generations Ways of Working and our Own Well-being objectives.

Priority Setting

The Council has competing pressures and priorities. Some priorities are ‘self-selecting’ to meet national government social policy objectives such as housing and education. Others are set more locally.

The priorities have been shaped by councillors across our Cabinet and the Overview and Scrutiny functions to ensure continuity of analysis for past, present and future performance against which the Council can be judged. There is widespread ownership of the priorities within the Council and with our key partners in the public, private and voluntary sectors.

This set of six priorities supported by a series of sub-priorities has helped the Council to concentrate on the things where attention was most needed during 2018/19. The remaining priorities from previous years have been managed as more routine business outside of the Plan.

Priority	Sub Priority	Well-Being Objectives
Supportive Council	Appropriate and Affordable Homes	<ul style="list-style-type: none"> • Ensuring the supply of affordable and quality housing of all tenures
	Modern, Efficient and Adapted Homes	<ul style="list-style-type: none"> • Ensuring the supply of affordable and quality housing of all tenures
	Protecting people from poverty	<ul style="list-style-type: none"> • Protecting people from poverty by maximising their income and employability
	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.
	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.

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

Note: The colour scheme used in this table is used throughout the document for ease of recognition.

Your Local Services

- Services for you – a compilation of the range of services we offer the community of Flintshire and some figures against how well we have performed last year 2018/19.
 - Building 500 new council houses to meet growing demand
 - Provided 184 Extra Care units
 - Helped 1246 number of people aged 65 and over to live independently at home
 - 6,025 street lamps replaced
 - 1,175 km of highways maintained
 - 100% of our council housing has a valid gas safety
 - 676 people on Universal Credit received digital support
 - 476 private sector homes received energy efficient measures
 - 151 Council homes received energy efficiency measures
 - Protected 100% of tenants from unsuitable living conditions
 - 59% of young people aged 16 – 18 in the youth justice system offered education, training or employment
 - 578 people on Universal Credit received personal budgeting support
 - Recruited 8 new foster families to help support children and young people who are at risk
 - Kerbcraft – Child pedestrian training delivered in variety of schools – 412 pupils trained in year
 - Cycle training – National Standards Cycle Training in schools – 1,056 pupils trained in year

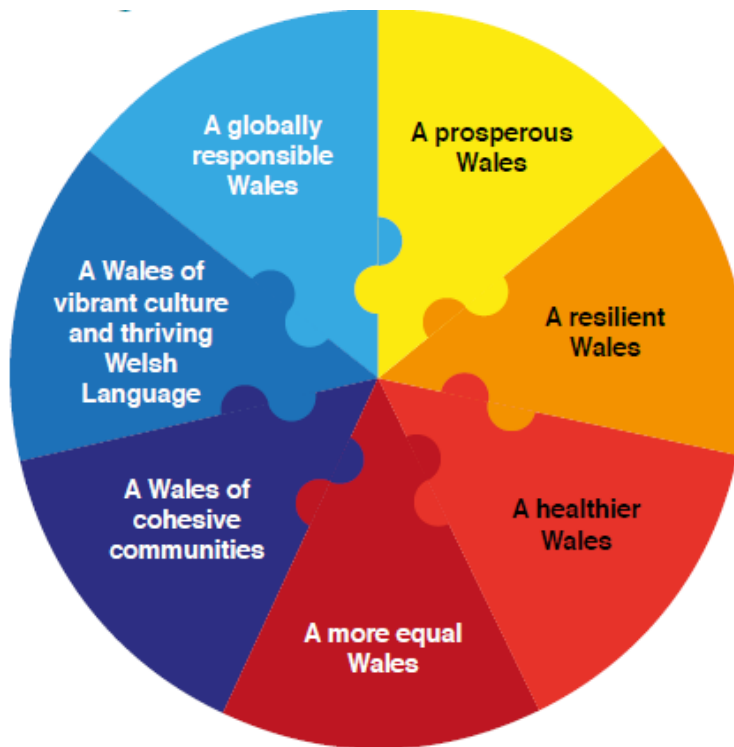
Assessment of our Wellbeing Objectives

The Council set its Well-being Objectives in June 2017. These are the Council's commitments to embrace the Well-being of Future Generations (Wales) Act 2015.

Designated public bodies are required to work individually and collectively to improve well-being in Wales. The seven well-being goals and the five ways of working set a general purpose for public bodies. They also aim to ensure better decisions by:

- considering the long-term
- prevention
- integrated working
- working collaboratively
- and being inclusive of people of all ages.

The section 'Future Generations – Five Ways of Working Case Studies' provides examples of how we have met the Future Generations ways of working.



Our Well-being Objectives reflect the 'Impacts' we intend to make through the actions and activities within each priority. An assessment of the progress against each Objective is made as part of the overall performance for each priority.

For the purpose of this report we have reported against our adopted Well-being Objectives.

Priority	Sub Priority	Progress	Outcome	Well-Being Objectives Outcome/Evidence
Supportive Council	Appropriate and Affordable Homes	G	G	We have built 153 new Council and affordable homes.
	Modern, Efficient and Adapted Homes	G	G	94% of landlords are registered with Rent Smart Wales. 46 people from vulnerable groups have been rehoused into appropriate housing.
	Protecting people from poverty	G	G	578 people on Universal Credit received personal budgeting support. 676 people on Universal Credit received digital support.
	Independent Living	G	G	184 Extra Care units provided. Opening of Hwb Cyfle, to provide modern day care for people with a learning disability
	Integrated Community Social and Health Services	G	G	1,286 families received information and support through the Early Help Hub. Increased resources to support social prescribing, linking to GPs in the community
	Safeguarding	G	G	55% of employees completed the level 1 e-learning training package to meet the requirements of the Domestic Abuse and Sexual Violence National Training Framework
Ambitious Council	Business Sector Growth and Regeneration	G	G	A new strategic approach to town centres has been developed.
Learning Council	High Performing Education	G	G	59% of young people aged 16 – 18 in the youth justice system offered education, training or employment.
Green Council	Sustainable Development and Environmental Management	G	G	6,025 streetlights replaced with LED lighting. 36% reduction in our carbon footprint across our Council buildings
	Safe and sustainable travel services	G	G	10 Local Travel Arrangements are now in place.
Connected Council	Resilient Communities	G	G/A	26% of contracts over £25,000 include Community Benefit clauses
Serving Council	Effective Resource Management	G/A	G/A	100% of major capital projects were completed on time and within budget.

Highlights of performance and what has been achieved.

Theme: Supportive Council

Strong Performance
<ul style="list-style-type: none">• 153 new Council and affordable homes• Rehoused 46 people from vulnerable groups into appropriate housing• 94% landlords and letting agents complaint with Rent Smart Code of Practice• 100% of tenants protected from unsuitable living conditions
Strong Stories
<ul style="list-style-type: none">• Economic Ambition Board received confirmation of funding from UK and Welsh Governments in the region of £240m which will include skills capital projects• Delivery of energy efficient heating systems to a minimum of 300 households and energy advice to 3,000 properties• In September 2018 the Progress for Providers project was publicly recognised, winning the Social Care Wales Accolades Awards for 'Excellent outcomes for people of all ages by investing in the learning and development of staff'. The project was also a finalist in the Association for Public Service Excellence (APSE) Awards - 'Celebrating outstanding achievement and innovation within UK local government service delivery'• Full-time post in partnership with Flintshire Local Voluntary Council (FLVC) recruited in the Single Point of Access to support social prescribing, linking to GPs in the community• 1,246 families accessed the Early Help Hub and were provided with information and / or support
Improvement Areas
<ul style="list-style-type: none">• Number of days to process new housing benefit claims• Average number of calendar days taken to deliver a Disabled Facilities Grant (DFG)• Percentage of households successfully prevented from becoming homeless

Theme: Ambitious Council

Strong Performance
<ul style="list-style-type: none">• A North Wales Regeneration Plan has been developed to steer investment from the Welsh Government Targeted Regeneration Investment Programme. The programme has delivered 12 projects so far with £3m allocated in 2018/19 and a further £8m due to be allocated in 2019/20. In Flintshire, this has enabled the reopening of Holywell High Street to traffic as part of a package of measures to bring new life to the core of the town• The North Wales Economic Ambition Board has led the development of an ambitious strategy to invest in the digital infrastructure of North Wales. £9m of funding has been allocated from UK Government to improve connectivity to public buildings. Over £30m of further investment is proposed as part of the Growth Deal project portfolio
Strong Stories
<ul style="list-style-type: none">• The UK and Welsh Governments have announced funding support for the Growth Deal and detailed business cases are now being prepared. The total package of projects for North Wales could see £1bn of investment in the regional economy• A new strategic approach to town centres has been developed• Transport proposals continue to focus on enabling residents to access employment opportunities to spread the benefits of economic growth
Improvement Areas

- The Council has undertaken a comprehensive review of business risks associated with Brexit and has a plan for mitigation in place. The Council will continue to work closely internally and with businesses to monitor the potential impact of Brexit

Theme: Learning Council

Strong Performance
<ul style="list-style-type: none"> • Performance at Foundation Phase, Key Stage 2 and Key Stage 3 remained strong in 2018 and above the Welsh average • Performance in 2018 for KS4 outcomes at GCSE level improved and is comparable to those in similar local authorities • A*- A results at GCSE and A Level improved • Construction projects at Connah's Quay and Penyffordd are on schedule and within budget • Multi-agency collaboration supported the Council to achieve a reduction of 0.53% points in the number of Year 11 pupils who were not in education, employment or training (NEET) • Unauthorised absence is the second lowest in Wales
Strong Stories
<ul style="list-style-type: none"> • Welsh Government have approved the £1.3m class size grant for Ysgol Glan Aber, Bagillt. • All schools completed their initial assessment of readiness for the new curriculum • 98 % of apprentices that completed the programme had a positive outcome securing employment either with Flintshire or another employer • Over the last three years, no primary school has been placed in a statutory category of concern following inspection • The proportion of primary schools judged as Excellent for standards by Estyn is well above the Wales average • The number of schools in the LA in categories of serious concern have reduced from 3 to 1 and the number of schools in Estyn Review are low - just 3
Improvement Areas
<ul style="list-style-type: none"> • Increase the number of new pupils engaging with the TRAC programme – staffing vacancies initially impacted performance • Increase the education offer to young people in the Youth Justice Service • Improve pupil attendance, particularly in the secondary sector • Reduce fixed term and permanent exclusions from schools

Theme: Green Council

Strong Performance
<ul style="list-style-type: none"> • The highway resurfacing programme has been completed at 26 different locations. • 6,025 LED street lighting lanterns have been replaced • We have a recycling rate of 77% across all five Household Recycling Centres sites. • 89% of our fleet vehicles meets the Euro 6 standard
Strong Stories
<ul style="list-style-type: none"> • We have reduced our carbon footprint across our Council buildings by 37% • 51.51% reduction in non-domestic energy related carbon emissions since 2009/10 • We are enabling the communities to have greater access to active travel options including cycle routes. • New Household Recycling Centre (HRC) at Rockcliffe, Oakenholt opened, offering a modern site with full accessibility

- New fleet has been introduced in the Streetscene service, providing improved fuel economy and reduced emissions
- No breaches of the Air Quality standards in North Wales
- Completion of the Flint Townscape Heritage Initiative
- Completion of Flint coastal path design project
- Improved access on Parkway, Deeside Industrial Park (DIP) through Active Travel and bus infrastructure schemes
- Positive feedback from the A548 DIP partial signalisation of Parkway roundabout
- Completion of the bus network review, with 10 local travel arrangements in place

Improvement Areas

- Continue to improve our recycling rates
- Further work to provide mandatory training for passenger transport operators, drivers, and passenger assistants

Theme: Connected Council

Strong Performance

- We have sustained a total of 13 assets through the Community Asset Transfer programme
- Continued success of Aura and Holywell Leisure Centre as key Alternative Delivery models
- 26% of contracts over £25,000 have included Community Benefit clauses
- We helped resolve over 115,000 customer enquiries at our Flintshire Connects Centres
- We assessed nearly 9,000 applications for Blue Badges at Flintshire Connects

Strong Stories

- There are estimated to be around 40 Social Enterprises operating across Flintshire. A network has been created to enable them to meet up and learn from each other
- Social Value Strategy developed and approved enabling the social sector to show their unique delivery and value in our contracts
- Third sector support from HFT for our disability based services
- Received the Silver Award for the Ministry of Defence's Employee Recognition Scheme; being very close to gaining the Gold Award
- Strong community interest and involvement in many of our Centenary celebrations of WW1 projects
- The Public Services Board continues to perform well against the objectives (priorities) of the Well-being Plan
- Registered over 700 births and over 450 marriages

Improvement Areas

- Seeking Social Enterprise accreditation
- Further strengthening our community resilience projects
- Adding social value through the work of Aura Leisure and libraries

Theme: Serving Council

Strong Performance

- 62,920 e-forms have been submitted on our website and mobile app
- Maximised the amount of Council tax collection at 98.2%
- 9,500 residents have now signed up to receive their council tax bills electronically
- The Council collected 'in-year' 99.2% of Business Rates that was due to be paid

Strong Stories

- The Customer Account enables residents to view information about their waste and recycling collection, ward Member information, planning applications, requests for service submitted online. For those residents who hold a tenancy with us, they will be able to view repairs and rent statements in 2019/20 as the account is extended
- Supported Council tenants to pay their rent on time and promote well-being, especially those who have been impacted by welfare reform. The launch of a housing early intervention team and specialised case management system has helped the Council offer advice and support to those in financial difficulty
- 98% of planned efficiencies have been achieved across the Council
- Increased the visibility of mental health first aiders
- Promoted the importance of physical exercise in managing mental wellbeing
- Developed our own in house system to support the delivery of Welsh Governments childcare offer which has been viewed very positively by Welsh Government and has also been licenced for use by Cardiff Council and Rhondda Cynon Taf County Borough Council

Improvement Areas

- Reduce absence sickness rates, to a target of less than 8.0 days per employee
- Percentage of eligible employees receiving an annual appraisal
- Increase attendance in Stress Management Training
- Reduce the number of employees being referred to occupational health with mental health issues

Council Plan Progress – Infographic of RAGs

Assessment of our Performance

The table below provides an overview of progress against Council Plan Actions and Key Performance Indicators. For more details information please refer to the End of Year Monitoring Report.

The Action Progress key below defines the Red / Amber / Green (RAG) for Actions Progress in year. The Outcome RAG status below was assessed as part of the end of year reports in September and is based on our confidence in contributing positively towards the Outcome during the year.

<u>PROGRESS RAG Status Key</u>		<u>OUTCOME RAG Status Key</u>	
R	Limited Progress - delay in scheduled activity; not on track	R	Low - lower level of confidence in the achievement of outcome(s)
A	Satisfactory Progress - some delay in scheduled activity, but broadly on track	A	Medium - uncertain level of confidence in the achievement of the outcome(s)
G	Good Progress - activities completed on schedule, on track	G	High - full confidence in the achievement of the outcome(s)

The key below defines the Red / Amber / Green (RAG) status for each of the Key Performance Indicators.

Key Performance Indicators	
Limited Progress - delay in scheduled activity; not on track	RED
Satisfactory Progress - some delay in scheduled activity, but broadly on track	AMBER
Good Progress - activities completed on schedule, on track	GREEN

Performance Data Summary

National Performance Summary (All Wales Position)

The Welsh Government and the Local Government Data Unit released 2018/19 performance data for all local authorities in Wales (and Public Accountability Measures) in August 2019. This was accompanied by an overview of national trends as in previous years. There were a total of 16 measures against which we could benchmark and monitor.

Chart 1a: How we performed against Public Accountability Measures 2018/19

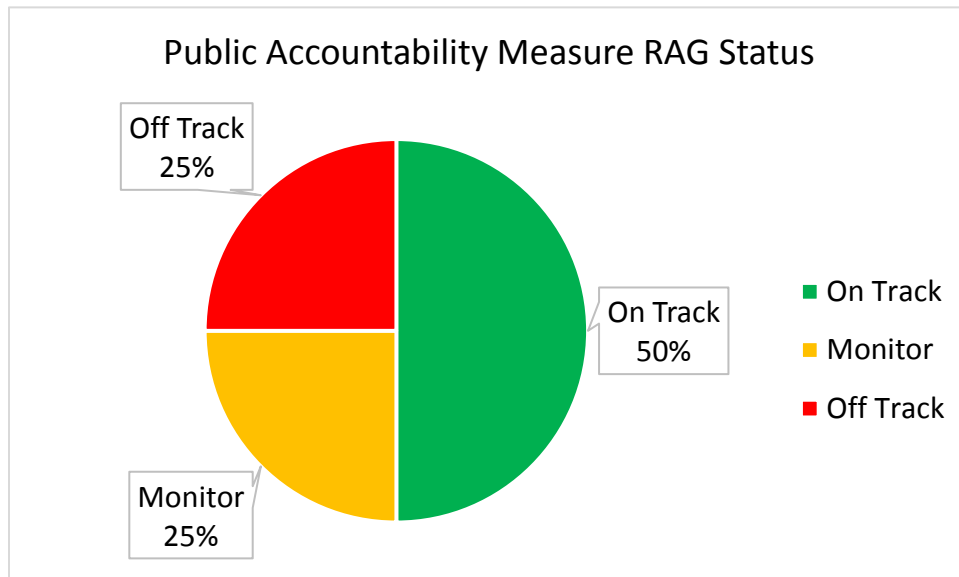


Chart 1b: Performance trend for Public Accountability Measures 2018/19

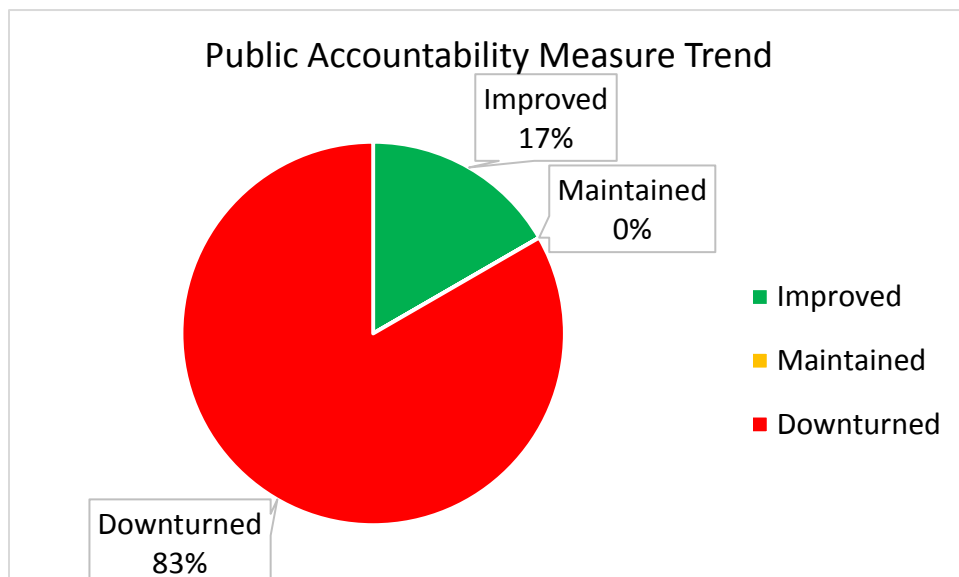
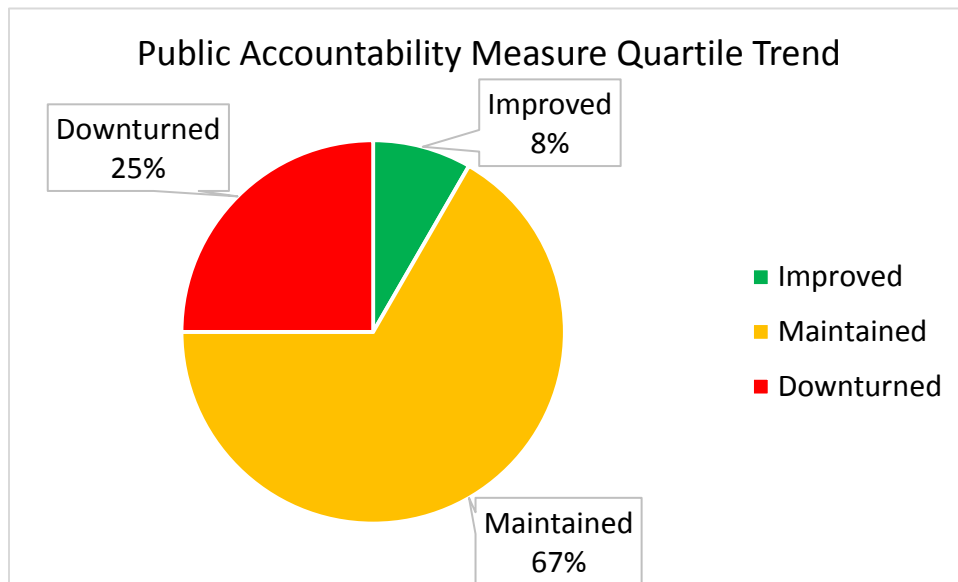


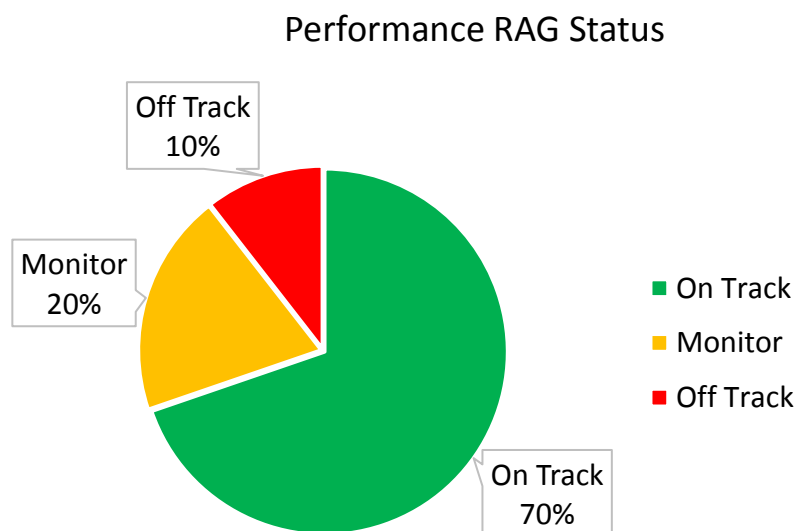
Chart 1c: Performance of Quartile trend for Public Accountability Measures 2018/19



Council Plan Performance Summary

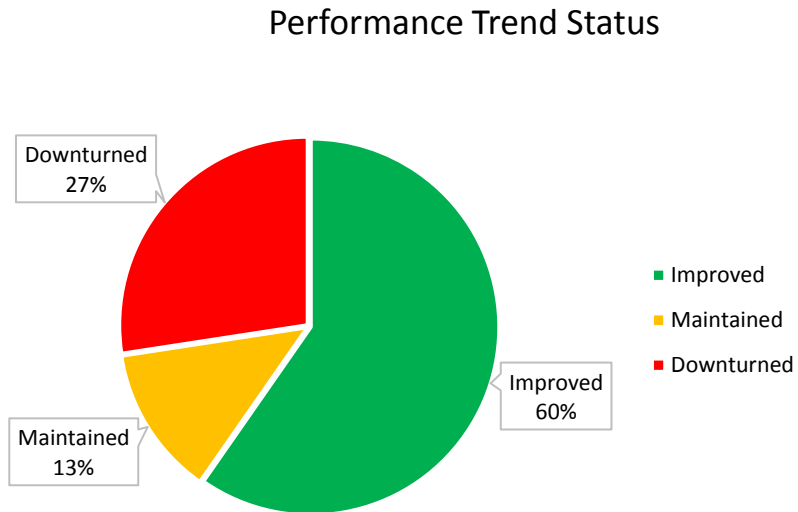
Performance for 2018/19 against our Council Plan Measures is summarised in the performance indicator chart below. 70% of indicators achieved target or better compared to 58% in 2017/18. 10% of indicators significantly missed targets compared to 8% during 2017/18.

Chart 2a: Performance RAG status for Council Plan Measures 2018/19



The performance trend for 2018/19 against our Council Plan Measures is summarised in the performance indicator chart below. 60% of indicators improved compared to 68% in 2017/18. 27% of performance indicators downturned compared to 23% in 2017/18. 13% maintained their performance compared to 9% in 2017/18.

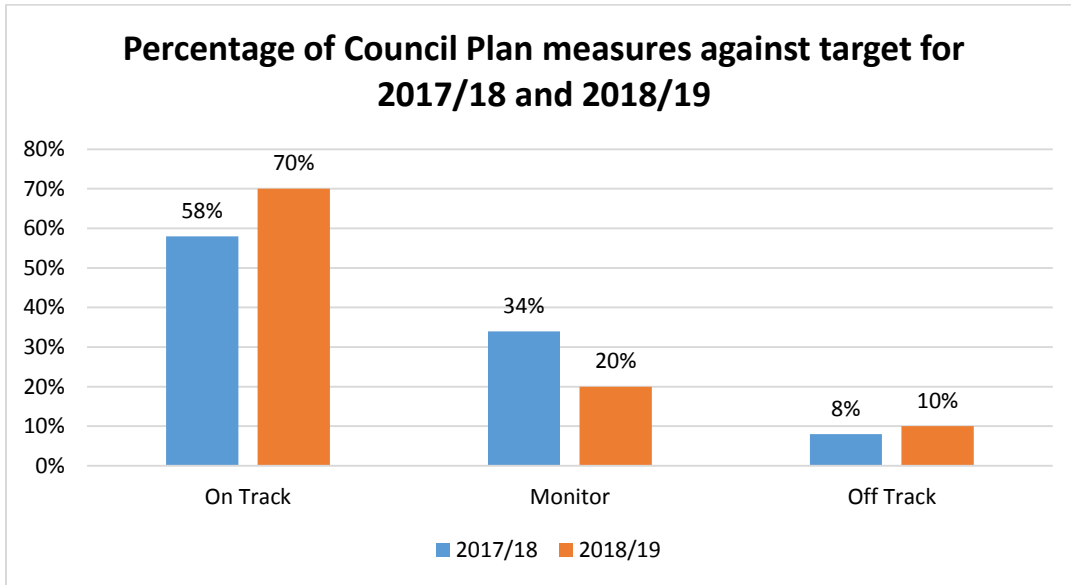
Chart 2b: Performance Trend for Council Plan Measures 2018/19



Council Plan Performance Overview

The table below shows that we had a positive year in outcomes compared to 2017/18. We had 58% performance indicators which were on track in 2017/18 and 70% in 2018/19. During 2017/18 34% performance indicators missed target marginally compared to 20% during 2018/19. During 2017/18 8% of performance indicators were classed as off track and missed target compared to 10% in 2018/19.

Chart 3a: Percentage of Council Plan measures against target for 2017/18 and 2018/19



Risk Management

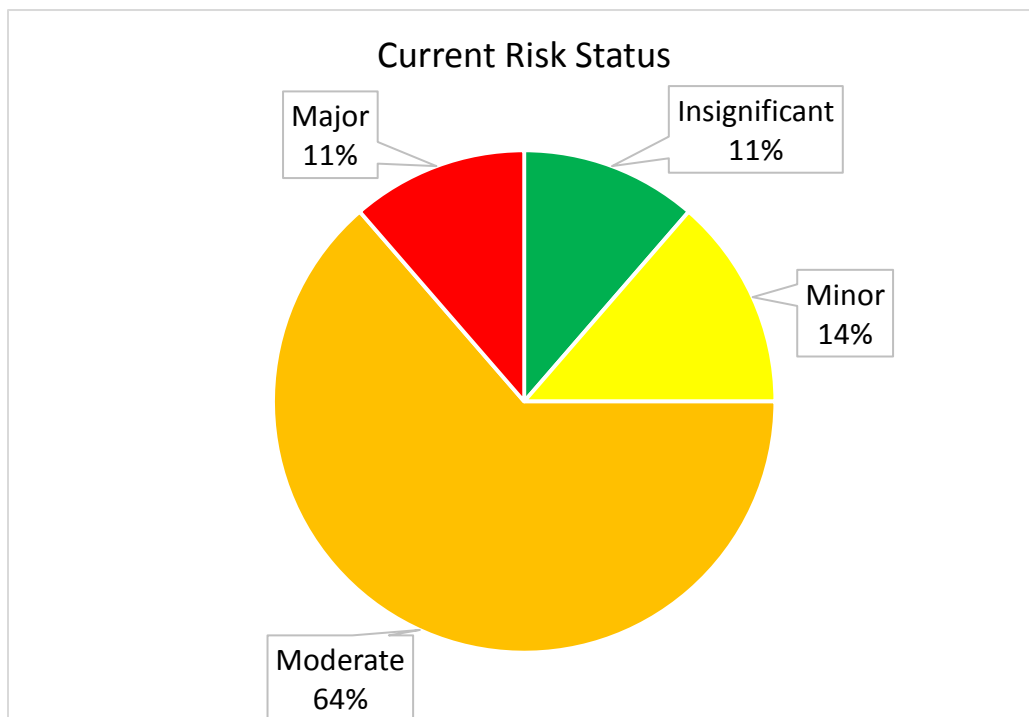
The Council adopted the Council Plan for 2018/19 in June 2018. The Council Plan's strategic risks are contained within the priorities of the Plan and are monitored throughout the year.

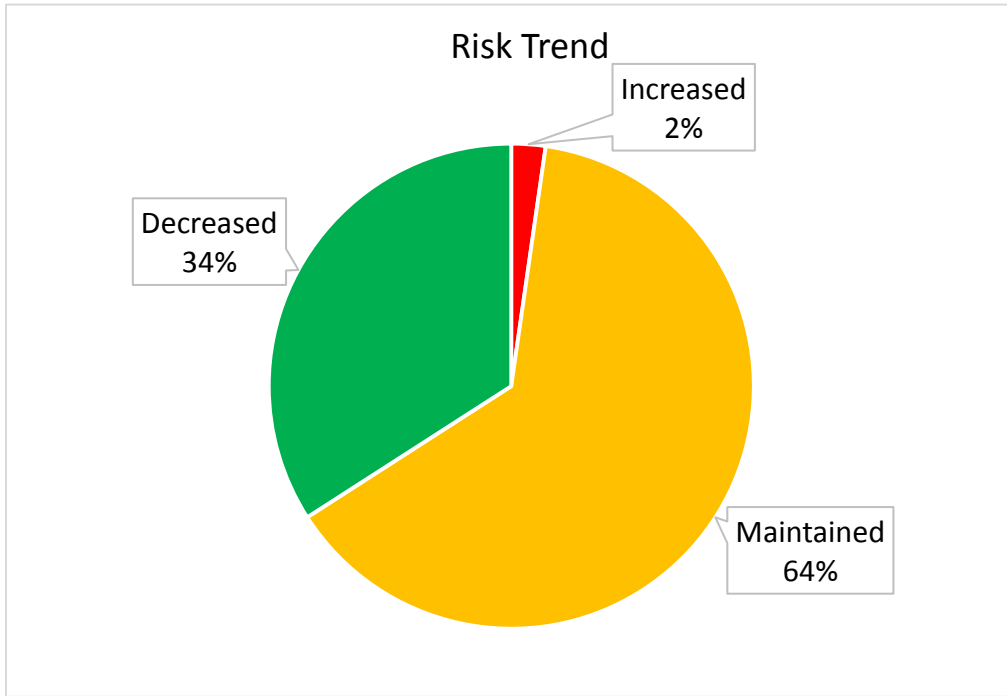
Analysis of the year end risk levels for the 44 strategic risks identified in the Council Plan is as follows: -

- 5 (11%) are low (green)
- 6 (14%) are minor (yellow)
- 28 (64%) are medium (amber)
- 5 (11%) are high (red)

Trend analysis compares the significance of risk levels at the end of the year with those at the start of the year. The analysis showed that: -

- 15 (34%) risks had reduced
- 28 (64%) risks remained the same
- 1 (2%) risks had increased





A summary table of the risks at year end 2018/19 is shown at Appendix A

Future Generations – Five Ways of Working – Case Study - Deeside

Long Term –

Future growth in Deeside will be underpinned by widening travel to work patterns so that more people can access employment, training and educational opportunities and serving existing employment areas by guaranteeing a quality, integrated bus service for the local workforce and a realistic alternative to the car. The proposals complement the wider vision outlined in the Deeside Plan and accord with the concept of the North Wales Metro scheme.

Prevention –

There is an anticipated 5-7,000 job creations associated with the Airfields and Northern gateway developments within Deeside Enterprise Zone. Employment locations such as Deeside Enterprise Zone have job vacancies, but such locations need to be made more accessible to those most in need. The collapse of GHA Coaches in 2016 highlighted the fragility of the bus operating sector in North Wales and the need for operators and local transport authorities to work more closely together to sustain a viable market for the future. The making of the Quality Partnership Scheme introduces stability and resilience to bus service provision, for the benefit of operators and passengers alike.

Integration –

The bid reflects the wider strategic objectives identified in the Joint Local Transport Plan, the Deeside Plan and the North Wales Metro scheme concept.

Collaboration –

The bid accords with the strategic objectives identified in the Joint Local Transport Plan, the Deeside Plan and the North Wales Metro scheme concept.

Consequently, we believe that it fully reflects the views endorsed through consultation and appraisal of those plans and strategies, and represents a consensus view of the development of the transport network across Deeside.

Involvement -

Scheme design, appraisal and consultation is well developed. As the work progresses all key stakeholders will be engaged to ensure that agreement is reached and that each scheme element within this bid can be delivered within the timeframe and budget allocated.

Future Generations – Five Ways of Working – Case Study – Food Poverty – Food Enterprise

Food poverty and Food insecurity is a public health crisis which has serious implications including:

- for children’s learning, wellbeing and life chances;
- a crisis that hinders parents’ ability to alleviate the crisis, because they themselves fall hungry;
- impairing people’s ability to make the decisions necessary to improve their circumstances;
- Older people’s health is suffering as a consequence.

In direct response to these issues set, the Council and partners (ClwydAlyn Housing and Can Cook) previously decided to provide support to those who were most vulnerable and did not have access to good fresh food. During the course of that period the partnership developed a delivery plan which sought to ensure children were fed across the school holidays and other groups such as those residing in hostels, were also fed well.

The Council and its partners have been exploring a number of options which will see progress maintained through the development of a longer term and sustainable solution to food poverty. Flintshire County Council has been working with Can Cook to produce a plan.

The plan, developed in consultation with the Flintshire Food Poverty Group, would at first:

- Identify the gaps and issues within the localised food aid offer and;
- Address those issues, by designing a local social-food-enterprise that could address some of the issues in the long term.

The proposed model of delivery is for a new social enterprise business, with the three partners (Flintshire County Council; ClwydAlyn Housing and Can Cook), having equal rights for the management and delivery of the operation.

The mission of the company will be to “connect everyone with good fresh food”.

A primary aim will be to reach and develop sustainable models for people to access good affordable fresh food, particularly linking in with work we do and services we provide such as:

- Domiciliary care and linking food provision with care services
- Developing a transition programme from food aid to food purchase for vulnerable groups, i.e. homeless families
- To link in with services which support residents and embed support around food provision within those services
- To use food provision as a catalyst to begin to tackle loneliness and isolation

This work has direct links and impacts with the five delivery principles of the Well-being of Future Generations Act:

Long Term – The work of the Enterprise will be the foundation and a major contributor for a positive impact, by enabling and delivering longer term solutions to alleviate food poverty and food insecurity in Flintshire and over time across the region.

Prevention –

The Enterprise will develop and support services within the community and build evidence to drive changes necessary to have significant impacts in relation to preventative measures to reduce or eliminate the levels of food poverty and food insecurity in Flintshire.

Integration –

The work of the Enterprise reflects the objectives of Flintshire’s Food Poverty Strategy that was agreed and adopted by the Public Services Board in July 2018

Collaboration –

The work of the Enterprise reflects the objectives of Flintshire’s Food Poverty Strategy that was agreed and adopted by the Public Services Board in July 2018 – the Enterprise itself is a collaboration of public and private sector and the Food Poverty group that will directly influence the activity and delivery has a wide reaching cross-sector membership.

Involvement -

The Enterprise is already linked with wide ranging cross sector organisations and will develop engagement and inclusion from communities as it progresses.

Long Term –

The aim of the Early Help Hub is to deliver more timely and appropriate early intervention and support for families with evidence of greater levels of need, in line with statutory requirements set out in the Social Services and Wellbeing Act 2014. With ever increasing demand on the service the aim is to secure a whole family approach making sure parent's needs are met alongside the needs of their children.

The EHH aims to reduce demand on statutory provision and see the reduction of children on the CP Register and the reduction of looked after children.

Prevention –

The EHH was commissioned with the aims of addressing key legislative and regulatory requirements and the Flintshire Public Service Board ambition for better quality cost effective services that secure good outcomes for all in Flintshire. Requirements of the Social Services and Wellbeing Act 2014 is to ensure families have access to relevant information, advice and support to build wellbeing and resilience. By co-locating key agencies and closer partnership working gives rise to better information sharing, reduction in repeat referrals, less duplication of work and bespoke packages of support for Flintshire families.

Integration –

The EHH is co-located and fully integrated with Children's Services. Working closely and alongside front door child protection services and Team around the Family is vital to the sustainability of the EHH and the safeguarding of children. The EHH uses the same database (Paris) so as supports the timely intervention of support to families.

Collaboration –

The Early Help Hub is a multi-agency, non-statutory Panel that is co-located in the Flint Connects building. The agencies involved in the Early Help Hub include:

- Police
- Children's Services
- Health
- Flying Start
- Youth Service and Education
- Housing
- Action for Children
- Voluntary Sector
- Youth Justice Service

The Early Help Hub is managed by 1 Team Manager and 2 Senior Practitioners.

The Hub is a single point of contact for professionals, families & young people to access early help across Flintshire with the aim being to support families with the right help, at the right time from the right service. With statutory and voluntary agencies being based together it increases information sharing and a coordinated response to meet family's needs.

Involvement -

All early help partners fully engage in the process to ensure all relevant information is shared so an agreement is reached to create a bespoke package of support for each family.

Equality

The Council takes seriously its duty to promote equality, eliminate discrimination and foster good relations through all its activities. The Council published an updated Strategic Equality Plan in 2017; this is being incorporated into CAMMS (Performance management system) to ensure that progress and achievements can be monitored more effectively and regular updates provided.

Welsh Language Standards (WLS)

The Council is committed to meeting the Welsh Language Standards ensuring that we can provide high quality services in both English and Welsh. The Welsh Language Promotion Strategy has been drafted and subject to consultation.

Partnership and Collaboration Activity

Flintshire has a longstanding and proud track record of partnership working. The communities it serves expect the statutory and third sector partners to work together, to work to shared priorities and, through collective effort, to get things done. The Public Services Board, is at the heart of promoting a positive culture of working together and concentrates energy, effort and resources on some of the big social issues of today.

The Flintshire Public Services Board was established on 1st April 2016 as a result of the “Well-being of Future Generations (Wales) Act” coming into effect. The Flintshire PSB is made up of senior leaders from a number of public and voluntary organisations: Flintshire County Council, Betsi Cadwaladr University Health Board, Natural Resources Wales, North Wales Fire & Rescue Services (statutory members), North Wales Police, Public Health Wales, Flintshire Local Voluntary Council, Coleg Cambria, Glyndwr University, Wales Community Rehabilitation, National Probation Services Wales, Police & Crime Commissioner and Welsh Government (invited PSB members). Together these organisations are responsible for developing and implementing the Well-being Plan for Flintshire published in May 2018.

Whilst the PSB realise there is much that could be done to add value to public services and to the communities of Flintshire and identified a number of priorities for 2017/18 onwards that support the seven goals of the “Well-being of Future Generations (Wales) Act”.

Regulation, Audit and Inspection

The Council is regulated by a number of organisations throughout the year. These include, amongst others the Wales Audit Office (WAO), Estyn for Education and the Care and Social Services Inspectorate (CSSIW).

The WAO publish an annual report on behalf of the Auditor General for Wales called the Annual Improvement Report. This report summarises the outcomes of all work that the WAO have undertaken during the year. The conclusion draw by the Auditor General for Wales was *“The Council is meeting its statutory requirements in relation to continuous improvement but, as with all councils in Wales, it faces challenges going forward.”*

Corporate Health and Safety

The Council is committed to its duties and responsibilities as an employer for health and safety. The management of workplaces that are safe to the health of all Council employees, sub-contractors, stakeholders and members of the public is one of our main priorities. To meet this priority we plan to meet the requirements of the Health and Safety at Work Act 1974 and other associated legislation as far as is reasonably practicable.

Appendices

Appendix A – Council Plan 2018/19 Risk Register

Appendix B – Flintshire County Council's Well-being Objectives alignment to the national Well-being Goals

Feedback and how to Obtain Further Information

There are a number of related documents which support this Annual Performance Report. These can be obtained through the following links:

- Flintshire County Council Plan 2018/19
- Flintshire Council Plan Annual Monitoring Report 2018/19
- Flintshire Social Services Annual Performance Report 2018/19
- Annual Strategic Equality Plan Report 2018/19
- Welsh Language Monitoring Report 2018/19

Thank you for reading our Annual Performance Report for 2018/19

Your views and suggestions about how we might improve the content and layout of the Annual Performance Report for future years are welcome.

In addition, should you wish to know more about our priorities for this year onwards please read our Council Plan 2019/20. Again, your views about future priorities, plan content and layout are welcome.

Please contact us on:

Tel: 01352 702744

Email: corporatebusiness@flintshire.gov.uk

Mae'r dudalen hon yn wag yn bwrpasol



Integrated Risk Manager

A CAMMS SOLUTION

Risk Report

Flintshire County Council

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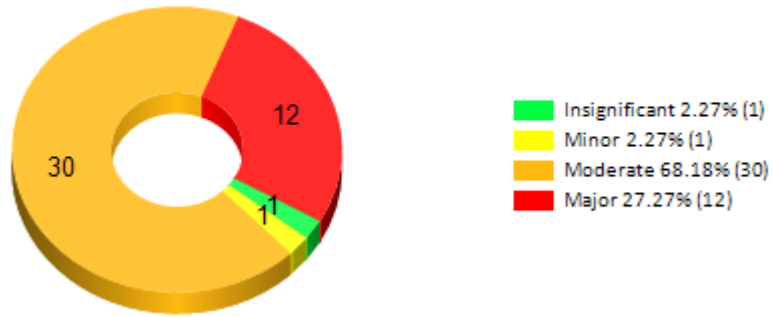


Print Date: 01-Jul-2019

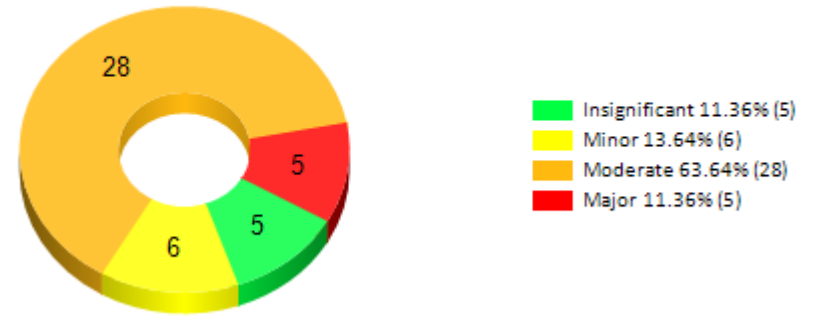
Risk Summary

Strategic Risks

Initial Risk Assessment






Current Risk Assessment



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Strategic Risks




1 Supportive Council

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST151	Homelessness will remain a growing area of demand due to the current economic climate	Strategic Risk	Jenni Griffith - Flintshire Connects Manager	Lesley Bassett - Housing Strategy Manager				Open

Potential Effects: Homelessness remains an area of risk. The lack of suitable, settled accommodation for those on welfare benefits has caused delays in being able to achieve positive outcomes for customers.

Lead Supporting Officer Comments: Homelessness remains a risk as a result of a number of factors. The introduction of welfare reforms and Universal Credit has created additional barriers to being able to successfully discharge duties to customers. The number of people presenting to the authority for help has increased during each quarter. Additional funding has been granted to develop landlord incentives within the private rented sector and also to consider alternatives to rough sleeping. The Council has been awarded in year funding to assist with additional measures to develop Landlord incentives within the private rented sector and a strategic partnership with HAWS Lettings Agency will commence in May 2019. The emergency beds provision is in place and is proving to be in demand. In addition there is an Outreach Worker in post, employed through Clwyd Alyn, who follows up on street homeless and individuals who attend the emergency bed provision.

Last Updated: 18-Jun-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST152	The supply of affordable housing will continue to be insufficient to meet community needs	Strategic Risk	Melville Evans - Senior Manager - Housing Programmes	Denise Naylor - Housing Programmes Support Manager				Open




Potential Effects: i) Increase in homelessness ii) Increased pressure on the Housing Options Team iii) Increase in people sleeping rough

Lead Supporting Officer Comments: The position as at the end of 2018-19 is that this will always be a risk due to changes in housing demand and a lack of supply both in terms of the quantity and type of affordable homes provided. Over the past year the Welfare Reform policies have also impacted on the type of affordable housing required due to benefit restrictions. The Council aims to mitigate the risk through:

1. Informing the type and size of all of the new builds (Council and RSLs)
2. Informing the type, tenure and size of affordable housing provision through market led schemes.

Last Updated: 24-Apr-2019

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Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST153	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	Strategic Risk	Jenni Griffith - Flintshire Connects Manager	Denise Naylor - Housing Programmes Support Manager, Lesley Bassett - Housing Strategy Manager				Open

Potential Effects: Welfare reforms may potentially impact the Council's ability to offer affordable housing to those affected. Examples of the types of reforms that will have may impact include: LHA Cap - Residents affected by the LHA cap who are already excluded from the private rented sector due to affordability may not be able to afford social rents
Bedroom Tax - This has been in place for some time for those residents that are under occupying properties and in receipt of housing benefit and will continue under Universal Credit role out.

Lead Supporting Officer Comments: Applicants who are affected by bedroom tax are given urgent priority for rehousing to more affordable accommodation.

The proposed property for the shared housing pilot received full planning permission and work has been undertaken to establish demand. Due to Government changes and the withdrawal of plans to introduce a shared room rate for under 35s the demand in social housing for shared accommodation has lessened. Applicants contacted expressed a preference for self contained properties and we were unable to establish demand for the shared housing pilot. This will of course have an effect on the demand for affordable one bedroom properties.




Last Updated: 24-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST154	Reduction of land supply for council housing construction	Strategic Risk	Melville Evans - Senior Manager - Housing Programmes	Denise Naylor - Housing Programmes Support Manager				Closed

Potential Effects: i) Reduction in number of units delivered

Lead Supporting Officer Comments: To date the number of new council and affordable homes completed, being built or scheduled to be built has reached 305. The target of 500 by 2021 is within reach with work underway to identify land suitable for the construction of the remaining 195 new affordable and council homes.




Last Updated: 05-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST155	Capital borrowing limits for council housing	Strategic Risk	Melville Evans - Senior Manager - Housing Programmes	Denise Naylor - Housing Programmes Support Manager				Open

Potential Effects: i) reduction in construction and delivery of Council houses

Lead Supporting Officer Comments: The cap on borrowing within the housing revenue account is due to end by the end of May 2019. The ending of the cap will enable Flintshire to continue to invest in building council homes.

Last Updated: 08-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST156	Customer expectations for the timeliness of adaptations undertaken through Disabled Facilities Grants (DFGs) may not be met due to competing demands on resources	Strategic Risk	Neal Cockerton - Chief Officer - Housing and Assets	Jen Griffiths - Benefits Manager				Open

Potential Effects: There will be a reputational risk to the Council if adaptations fail to meet the expectations of customers. This is increased because of the national ranking of performance by Welsh Government.

Lead Supporting Officer Comments: The performance on DFG timescales has been an area of challenge over time and a management board has been established to improve and monitor progress. The budget for the programme is currently on track. Improvements in timeliness have been noted with the implementation of a new process.

Last Updated: 12-Apr-2019




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Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST157	Availability of sufficient funding to resource key priorities	Strategic Risk	Neal Cockerton - Chief Officer - Housing and Assets	Jen Griffiths - Benefits Manager				Open

Potential Effects: Should resources prove to be insufficient then the Council will be able to process further applications for adaptations leading to delays in the process. This in turn will lead to reputational damage to the Council.

Lead Supporting Officer Comments: Budget monitored effectively and demand has been met for 2108/19

Last Updated: 12-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST158	Universal Credit Full Service roll out - negative impact upon Council services	Strategic Risk	Jen Griffiths - Benefits Manager	Dawn Barnes - Training Officer				Open




Potential Effects: The impact of Welfare Reform on Flintshire households increasing the demand for advice and support to unprecedented levels. Potential increases in rent arrears and decrease of Council Tax collection. Potential increased risk of homelessness and need for accommodation. Increased demand in existing support services

Lead Supporting Officer Comments: Work is now well underway to identify and mitigate the impacts of Universal Credit on Council Tenants and their rent accounts. Work is concentrated around early intervention which enables support to be provided to those who need it, but a harder line to be taken with those who can pay but choose not to. This provides a more realistic chance of the rent account coming back under control and out of arrears.

There will inevitably always be an element of cash flow arrears on accounts due to the Universal Credit payments (whether direct to the council or directly to the tenant) are made in arrears.

During 2018/19 focus is on early identification and intervention to prevent the problem from escalating. Council Tax Collection remains under pressure.




Last Updated: 12-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST159	Demand for advice and support services will not be met	Strategic Risk	Jen Griffiths - Benefits Manager					Open

Potential Effects: The impact of Welfare Reform on Flintshire households increasing the demand for advice and support to levels beyond what resource can handle in a timely manner.

Lead Supporting Officer Comments: The development of the Welfare Response Team has assisted with the implementation of Universal Credit. Referrals to wider support services still remain high with a significant number of residents presenting with underlying debt issues. Managers across Customer Services, Neighbourhood Housing and Revenues and Benefits are continuing to work together to develop early intervention strategies.

Last Updated: 18-Jan-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST160	Debt levels will rise if tenants are unable to afford to pay their rent or council tax	Strategic Risk	Jen Griffiths - Benefits Manager	Sheila Martin - Income Team Leader				Open

Potential Effects: With the introduction of Universal Credit and reduction in benefits being paid it is anticipated that tenants will struggle to maintain their payments increasing the level of debt owed to the Council for Rent and Council Tax.

Lead Supporting Officer Comments: Work has commenced on the identification of the impacts of Universal Credit on Council Tenants and their rent accounts. There is a team that works with tenants at the earliest opportunity on the basis that intervention at early stages allows support (if appropriate) to be identified earlier giving a more realistic chance of the rent account coming back under control and out of arrears.

The Council now has "Trusted Partner" status with the Department for Work and Pensions which means that processes and flow of information and payments is more streamlined and automated. Notwithstanding this, there will inevitably always be an element of cash flow arrears on accounts due to Universal Credit payments (whether direct to the council or directly to the tenant) being made in arrears.

During 2018/19 focus has been on early identification and intervention to prevent the problem from escalating. Council Tax Collection remains under pressure.




Last Updated: 29-Jan-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST161	The local economy will suffer if residents have less income to spend	Strategic Risk	Jen Griffiths - Benefits Manager	Jenni Griffith - Flintshire Connects Manager				Open

Potential Effects: The local economy will see a decline if residents are not able to spend at current levels

Lead Supporting Officer Comments: Welfare Rights and Supporting People teams worked with residents during the year to explore areas of income maximisation for residents of the County.




Last Updated: 28-Jan-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST162	Delivery of social care is insufficient to meet increasing demand	Strategic Risk	Jane M Davies - Senior Manager, Safeguarding & Commissioning	Jacque Slee - Team Manager Performance				Closed

Potential Effects: People would be likely to experience increased waiting times or be unable to access services, with a resulting negative impact on the reputation of the Council.

Lead Supporting Officer Comments: Recommendations have been approved to explore the extension of Marleyfield (32 beds for intermediate care and discharge to assess). This expansion will also help to support the medium term development of the nursing sector. The Single Point of Access has already extended the time the service is available from in the mornings and work is near completion to extend the closing time and introduce weekend working. The multi agency Early Help Hub for children and families is in operation. The risk has been mitigated to green and is now closed 12/07/2018.

Last Updated: 12-Jul-2018

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST163	Demand outstrips supply for residential and nursing home care bed availability	Strategic Risk	Jane M Davies - Senior Manager, Safeguarding & Commissioning	Jacque Slee - Team Manager Performance				Open




Potential Effects: Increase in hospital admissions and delayed transfers from hospital. Increased pressure on primary care services leading to deteriorating relationship with local partners.

Lead Supporting Officer Comments: The expansion of Marleyfield to support the medium term development of the nursing sector continues under the direction of the Programme Board.

The re-phasing of Integrated Care Fund (ICF) capital to fit in with the Council's capital programme has been agreed by Welsh Government. Recommendations from Social & Health Care Overview and Scrutiny Committee were that the Committee support the ICF programme and the initiatives of utilising short term funding streams to deliver against strategic and operational priorities for the council and key partners. Workstreams from the Strategic Opportunity Review are continuing. A review for Programme Board of demand and supply in light of the new capital developments has been undertaken.

Last Updated: 15-Apr-2019

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Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST164	Annual allocation of the Integrated Care Fund (ICF) - Short term funding may undermine medium term service delivery	Strategic Risk	Susie Lunt - Senior Manager, Integrated Services and Lead Adults	Jacque Slee - Team Manager Performance				Closed




Potential Effects: Insufficient funding to sustain medium term service delivery.

Lead Supporting Officer Comments: The re-phasing of agreed ICF capital funding has been agreed to fit with our capital programme.

Welsh Government have confirmed the ongoing use of ICF revenue funding for existing projects.

The Chair of the North Wales Regional Partnership Board and the Chief Executive of BCUHB have created an agreement from partners on the allocation of funds to support delivery of medium term services. Confirmation in principle has been received for allocation of capital funds for Marleyfield. Following receipt of detailed correspondence from WG, the level of risk has reduced to Green and the risk will be closed.

Last Updated: 15-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST165	Early Help Hub cannot deliver effective outcomes	Strategic Risk	Craig Macleod - Senior Manager, Children's Services & Workforce	Jacque Slee - Team Manager Performance				Closed

Potential Effects: Children and families who do not meet the threshold for a statutory services will not be appropriately directed to alternative services.

Lead Supporting Officer Comments: The Early Help Hub is fully functioning, with commitment from all agencies. Enhanced consortia arrangements for support through Families First projects are ensuring responsive access to help for families. 1246 families were supported by the Hub this financial year. This risk is now closed.

Last Updated: 18-Jun-2019

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Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST166	Rate of increase of adult safeguarding referrals will outstrip current resources	Strategic Risk	Jane M Davies - Senior Manager, Safeguarding & Commissioning	Jacque Slee - Team Manager Performance				Closed

Potential Effects: National timescales for processing safeguarding enquiries will not be met, resulting in potential delays for people requiring safeguarding interventions and impact on reputation of the Council.

Lead Supporting Officer Comments: Responsibilities within Adult Safeguarding and First Contact and Intake have been realigned, with no additional resource. Safeguarding Managers are able to effectively delegate tasks for high priority cases; this ensures that those enquiries that do not meet timescales are of a lower priority. Quarterly data is showing an increase in Safeguarding reports, and these are being addressed within timescales. Internal Audit completed a review of the service in November; this confirmed that processes are in place for the screening and triage of safeguarding referrals. The reviewers concluded that strategy meetings are being undertaken in a timely manner. This risk has been closed.




Last Updated: 17-May-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST168	Knowledge and awareness of safeguarding not sufficiently developed in all portfolios	Strategic Risk	Fiona Mocko - Strategic Policies Advisor	Jane M Davies - Senior Manager, Safeguarding & Commissioning				Open

Potential Effects: Employees will not recognise when adults and children are at risk and will not take appropriate action.

Lead Supporting Officer Comments: Safeguarding is included within the corporate induction procedures, ensuring new employees can recognise the signs and know how to make a report. A Safeguarding e-learning module is under development and is to be implemented during 2019. Additional training has been made available to the Safeguarding panel, including Child Sexual Abuse awareness delivered by Stop it Now. Periodic safeguarding bulletins are published alongside regular workforce news items reminding employees to look out for the signs and how to make a report.

Last Updated: 02-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST169	Failure to implement safeguarding training may impact on cases not being recognised at an early stage.	Strategic Risk	Fiona Mocko - Strategic Policies Advisor					Open


Potential Effects: Employees will not identify potential safeguarding issues. Referrals will not be made through the right channels which may delay investigation or result in evidence being contaminated. Adults and children will not be safeguarded

Lead Supporting Officer Comments: Safeguarding is included in the corporate induction ensuring all new employees have a basic understanding of safeguarding. Safeguarding e-learning modules are under development and will be implemented during 2019. All Portfolios contribute to the corporate safeguarding training budget which will fund a drama style workshop being developed by Theatr Clwyd. Additional awareness raising is made through the periodic safeguarding bulletins and workforce news items.

Last Updated: 02-Apr-2019

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2 Ambitious Council

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST170	Infrastructure investment does not keep pace with needs and business is lost to the economy	Strategic Risk	Andrew Farrow - Chief Officer - Planning, Environment and Economy	Niall Waller - Service Manager - Enterprise and Regeneration	Amber	Amber		Open

Potential Effects: infrastructure is essential to facilitating economic growth in Flintshire. If infrastructure is not improved then investment opportunities will be jeopardised and new jobs will not be created. Overloaded infrastructure will also increase the likelihood of business investment being lost to better serviced areas.

Lead Supporting Officer Comments: The North Wales Growth Deal will include a package of strategic infrastructure investment projects. At the local level the Deeside Plan sets out a strategy for transport investment to maximise the benefit of economic growth. Welsh Government has already announced major investment in strategic road infrastructure and in public transport to help deliver this strategy.

Last Updated: 29-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST171	Support for businesses in Flintshire doesn't meet their needs and fails to encourage investment	Strategic Risk	Andrew Farrow - Chief Officer - Planning, Environment and Economy	Niall Waller - Service Manager - Enterprise and Regeneration	Amber	Amber		Open

Potential Effects: Businesses feedback that they highly value the service provided by the Council to help them to navigate wider support and overcome barriers to growth. Business networking activity delivered by the Council also assist businesses to work and trade together. Reduction of this support may make the County less successful as a location for business.

Lead Supporting Officer Comments: The business development service in Flintshire remains responsive to business needs. The Council works closely alongside Welsh Government and other agencies to provide a co-ordinated service. A review process of business development across North Wales as part of the work of the Economic Ambition Board will offer opportunities for greater collaboration.

Last Updated: 29-Apr-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST172	The stability of local and sub-regional economies	Strategic Risk	Andrew Farrow - Chief Officer - Planning, Environment and Economy	Niall Waller - Service Manager - Enterprise and Regeneration				Open

Potential Effects: Instability in the local and regional economies would lead to reduced business investment and significant job losses.

Lead Supporting Officer Comments: The Council continues to monitor changes and trends in the UK and regional economies that may have an impact on Flintshire's economy. The main area of uncertainty, Brexit, remains difficult to predict and quantify whilst the negotiated settlement with the European Union remains unknown.

Last Updated: 29-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST173	The region having a sufficient voice at Welsh Government and UK Government levels to protect its interests	Strategic Risk	Andrew Farrow - Chief Officer - Planning, Environment and Economy	Niall Waller - Service Manager - Enterprise and Regeneration				Open

Potential Effects: Decisions are taken on national and regional economic issues, infrastructure investment or other programmes which do not meet the needs of the Flintshire economy.

Lead Supporting Officer Comments: The Council has a lead role in developing the role and functions of the North Wales Economic Ambition Board and is closely involved in the work of the Mersey Dee Alliance. The Council also represents the region on the Rail Task Force and supports the All Party Parliamentary Group on transport. The Council is closely involved in the development of the outline projects for the regional Growth Deal and the Council has played a leading role in the development of the new Joint Committee for North Wales. Negotiations with UK and Welsh Governments are progressing to plan.

Last Updated: 18-Jun-2019




3 Learning Council

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST174	Those schools who do not recognise their need for improvement and external support	Strategic Risk	Vicky Barlow - Senior Manager - School Improvement Systems	Jeanette Rock - Senior Manager - Inclusion and Progression				Open

Potential Effects: Downturn in school performance and under achievement . Increase in the number of schools in Estyn category of concern/need of significant improvement

Lead Supporting Officer Comments: Monitoring processes indicate that all schools have engaged appropriately with their Support Improvement Advisers during the first quarter of the year and are accessing support to implement their improvement plans. Evidence through pupil outcome data shows that improvement plans are being effective in most areas with Flintshire schools performance above national averages in nearly all key indicators across all phases. 2 targeted schools who are in category of Estyn Review have made strong progress and the LA is recommending to Estyn that they be removed from follow up - Estyn confirmation pending.

Last Updated: 16-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST175	Leadership capacity does not match school needs	Strategic Risk	Vicky Barlow - Senior Manager - School Improvement Systems	Jeanette Rock - Senior Manager - Inclusion and Progression				Open

Potential Effects: Reduced stakeholder confidence in Education services. Downturn in school performance and under achievement . Increase in the number of schools in Estyn category of concern/need of significant improvement

Lead Supporting Officer Comments: The number of schools in statutory categories has reduced. We do not have any issues with schools failing to engage with GwE in relation to their support priorities. Flintshire has one of the highest take ups on the professional development programme around middle leadership and National Professional Qualification for Headship securing leaders for the future – whilst secondary Headteachers have reported anecdotally that staff don't want to take the roles on in schools in some subjects, there is no school where a lack of capacity, particularly in core subjects is putting the school's performance at risk.

Last Updated: 16-Apr-2019

Tudalen 62

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST176	Impact of Additional Learning Needs reforms	Strategic Risk	Jeanette Rock - Senior Manager - Inclusion and Progression	Vicky Barlow - Senior Manager - School Improvement Systems				Open

Potential Effects: The proposed legislation provides an increased level of legal protection to children and young people with additional learning needs. There is a risk that schools and the Local Authority may be unprepared ahead of the implementation of the Bill and therefore unable to meet the requirements placed on them by the Bill. This may result in schools not being able to meet needs effectively and a potential increase in the requests for centrally funded intervention and provision. This is likely to present the Local Authority with an additional financial pressure.




Lead Supporting Officer Comments: The Bill received Royal Assent in January 2018 and became the Additional Learning Needs and Education Tribunal (Wales) Act 2018. The implementation date has been revised to September 2020, with 2019 being the publication date for the draft Code of Practice. An audit tool has been generated for local authorities to complete; this will give greater insight into the risks posed by the Act across the intervening two year period prior to implementation in 2020. The audit tool has been completed and this highlighted the need for a Lead officer to be allocated within the Local Authority. This action has been completed, supported by access to Welsh Government Transformation Funding.

A Transition Action Plan for Flintshire will now be developed to ensure that a comprehensive transformation programme is developed in conjunction with the regional plan for North Wales.

The draft Code of Practice has now been published. Officers are in the process of reading the document and identifying the implications for schools and the authority. These will be collated and shared via Committee reports.

Welsh Government (WG) commenced a period of consultation following the publication of the draft Code linked to the ALN Act. Officers engaged a range of stakeholders to inform their response to ensure that WG were fully appraised of the concerns associated with the implementation of the Act. Officers have also engaged in legal briefings to broaden their understanding of the duties imposed by the Act and finance documents are being prepared to identify the financial pressures associated with implementation. This will support a better understanding of the level of risk. The final Code will however, not be published until December 2019 and projections will need to be revised at that point.

Last Updated: 12-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST177	Local employers and learning providers do not work closely enough to identify and meet the skills based needs of the future	Strategic Risk	Vicky Barlow - Senior Manager - School Improvement Systems	Niall Waller - Service Manager - Enterprise and Regeneration				Open

Potential Effects: Employers will increasingly struggle to fill vacancies and may leave the area. Young people will not be able to benefit from the growth of the local economy and may need to move away to secure employment that matches their skills. If the skills base fails to match employer needs in the future then the area will struggle to compete for investment.

Lead Supporting Officer Comments: In addition to current work to link schools, learners and employers there are a number of proposals for further work being developed as part of the North Wales Growth Deal including an enhanced careers offer and further STEM support for schools. In addition, learning provision is guided by the Regional Skills Strategy which sets out the needs of the economy.

Last Updated: 16-Apr-2019

Tudalen 64

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST178	Sustainability of funding streams	Strategic Risk	Vicky Barlow - Senior Manager - School Improvement Systems	Vicky Barlow - Senior Manager - School Improvement Systems				Open

Potential Effects: Reduced capacity to deliver targeted support to schools.




Lead Supporting Officer Comments:

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

A lack of clarity about the funding of the Teachers' Pay Award for 2019-20 remains. Through RSG and the Teachers Pay Grant from Welsh Government the schools budget is funded for 1% of the impact of the pay award implemented in September 2018. The balance of 1.2% of the pay award is a cost pressure which will have to be absorbed by schools. A further significant pressure is the Teachers' Pay Award from September 2019 which unless national funding is made available will be an additional cost pressure which will need to be absorbed by schools.

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



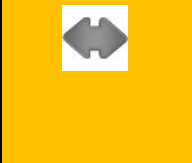
Last Updated: 24-Jun-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST179	Numbers of school places not matching the changing demographics	Strategic Risk	Damian Hughes - Senior Manager, School Planning & Provision	Vicky Barlow - Senior Manager - School Improvement Systems				Open

Potential Effects: Higher teacher ratios, unfilled places, backlog maintenance pressures, inefficient estate

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

Last Updated: 15-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST180	Limited funding to address the backlog of known repair and maintenance works in Education & Youth assets	Strategic Risk	Damian Hughes - Senior Manager, School Planning & Provision	Vicky Barlow - Senior Manager - School Improvement Systems				Open

Potential Effects: The fabric of Education and Youth buildings will continue to decline

Lead Supporting Officer Comments: Continuation of the School Modernisation programme is one of the strategic options available to address the repair and maintenance backlog. The programme continuation will also i) Support a reduction of unfilled places ii) Provide a more efficient school estate and concentrate resources on teaching by removal of unwanted fixed costs in infrastructure and leadership iii) Ensure that the condition and suitability of the school estate is improved. Additionally, in future years capital business cases will be submitted through the Council process to supplement the 21st Century Schools investment programme.

Last Updated: 15-Apr-2019

4 Green Council

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST181	Reduction of the Single Environment Grant	Strategic Risk	Tom Woodall - Access and Natural Environment Manager	Lynne Fensome - Management and Support Manager				Open

Potential Effects: Income targets not met Potential reduction could impact staffing resource to maintain service delivery

Lead Supporting Officer Comments:


For 2018/19 waste and flood allocations are to be removed from the Single Revenue Grant (SRG) . Resources will be allocated to support Local Environment Quality (LEQ) and Natural Resources Management (NRM) through the existing SRG mechanism through the funding secured for this year. However Officers attended a WG workshop that explained the competitive nature of the process moving forward as the grant is to be removed and the broad themes that were to be followed in this competitive process. By moving to this process there is a risk that Flintshire will not receive any future funding.

The new 'Enabling Natural Resources and Well-being of Wales' grant (ENRaW) has been launched by WG and Officers have submitted an application. The risk to loss of income is still ongoing as this grant is competitive and there is currently no indication from WG if the application will be successful.

The Authority was not awarded any grant funding following application to Welsh Government from the Enabling Natural Resources and Well-being of Wales grant. Officers will seek alternative funding sources for 2019/20.

Last Updated: 11-Jun-2019

Judalen 66

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST182	Limitations on suitable Council sites with sufficient area for larger scale renewables schemes and suitable connections to the electric grid	Strategic Risk	Sadie Waterhouse - Energy Conservation Engineer	Lynne Fensome - Management and Support Manager	Amber	Amber		Open

Potential Effects: Failure to meet Welsh Government renewable energy targets and the actions set out in the Council's renewable energy action plan


Lead Supporting Officer Comments: Following a workshop with Officers in Valuation and Estates and Planning, 6 potential brownfield sites have been identified as possible renewable energy generation sites. Initial feasibility assessments have been completed for these sites, including energy generation capacity, potential grid connection costs, planning constraints, ecology, land contamination, legal constraints and indicative installation costs and potential income generation. This has enabled 3 sites to be prioritised. Detailed feasibility studies have been completed including economic/financial modelling for these 3 sites with formal grid connection applications submitted to SP Energy Networks. Key next steps will be to assess the final business case once a formal grid connection offer has been received.

A high level review of the Council's agricultural estate has been completed assessing energy generation potential, acreage available and possible planning/legal constraints. Further feasibility will be completed. Potential sites for hydro power have been assessed with Wepre Brook prioritised. A detailed design has been completed and planning permission applied for.

Work is ongoing with officers and Welsh Government to review and research methods of increasing the economic viability of renewable energy schemes. Increasing the income from energy sales or self supplying Council stock can negate possible increases in grid connection costs.

Last Updated: 11-Jun-2019


Tudalen 67

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST183	Funding will not be secured for priority flood alleviation schemes	Strategic Risk	Ruairi Barry - Senior Engineer	Lynne Fensome - Management and Support Manager	Red	Red		Open

Potential Effects: Flooding of homes and businesses across the county Potential homelessness

Lead Supporting Officer Comments: Since 7th January 2019, the Council has a new statutory duty as a Sustainable Drainage Approving Body (SAB). This has placed significant resource demands on the relatively small Flood and Coastal Risk Management Team to implement, resource and fund this new statutory role. In the short-term (1-2 years) the impacts of developing this new service will lessen the ability of the Team to delivery non-statutory flood alleviation schemes. Welsh Government provided the Council with £20 000 to mitigate the impacts of this new responsibility. As the Council reviews the implications of its new role as a SAB, no major schemes will be programmed to be put forward to Welsh Government's 'national pipeline of projects' for delivery in 2019/20. However, additional funding for smaller more affordable local works that can be delivered through Welsh Government's small scale scheme grant will continue to be pursued.

Last Updated: 27-Jun-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST186	Insufficient funding to ensure our highways infrastructure remains safe and capable of supporting economic growth	Strategic Risk	Barry Wilkinson - Highways Networks Manager	Lynne Fensome - Management and Support Manager	Amber	Amber		Open

Potential Effects: Deterioration of the condition of highways in Flintshire


Lead Supporting Officer Comments: The monies made available for Highway infrastructure maintenance programmes have been allocated and expended by the end of the financial year. Those monies remain below the level of funding required to maintain a Steady State in the condition of the road network, which would need to be >£2.7m per annum. Streetscene & Transportation ensure that the available funding is allocated appropriately, and ensure best value for the expenditure to maintain the highway network. Highways asset management schemes have been completed as follows:

Resurfacing - 26 sites completed

Surface Dressing - Complete

Condition surveys are undertaken and reviewed annually to produce the annual resurfacing programme for financial year 2019/20. Priority is given to the areas of the network that require the investment whilst considering the local infrastructure.

Last Updated: 24-Apr-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST187	Sufficient funding will not be found to continue to provide subsidised bus services.	Strategic Risk	Ceri Hansom - Integrated Transport Unit Manager	Lynne Fensome - Management and Support Manager	Amber	Amber		Open

Potential Effects: Decrease in bus services to residents, particularly in rural areas

Lead Supporting Officer Comments: Withdrawal of subsidies could affect viability of some marginal commercial bus services impacting on people with disabilities, younger people, people employed on low wages, who are unable to drive, and those who may have no alternative choice of travel. There is also a potential impact on rural communities, where no alternative transport services exist and there is heavy reliance on private cars for travel. We are currently completing a bus subsidy review where we have managed to sustain a core network of bus routes and gain funding for Local Travel arrangements to connect rural communities to the core network.

Last Updated: 29-Jan-2019




89 uelapn

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST188	Supply chain resilience of transport providers	Strategic Risk	Ceri Hansom - Integrated Transport Unit Manager					Open

Potential Effects: Transport services cannot be provided

Lead Supporting Officer Comments: The control measures have been put in place to mitigate against another major transport services provider going into administration or not able to meet the required operating standards. New processes have been established and officers are carrying out both safety compliance checks and also finance compliance checks on contractors

Last Updated: 22-Jan-2019

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST189	Adverse weather conditions on the highway network	Strategic Risk	Barry Wilkinson - Highways Networks Manager	Lynne Fensome - Management and Support Manager				Open

Potential Effects: Increase in cost to future planned repairs as network deteriorates beyond that can be rectified by planned maintenance Increase in insurance claims

Lead Supporting Officer Comments: Pothole repairs have been undertaken throughout the County to ensure that the Highway Network is in a safe condition for the travelling public. The previous increase in risk has been mitigated by a number of schemes of works that have been undertaken to improve the condition of the carriageway overall. Repairing the Council's roads is a priority for the service and resources were provided to identify and then prioritise the roads in need of repair.

Planned Maintenance Works have been completed as follows:


26 Resurfacing completed

9 Surface Dressing sites have been completed

Reactive Work to remove defects from the carriageway continue.

This work removed the significant defects and looked to improve the condition of the roads, whilst reducing the risk on the network, in line with our statutory duty and county policy.

Last Updated: 24-Apr-2019


Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST190	Lack of community support for transport options	Strategic Risk	Ceri Hansom - Integrated Transport Unit Manager	Lynne Fensome - Management and Support Manager	Yellow	Yellow		Open

Potential Effects: i) Planned programme of community transport hubs not delivered. iii) Decreased passenger numbers on bus services. iii) Increase in individual car usage

Lead Supporting Officer Comments: Community based transport services can play an important part in an integrated passenger transport provision and transport network. Community Benefit clauses included in all new transport routes awarded (except local bus). This is a free service provided by the successful tenderer as a Community Benefit. A minimum of 1.5% of mileage per annum is required from each tenderer (capped at 150 miles per annum). Delivery is dependent on the ability and willingness of the local communities and transport operators to support and deliver sustainable transport arrangements.

Last Updated: 17-Jan-2019

5 Connected Council


Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST191	The capacity and appetite of the community and social sectors	Strategic Risk	Neil Ayling - Chief Officer - Social Services	Cher Lewney - Digital Customer & Community Resilience Programme Manager	Amber	Amber		Open

Potential Effects: Lack of capacity to and desire of the sector resulting in unsustainable community and social sector projects such as Community Asset Transfers and Alternative Delivery Models

Lead Supporting Officer Comments: Sustained progress on growth of the social sector with development of new Community Asset Transfers and Alternative Delivery Models. The emphasis will now be on sustaining this delivery and maximising its impact. Regular review meetings and partnership board meetings are in place.

Last Updated: 17-Apr-2019


Tudalen 71

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST193	Market conditions which the new alternative delivery models (ADM's)face	Strategic Risk	Neil Ayling - Chief Officer - Social Services	Cher Lewney - Digital Customer & Community Resilience Programme Manager	Amber	Amber		Open

Potential Effects: More competition from other agencies or decreasing use of the services means they are in the future unsustainable

Lead Supporting Officer Comments: Established reviews are planned with each of the Alternative Delivery Models. Two reviews have taken place with Aura Leisure and Libraries and concluded that the first year business plan's have been delivered. Second year business plans are currently underway.

Last Updated: 01-Jul-2019


Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST194	Limitations on public funding to subsidise alternative models (ADM's)	Strategic Risk	Neil Ayling - Chief Officer - Social Services	Cher Lewney - Digital Customer & Community Resilience Programme Manager	Amber	Amber		Open

Potential Effects: Reductions in funding to these models by the public sector resulting in the new to stop or close services and facilities

Lead Supporting Officer Comments: Review meetings are providing an update on the future financial context so organisations can plan for potential reductions when appropriate. Business Plans for 2019/20 are currently being prepared and shared with the Council and these will identify if funding for the future enables the organisations to be sustainable. These plans show funding levels for organisations moving forward into 2019/20 are sustainable.

Last Updated: 29-Jan-2019




Tudalen 72

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST195	Procurement regulations stifling our ability to develop local community and third sector markets	Strategic Risk	Gareth Owens - Chief Officer - Governance		Amber	Amber		Open

Potential Effects: Social and third sector organisation not able to grow through the winning of new contracts.

Lead Supporting Officer Comments: The recently approved social value policy will enable the Council to place greater importance on the third sector when awarding contracts which will help the sector to secure work. It is possible to ring fence contracts to third sector providers and the Council will identify opportunities where this is appropriate for forthcoming procurement exercises.

Last Updated: 11-Jan-2019




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST196	Newly established Social Enterprises and Community Asset Transfers failing in their early stages of development.	Strategic Risk	Neil Ayling - Chief Officer - Social Services	Cher Lewney - Digital Customer & Community Resilience Programme Manager				Open

Potential Effects: Social enterprises cease trading and asset return to the Council.

Lead Supporting Officer Comments: Review meetings have been held with all Community Asset Transfers (CATs) that transferred 2015-17. The second year review meetings are now complete as are the first reviews for organisations that took on Community Asset Transfers after 1 April 2017.

Last Updated: 28-Jan-2019

6 Serving Council




Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST197	The scale of the financial challenge	Strategic Risk	Gary Ferguson - Corporate Finance Manager	Sara Dulson - Corporate Accounting and Systems				Open

Potential Effects: Reduction in funding of Revenue Support Grant leading to challenging financial position for the Council in its ability to set a balanced budget.

Lead Supporting Officer Comments: Council considered the final stage 3 of the budget in February and approved the setting of a balanced budget by utilising additional reserves of £0.321m (to bring the total amount funded from reserves to £2.221m) and an increase in Council Tax of 8.75%. The financial challenge will continue into 2020/21 and beyond with the Cabinet considering the financial forecast for 2020/21 to 2021/22 which is projecting an initial gap of £13.3m for 2020/21.

Last Updated: 28-Jun-2019

Tudalen 74

Risk Ref.	Risk Title	Risk Type	Lead Officer	Supporting Officers	Initial Risk Rating	Current Risk Rating	Risk Trend	Risk Status
ST198	The capacity and capability of the organisation to implement necessary changes.	Strategic Risk	Gareth Owens - Chief Officer - Governance	Cher Lewney - Digital Customer & Community Resilience Programme Manager				Open

Potential Effects: That projects agreed as part of the DS will be hindered or delayed thereby delaying the potential benefits to residents or causing cost to be incurred in correcting mistakes

Lead Supporting Officer Comments: A detailed programme of works has been developed including all the council's aspirations. This has served to further highlight the very limited levels of resource available to achieve the aims within the current proposed timetable. Many of the projects are needed to support current service delivery and further work is being undertaken on how to find resource to support more transformational projects.

Last Updated: 11-Jan-2019

National Public Accountability Measures 2018/19

Below is a summary of Flintshire's position nationally for the Public Accountability Measures.

Measure	Performance	Quartile	Rank	Welsh Average	PI Trend	Quartile Trend	Comments on Performance
Corporate							
PAM/001 Sickness absence	10.5 Days	3	12/21	10.5	Downward	Downward	The FTE days lost for the Council during quarter four is 2.89 and based on the outcome in previous quarters, has resulted in an overall FTE days lost of 10.49 for 2018/19. This has resulted in a downturn in performance compared to the 2017/18 outturn of 8.89 days lost per FTE. However, it is important to note that the unexplained spike in absence is not confined to Flintshire based on the indicative figures provided by the majority of other Local Authorities in Wales.
Education							
PAM/032 Average Capped 9 score for Pupils in Year 11	352.2	2	10/21	349.5	N/A	N/A	In the Capped 9 Points Score, the performance of both boys and girls improved in 2018. The gap between boys and girls narrowed and the authority's performance is above national averages.
PAM/007 Primary attendance	94.8%	2	11/22	94.6%	Downward	Upward	Pupil attendance within the primary sector has remained fairly static. FCC primary schools have attendance figures in a tighter cluster around or in excess of the Welsh average.
PAM/008 Secondary attendance	93.7	3	14/22	93.9%	Downward	No Change	Attendance across secondary schools has seen a dip to below the Welsh average for the first time in 2016/17 and 2017/18; in line with the national trend, illness is the main reason cited for absence. Despite the broadening of the curriculum offer and development of bespoke packages in the secondary sector, there are a number of pupils who are increasingly finding it difficult to engage, with increasing levels of severe anxiety contributing to this. The Authority has established a multi-agency steering group to oversee and direct its provision around mental health.

PAM/009 NEET	1.2%	2	9/22	1.6%	N/A	N/A	The proportion of Yr 11 leavers not in education, training or employment has remained consistently low as a result of effective partnership working between the local authority and its partners and is broadly in line with the Welsh average.
Housing							
PAM/013 Empty private sector houses brought back into use	Changeover of systems led to only partial data being submitted						Data previously held in an old IT system which is currently unavailable on the new IT system. The service has recently moved from Housing to the Community and Business Protection function to align more with the work of other environmental health officers. The service manager is working closely with Council Tax to ensure that we can correctly report on the PAM in line with the national qualifying criteria.
PAM/015 Disabled facilities grants	298.3 days	4	22/22	207.3	Downward	No Change	In 17/18 DFG work had to be suspended due to budgetary constraints and as a result outstanding works have been completed within 18/19. This has impacted on the overall performance for the service. Cases from 17/18 - 23 delivered, 8,263 days, average 359. Cases from 18/19 - 11 delivered, 1,879 days, average 171 days. If we were to exclude the legacy cases our performance would be in the top quartile
PAM/037: Average number of calendar days taken to complete all repairs	8.7	1	1/11	15.1	N/A	N/A	Our operational staff are now working in a paperless environment using PDAs rather than traditional paper tickets, we also schedule our repairs through an integrated appointments system managed through our call centre and re-stock our vans using historic data from previous years to refine stock levels and component types, the combined impact of these measures has led to an overall increase in our efficiency and responsiveness to our tenants.
PAM/039 Percentage of rent debit lost due to lettable units of permanent accommodation	2.0	3	7/11	2.1	N/A	N/A	Current performance is in line with Welsh average. A fundamental review is currently being undertaken to identify improvements to the void management process which will significantly reduce the percentage of rent debit lost and improve performance.

being empty during the year							
Streetscene							
PAM/010 Highway cleanliness	90.9	4	20/21	94.0%	Downward	Downward	Despite the low ranking against our comparators, the cleanliness score is in excess of 90%. The random nature of the inspection of streets make this indicator very subjective to the sites inspected on an annual basis.
PAM/011 Fly tipping cleared within 5 days	Changeover of systems led to no data being submitted						Data previously held in an old IT system which is currently unavailable on the new IT system. This is still being explored.
PAM/020 Principal A roads in poor condition	1.7%	1	1/22	3.9%	Downward	No Change	The current level of capital funding is well below the annual investment required to maintain a 'steady-state' and as such, despite positive comparator data we expect a downward trend in condition score. However, the service area continues to manage the highway asset in the most cost-effective way, and making best use of the available resources to ensure the network is in the best condition possible for highway users.
PAM/021 B roads in poor condition	1.4%	1	1/22	4.5%	Downward	No Change	
PAM/022 C roads in poor condition	5.8%	1	6/22	14.0%	Downward	No Change	
Leisure							
PAM/017 Visits to sport and leisure facilities per 1,000 population	8215.6	3	16/22	9258.6	Upward	No Change	Followed up with Cambrian Aquatics and Holywell Leisure Centre. Substantial amount of work for both (manual work) Cambrian Aquatics have provided data, Holywell have not. Followed up to ensure that there are process in place to recorded data for next year's submission.
Public Protection							
PAM/023 Food establishments – hygiene standards	97.9%	1	3/22	95.7%	Upward	No Change	Well managed team who continue to meet their targets and remain in the highest performing bracket in Wales
Planning							
PAM/018 Planning applications determined within time periods	79.3%	4	20/22	88%	Downward	No Change	The service is in year two of service transformation that has seen a complete review of the service in terms of moving to two area teams that bring together the Development Management and Enforcement functions. This has resulted in a major drive to clear

							historical Long standing cases. The next stage of service transformation is to procure a new case management system that will introduce a more streamlined automated case management process and reduce human errors in system completion and tracking of cases that currently lead to performance dips. Better planning of workloads and proactive action to extended periods of leave and staff absences are also being tracked by Team Leaders and again with the new case management system will become an automated process. Data from Q1 of 2019/20 shows that performance against this indicator has been recorded at 93.2% which would place the Council in the top quartile based on last year's figures.
PAM/019 Percentage of appeals against Planning Application Decisions dismissed	55%	4	19/22	67.6%	Downward	Downward	Significant amount of overturns at Committee that have gone to appeal, some aligned to speculative development applications being refused before changes to TAN 1. Analysis reports on the impact of overturning officer recommendation and subsequent appeals including the impact on the Authorities performance are to be presented to Planning Strategy Group in September and October.

Colour Key:

	Quartile 1
	Quartile 2
	Quartile 3
	Quartile 4

Eitem ar gyfer y Rhaglen 7



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 22 nd October 2019
Report Subject	Treasury Management Annual Report 2018/19
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

The report presents the Treasury Management Annual Report 2018/19 for Member approval.

RECOMMENDATIONS

1	That Council approves the following listed documents: <ul style="list-style-type: none">• Annual Treasury Management Report for 2018/19.• Treasury Management Mid-Year Report 2018/19.
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REPORT DETAILS

1.00	EXPLAINING THE ANNUAL REPORT
1.01	On 20 th February 2018, the Council approved the Treasury Management Strategy 2018/19, following the recommendation of 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 2018/19 is attached as Appendix 1. As required by the Council's Financial Procedure Rules, this Annual Report was reviewed by Audit Committee on 10 th July 2019 and Cabinet on 24 th September 2019.
<u>Summary of Key Points</u>	
1.05	The UK Bank Rate began the year at 0.50% with a rise in August to 0.75% 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. Section 2 of the report provides a full economic and interest rate review of 2018/19.
1.06	The Council had a sustained borrowing requirement and during the year opportunities arose to secure long term borrowing at low rates when PWLB rates fell, loans totalling £17.53m were taken out in December 2018 following discussion with our treasury management advisors, Arlingclose.
1.07	Options for debt rescheduling were explored in conjunction with Arlingclose. The premium charged for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence. Section 3 provides more information on borrowing and debt management during the year.
1.08	The treasury function operated within the limits detailed in the Treasury Management Strategy 2018/19.
1.09	For completeness the Treasury Management Mid-Year Report for 2018/19 is also attached as Appendix 2 for approval. The report was reviewed by Cabinet on the 24 th of September 2019 and is recommended for approval by Members.

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	<ol style="list-style-type: none"> 1. Treasury Management Annual Report 2018/19. 2. Treasury Management Mid-Year Report 2018/19.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Liz Thomas – Strategic 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 2018/19

1.00 INTRODUCTION

- 1.01 The Council approved the Treasury Management Strategy (Strategy) 2018/19 including key indicators, limits and an annual investment strategy on 20th February 2018.
- 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 2018/19 treasury management operations and compare these 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 2018/19

This Provided by Arlingclose Ltd the Council's Treasury Management advisors.

Economic commentary

After spiking at over \$85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over \$50 in late December before steadily climbing toward \$70 in April 2019. UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.

After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy have been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in December. However, a recent softening in US data caused the Fed to signal a pause in hiking interest rates at the last Federal Open Market Committee (FOMC) meeting in March.

With the 29th March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including shooting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12th April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs have yet to yield any positive results. The EU must grant any extension and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.

While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

Financial markets:

December was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned -8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. However, since the beginning of 2019 markets have rallied, and the FTSE 100 and FTSE All share indices were both around 10% higher than at the end of 2018.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month

money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.

3.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

3.01 PWLB (Public Works Loans Board) Certainty Rate

The Council qualified for the PWLB Certainty Rate, allowing the authority to borrow at a reduction of 20 basis points on the Standard Rate for a further 12 months from 1st November 2018.

3.02 Borrowing Activity in 2018/19.

The total long term borrowing outstanding, brought forward into 2018/19 totalled £253.8 million.

	Balance 01/04/2018 £m	Debt Maturing £m	New Debt £m	Balance 31/03/2019 £m
Capital Financing Requirement	327.6	(6.1)	18.6	340.1
Short Term Borrowing	52.1	(52.1)	44.0	44.0
Long Term Borrowing	253.8	0.0	19.0	272.8
TOTAL BORROWING	305.9	(52.1)	63.0	316.8
Other Long Term Liabilities	5.4	(0.6)	0.2	5.0
TOTAL EXTERNAL DEBT	311.3	(52.7)	63.2	321.8
Increase/(Decrease in Borrowing (£m))	-	-	10.5	

3.03 New Long Term Borrowing

The Council's Capital Programme is financed by a combination of capital receipts and grants, CERA (revenue contributions) and borrowing. The borrowing strategy in recent years in accordance with advice received from the Council's Treasury Management advisors, Arlingclose has been to use existing cash balances and short term borrowing to confirm the long term borrowing requirement. This is to ensure that the Council does not commit to long term borrowing too early and borrow unnecessarily which will be costly. This is balanced against securing low interest costs and achieving cost certainty over the period for which the funds are required so as not to compromise the long term stability of the portfolio.

Short term borrowing continued to be available throughout the year at much lower rates than long term borrowing and was utilised as far as possible without exposing the Council to excessive refinancing risk. The total short term (temporary) borrowing as at 31st March 2019 was £44m with an average rate of 0.96%.

The benefit of internal / short term borrowing was monitored closely, in conjunction with Arlingclose, throughout the year against the potential for incurring additional costs by deferring borrowing into future years when long term borrowing rates are forecast to rise modestly.

In December 2018 reductions in PWLB long term rates provided opportunities to secure long term borrowing at low rates and the following loans were taken out on 6th December 2019:

Start Date	Maturity Date	Amount	Rate	Loan Type
6 th Dec 2019	6 th Dec 2063	£7.53m	2.79%	Annuity
6 th Dec 2019	6 th Dec 2068	£10.0m	2.64%	Maturity

The £7.53m loan has been on-lent to NEW Homes, the Council's wholly owned subsidiary to fund the building of affordable homes in Flint.

3.04 At 31st March 2019, loans with the Public Works Loans Board were in the form of fixed rate (£238.34m) and variable rate (£10m), £18.95m were variable in the form of LOBO's (Lender's Option, Borrower's Option) and £5.51m were interest free loans from the Government, available for specific schemes. The Council's average rate for long term borrowing was 4.64%.

3.05 The Council's underlying need to borrow as measured by the Capital Financing Requirement (CFR) as at 31st March 2019 was £340.1m. The Council's total external debt was £321.8m.

3.06 Loans at Variable Rates

The Council has £10m of PWLB variable rate loans, at an average rate of 0.83% which mitigate the impact of changes in variable rates on the Council's overall treasury portfolio. This strategic exposure to variable interest rates will be regularly reviewed and, if appropriate, reduced by switching into fixed rate loans.

3.07 Lender's Option Borrower's Option Loans (LOBOs)

The Council 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 Council 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

Options for debt rescheduling were explored in conjunction with our treasury management advisors. The premium charged for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

The Corporate Finance Manager, in conjunction with the Council's treasury advisors will continue to review any potential opportunities 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).

4.00 **INVESTMENT ACTIVITY**

4.01 The Welsh Government's Investment Guidance gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

4.02 Investment Activity in 2018/19

Summary of investments as at 31st March 2019.

Country	Total	<1 month	1 –12 months	>12 months
	£m	%	£m	£m
UK BANKS				
UK BUILDING SOCIETIES				
OVERSEAS				
MMF's				
LOCAL AUTHORITIES				
DMO	31.2	31.2		
<u>TOTAL</u>	31.2	31.2	0.00	0.0

As none of these investments were greater than three months they are classified as cash in the Council's Balance Sheet.

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 2018/19. 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

4.04 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 2018/19 treasury strategy was A-/A-/A3 across rating agencies Fitch, S&P and Moody's.

4.05 Counterparty Update

Credit Background

Credit Default Swap (CDS) spreads drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms. After hitting around 129 basis points in December 2018, the spread on non ring-fenced bank NatWest Markets plc fell back to around 96bps at

the end of March, while for the ring-fenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 40bps. The other main UK banks, as yet not separated into ring-fenced and non ring-fenced from a CDS perspective, traded between 33 and 79bps at the end of the period.

The ring-fencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ring-fenced) and investment banking (non ring-fenced) entities.

In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.

There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

4.06 Liquidity

In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts.

4.07 Yield

The UK Bank Rate began the year at 0.50% with a rise in August to 0.75% 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.

The Authority's budgeted investment income for the year had been prudently estimated at £40k. The average cash balance was £27.7m during the period and interest earned was £169k, at an average interest rate of 0.58%.

4.08 Loan to NEW Homes

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.

5.00 COMPLIANCE

- 5.01 The Council can confirm that it has complied with its Prudential Indicators for 2018/19. These were approved by Council as part of the Treasury Management Strategy on 20th February 2018.
- 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 2018/19. None of the Prudential Indicators have been breached and a prudent approach has been taking 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 2018/19.

6.00 OTHER ITEMS

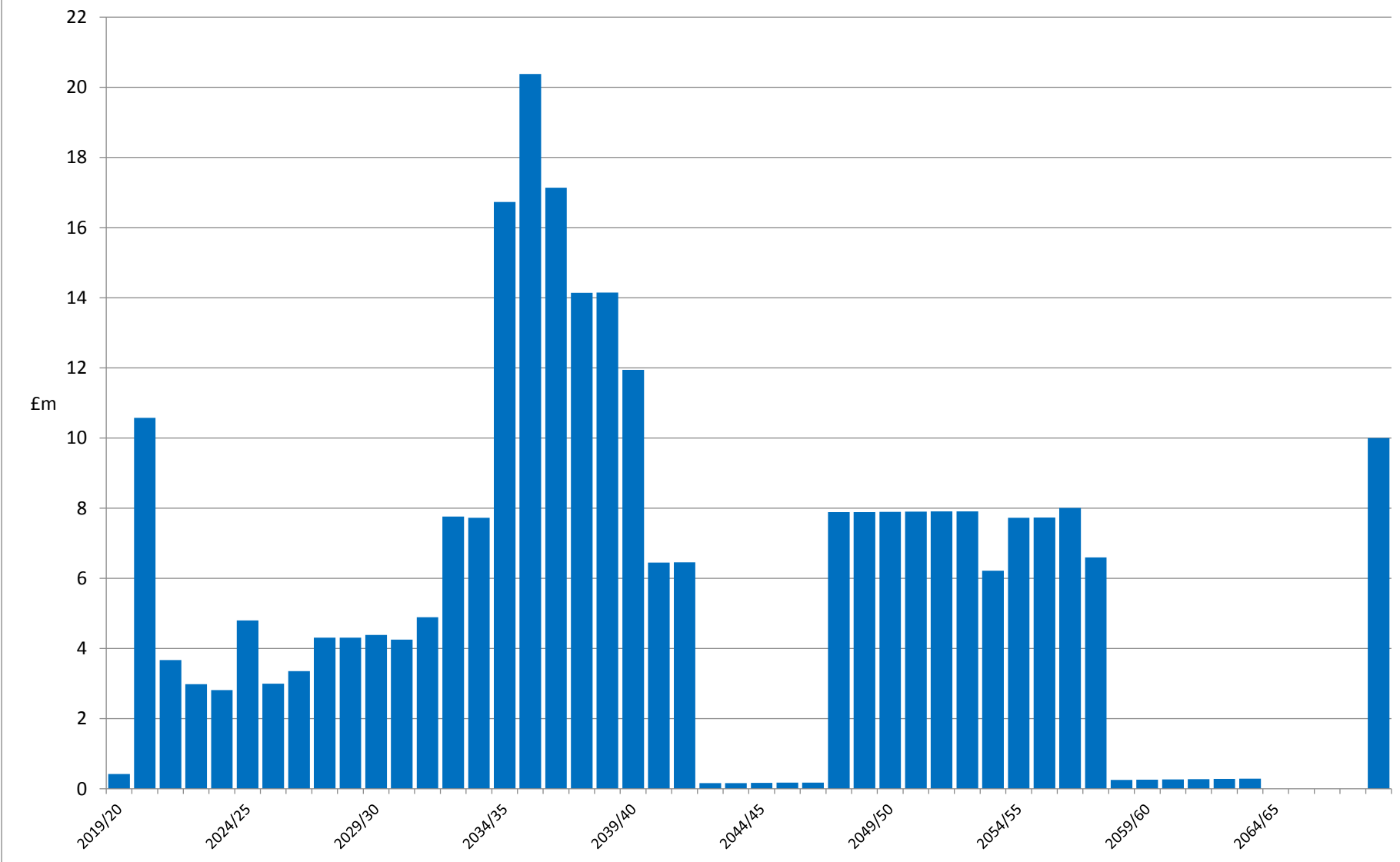
- 6.01 The following were the main treasury activities during 2018/19
- The Council's Audit Committee received a Mid-Year Report on 21th November 2018.
 - Quarterly update reports were presented to the Audit Committee.
 - The 2019/20 Investment Strategy Statement was approved by Council on 19th February 2019.
 - The Council continues to be member of the CIPFA Treasury Management Network.
 - The Council's cash flow was managed on a daily basis. During the year the Council 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 £54.7m and the maximum long-term borrowing at any one time was £272.8m.

7.00 CONCLUSION

- 7.01 The treasury management function has operated within the statutory and local limits detailed in the 2018/19 Treasury Management Strategy.
- 7.02 The Policy was implemented in a pro-active manner with security and liquidity as the focus.

Debt Maturity Profile - March 2019

Tudalen 96





FLINTSHIRE COUNTY COUNCIL

TREASURY MANAGEMENT

MID YEAR REPORT 2018/19

1.00 PURPOSE OF REPORT

- 1.01 To provide members with a mid-year update on matters relating to the Council's Treasury Management function.

2.00 BACKGROUND

- 2.01 Treasury management comprises the management of the Council'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.
- 2.02 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 2.03 The Council's policy is to appoint external consultants to provide advice on its treasury management function. In September 2016 Arlingclose Ltd were reappointed as the Council's advisors for a period of 3 years, following a competitive tendering exercise.
- 2.04 The Council has adopted the 2012 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.
- 2.05 In addition, the Welsh Government (WG) Guidance on Local Government Investments recommends that local authorities amend their investment strategies in light of changing internal or external circumstances.
- 2.06 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 2.07 The Council approved the 2018/19 Treasury Management Strategy at its meeting on 20th February 2018.

3.00 ECONOMIC & INTEREST RATE REVIEW APRIL – OCTOBER 2018.

Provided by Arlingclose Ltd the Council's Treasury Management advisors.

- 3.01 **Economic background:** Oil prices rose by 23% over the six months to around \$82/barrel. UK Consumer Price Inflation (CPI) for August rose to 2.7% year on

year, above the consensus forecast and that of the Bank of England's in its August Inflation Report, as the effects of sterling's large depreciation in 2016 began to fade. The most recent labour market data for July 2018 showed the unemployment rate at 4%, its lowest since 1975. The 3-month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9% providing some evidence that a shortage of workers is providing support to wages. However real wages (i.e. adjusted for inflation) grew only by 0.2%, a marginal increase unlikely to have had much effect on households.

- 3.02 The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year/year GDP growth at 1.2% also remains below trend. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking Bank Rate to 0.75%.
- 3.03 Having raised rates in March, the US Federal Reserve again increased its target range of official interest rates in each of June and September by 0.25% to the current 2%-2.25%. Markets now expect one further rise in 2018.
- 3.04 The escalating trade war between the US and China as tariffs announced by the Trump administration appeared to become an entrenched dispute, damaging not just to China but also other Asian economies in the supply chain. The fallout, combined with tighter monetary policy, risks contributing to a slowdown in global economic activity and growth in 2019.
- 3.05 The EU Withdrawal Bill, which repeals the European Communities Act 1972 that took the UK into the EU and enables EU law to be transferred into UK law, narrowly made it through Parliament. With just six months to go when Article 50 expires on 29th March 2019, neither the Withdrawal Agreement between the UK and the EU which will be legally binding on separation issues and the financial settlement, nor its annex which will outline the shape of their future relationship, have been finalised, extending the period of economic uncertainty.
- 3.06 **Financial markets:** Gilt yields displayed marked volatility during the period, particularly following Italy's political crisis in late May when government bond yields saw sharp moves akin to those at the height of the European financial crisis with falls in yield in safe-haven UK, German and US government bonds. Over the

period, despite the volatility, the change in gilt yields was small. The 5-year benchmark gilt only rose marginally from 1.13% to 1.16%. There was a larger increase in 10-year gilt yields from 1.37% to 1.57% and in the 20-year gilt yield from 1.74% to 1.89%. The increase in Bank Rate resulted in higher in money markets rates. 1-month, 3-month and 12-month LIBID rates averaged 0.56%, 0.70% and 0.95% respectively over the period.

3.07 The ring-fencing of the big four UK banks - Barclays, Bank of Scotland/Lloyds, HSBC and RBS/NatWest Bank plc – is complete, the transfer of their business lines into retail (ring-fenced) and investment banking (non ring-fenced) is progressing and will need to be completed by the end of 2018.

3.08 **Outlook for the remainder of 2018/19**

3.09 Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.

3.10 The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. While policymakers are wary of domestic inflationary pressures over the next two years, it is believed that the MPC members consider both that (a) ultra-low interest rates result in other economic problems, and that (b) higher Bank Rate will be a more effective weapon should downside Brexit risks crystallise and cuts are required.

3.11 Arlingclose's central case is for Bank Rate to rise twice in 2019. The risks are weighted to the downside. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2

2018, but the annual growth rate of 1.2% remains well below the long term average.

	Dec 18	Mar 19	Jun 19	Sept 19	Dec 19	Mar 20	Jun 20	Sept 20	Dec 20	Mar 20
Upside Risk (%)	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25
Interest Rate (%)	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Downside Risk (%)	0.00	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75

3.12 The view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

4.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

4.01 PWLB (Public Works Loans Board) Certainty Rate Update.

The Authority submitted its application to WG along with the 2018-19 Capital Estimates Return to access this reduced rate for a further 12 months from 1st November 2018.

4.02 The total long term borrowing outstanding totals £253.7 million.

4.03 Loans with the Public Works Loans Board are in the form of fixed rate (£220.81m) and variable rate (£10m), £18.95m is variable in the form of Lobo's (Lender's Option, Borrower's Option) and £3.989m are interest free loans from government. The Council's average long term borrowing rate is currently 4.94%.

	Balance 01/04/2018 £m	Debt Maturing £m	New Debt £m	Balance 30/09/2018 £m
Long Term Borrowing	249.76	0.00	0.00	249.76
Government Loans	3.99	0.00	0.00	3.99
TOTAL BORROWING	253.75	0.00	0.00	253.75
Other Long Term Liabilities *	5.39	0.00	0.00	5.39
TOTAL EXTERNAL DEBT	259.14	0.00	0.00	259.14
Increase/ (Decrease) in Borrowing £m				0.00

* relates to finance leases in respect of Deeside Leisure Centre and Jade Jones Pavilion

4.04 Long term borrowing

No other new long term borrowing has been undertaken so far during 2018/19. Affordability (interest costs charged on new loans) and the “cost of carry” (costs associated with new long term loans) remain important influences on the Council’s borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of long term borrowing.

4.05 Loans at Variable Rates

The extent of variable rate borrowing the Council can potentially undertake is influenced by the level of Reserves and Balances. The interest rate on the Council’s £10m variable rate loans averaged 0.64%.

The Council has determined that exposure to variable rates is warranted. It also assists with the affordability and budgetary perspective in the short-to-medium term. Any upward movement in interest rates and interest paid on variable rate debt would be offset by a corresponding increase in interest earned on the Council’s variable rate investments. The interest rate risk associated with the Council’s strategic exposure of £10m is regularly reviewed with our treasury advisor against clear reference points, this being a narrowing in the gap between short and longer term interest rates. If appropriate, the exposure to variable interest rates will be reduced by switching into fixed rate loans.

4.06 Internal Borrowing and Short Term Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the borrowing strategy is to minimise debt interest payments without compromising the longer-term stability of the portfolio. With short-term interest

rates currently lower than long-term rates, it has been more cost effective in the short-term to either use internal resources, or to borrow short-term instead.

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 1.95%.

The use of internal resources in lieu of borrowing has therefore continued to be used over the period as the most cost effective means of funding capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments.

Short term borrowing was undertaken as necessary. The total short term (temporary) borrowing as at 30th September 2018 was £37m with an average rate of 0.69%.

The Council's capital expenditure plans will continue to be monitored throughout 2018/19 to inform and assess the Council's long term borrowing need. This is to ensure that the Council does not commit to long term borrowing too early and refinance unnecessarily which will be costly and have significant revenue implications. The continued use of short-term borrowing will assist with this. It is likely that there will be further long term borrowing during the financial year, as the balance between securing low long term interest rates currently being forecast and assessing the affordability of long-term borrowing continues to be considered.

The Council is currently fixing long term borrowing which will finance its loan to New Homes for the recent development it has undertaken on affordable homes.

4.07 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. The option to change the terms on £18.95m of the Council's LOBOs was not exercised by the lender. The Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.08 Debt Rescheduling

The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Authority's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

The Corporate Finance Manager, in conjunction with the Council's treasury

advisors will continue to review any potential opportunities 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).

5.0 INTERIM INVESTMENT AND PERFORMANCE REPORT

- 5.01 The Welsh Government's Investment Guidance gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.
- 5.02 The maximum investments the Council had on deposit at any one time totalled £42.8m. The average investment balance for the period was £27.5m and the average rate of return was 0.52%, generating investment income of £75k.
- 5.03 Investments have been made with UK banks, building societies and other Councils up to periods of 35 days, as well as utilising investment opportunities afforded by money market funds and call accounts.
- 5.04 The average of long and short term borrowing was £276.9m and the average rate paid was 5.71% generating interest payable of £6.4m in line with budget forecasts (to date).

	Investments		Borrowing	
	Interest received £'000	Interest rate %	Interest paid £'000	Interest rate %
Actual	75	0.52	6,400	5.71
Budget	22.5	0.30	6,600	4.47
Difference	52.5	-	200	-

Year-end projections are as follows:

	Investments		Borrowing	
	Interest received £'000	Interest rate %	Interest paid £'000	Interest rate %
Actual	102	0.50	13,060	5.84
Budget	45	0.30	13,200	4.47
Difference	57	-	140	-

5.05 Credit Risk (security)

Counterparty credit quality was assessed and monitored with reference to credit

ratings (the Authority's minimum long-term counterparty rating for institutions defined as having "high credit quality" is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

Counterparty Update (provided by our treasury advisers Arlingclose Ltd)

There were a few credit rating changes during the period. Moody's downgraded Barclays Bank plc's long-term rating to A2 from A1 and NatWest Markets plc to Baa2 from A3 on its view of the credit metrics of the entities post ring-fencing. Upgrades to long-term ratings included those for Royal Bank of Scotland plc, NatWest Bank and Ulster Bank to A2 from A3 by Moody's and to A- from BBB+ by both Fitch and Standard & Poor's (S&P). Lloyds Bank plc and Bank of Scotland plc were upgraded to A+ from A by S&P and to Aa3 from A1 by Moody's. Arlingclose's creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

5.06 Liquidity

In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts.

5.07 Yield

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Council's investment yield is outlined in 5.02.

6.00 REGULATORY UPDATES

6.01 Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter.

6.02 The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council will be updating its Capital Strategy later in 2018-19 for approval by full Council.

6.04 The new EU regulations for Money Market Funds (MMFs) were published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. The Council's treasury management advisors expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund. This is not expected to have any impact on the Council's investment strategy as the risks arising from the changes are considered minimal.

7.00 COMPLIANCE

7.01 The Council can confirm that it has complied with its Prudential Indicators for the period April to September 2018. These were approved on 20th February 2018 as part of the Council's 2018/19 Treasury Management Strategy.

7.02 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 the period April – September 2018. 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.

8.00 OTHER ITEMS

8.01 Other treasury management related activity that took place during April – September 2018 includes:

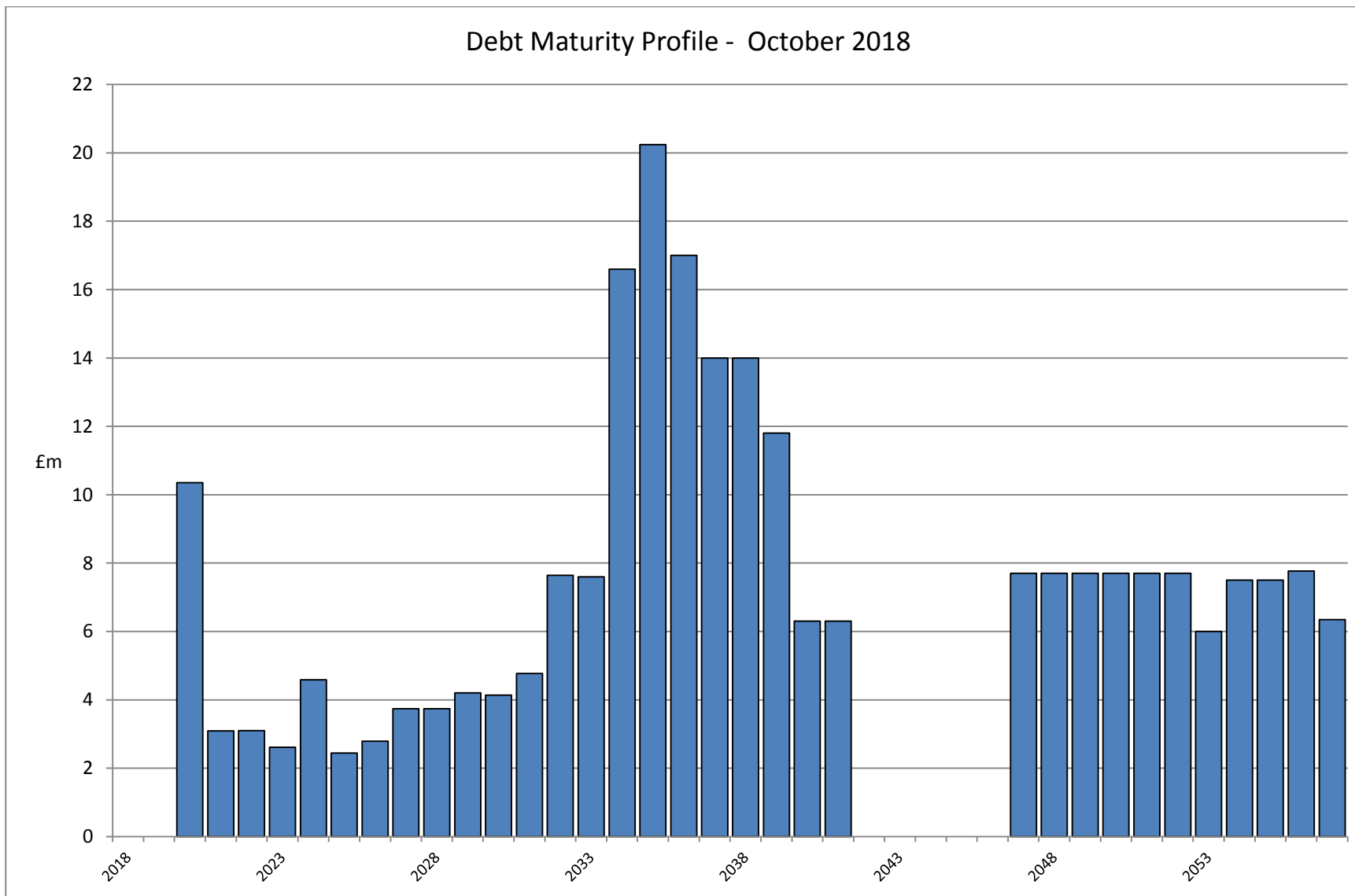
- The Treasury Management Annual Report 2017/18 was reported to Audit Committee on 11th July 2018, Cabinet on 17th July 2018 and approved by Council on 12th September 2018.
- Quarterly Treasury Management updates were reported to the Audit Committee.
- The Council continues to be a member of the CIPFA Treasury Management Forum and the TM Network Advisory Group.

9.00 CONCLUSION

9.01 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 the first half of 2018/19.

9.02 As indicated in this report 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.

Debt Maturity Profile - October 2018



Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 8



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday 22 October 2019
Report Subject	Audit Committee Annual Report
Cabinet Member	Not Applicable
Report Author	Chair of Audit Committee
Type of Report	Assurance

EXECUTIVE SUMMARY

In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', there is a requirement for the Audit Committee to be held to account by the Council for the work they undertake. To support this, the Audit Committee's terms of reference were amended in 2018 to include a requirement for the Committee to prepare a yearly report to the Council on its achievements and demonstrate its accountability.

The Audit Committee's Annual Report for 2018/19 (Appendix A) provides the Council with the necessary information to meet this requirement.

RECOMMENDATIONS

1	Council is requested to consider and approve the Audit Committee's Annual Report.
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REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
1.01	<p>In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', the Audit Committee has an important role within the Council's Governance structure and in promoting the principles of good governance.</p> <p>An equally significant part of this role is for the Audit Committee to demonstrate its accountability. Accountability should be considered under three aspects:</p>

	<ol style="list-style-type: none"> 1) Supporting the Council's accountability to the public and stakeholders; 2) Supporting accountability within the Council; and 3) Holding the Audit Committee to account. <p>The Audit Committee Terms of Reference was updated in November 2018 to reflect this best practice and the need for an annual report.</p>
1.02	<p>The Audit Committee's Annual Report (Appendix A) is designed to provide assurance to the Council in holding the Committee to account. In particular:</p> <ol style="list-style-type: none"> 1) Supporting the Council's accountability to the public and stakeholders <ul style="list-style-type: none"> – Each Audit Committee meeting is held in the public domain with all Committee papers available on the Council's website. 2) Supporting accountability within the Council; and <ul style="list-style-type: none"> – Through the review of those reports received by Audit Committee, the Committee holds to account those responsible for the implementation of recommendations and action plans. In addition to this, the Committee oversees the process for evaluating and improving governance, risk, financial management and control. 3) Holding the Audit Committee to account <ul style="list-style-type: none"> – The Committee has fulfilled its agreed Terms of Reference and adopted the recommended best practice; – Members of the Audit Committee have assessed their own development needs and taken the opportunity to attend briefing and training sessions; – The Committee has assessed its own effectiveness, developed an action plan and monitors progress; and – The Committee demonstrates they have a positive impact on the improvement of governance, risk, financial management and control within the Council.
1.03	<p>The annual report provides the Council with an overview of the:</p> <ul style="list-style-type: none"> • Work undertaken by the Committee and its effectiveness against the main areas of the Committees' Terms of Reference; • Internal Audit opinion for 2018/19; • Committee membership and attendance; • Self-Assessment, Training and Development; and • Future Priorities.
1.04	<p>The Audit Committee's Annual Report was presented and endorsed by the Audit Committee on 11 September 2019.</p>

2.00	RESOURCE IMPLICATIONS
2.01	None from the report itself.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The draft annual report for the Audit Committee has been shared with the Chief Executive, Chief Officer Governance, Democratic Services Manager, Chair of the Audit Committee and Vice-Chair of the Audit Committee and the Audit Committee on 11 September 2019.

4.00	RISK MANAGEMENT
4.01	Audit Committee is integral to promoting an effective risk management framework within the Council.

5.00	APPENDICES
5.01	Appendix A – Draft Audit Committee Annual Report

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Lisa Brownbill, Internal Audit Manager Telephone: 01352 702231 E-mail: Lisa.brownbill@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes. Risk Management: the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.

<p>Internal Control: Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p>

<p>Financial Management: the planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p>
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Audit Committee Annual Report

FINAL



2018/19

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Date	Approved By	Version
11/09/2019	Audit Committee	Draft
22/10/2019	Flintshire County Council	Final

1 Foreword by Councillor Chris Dolphin, Chair of the Audit Committee

I am pleased to present the Annual Report of the Audit Committee which outlines the Committees' work and activities for the year ending 31st March 2019. As I have only been appointed to this role since June 2019, I would like to express my thanks to the previous Chair, Councillor Helen Brown.

The Audit Committee is a key part in the Council's governance framework to provide an independent oversight on the effectiveness of the Council's governance, risk, financial management, and internal control arrangements.

Throughout the year, the Committee has continued to receive valued professional reports, support and advice from Accountancy, Treasury Management, Risk Management, Corporate Business and Communications, Internal Audit and External Audit (Wales Audit Office). Additionally, we have invited Chief Officers and Service Managers to attend Audit Committee to respond to concerns raised by members or through various reports, such as those presented by Internal and External Audit.

At each meeting we have reviewed our Forward Work Programme ensuring the work mirrors the level of risks and priorities of the Council. Any actions raised during previous Committee meetings are reviewed for completeness.

In September 2018, the Committee held a workshop to undertake a self-assessment of its effectiveness and through this workshop developed an action plan which is monitored. This workshop highlighted the need for awareness training on major topics. Since the workshop, half hour training sessions are provided on the key subjects at the meeting prior to when the paper is due to be received. This has proved effective and this practice will continue in the future.

I would like to thank members and officers who have supported the work of this Committee by presenting, discussing, challenging, and debating solutions to the governance, risk, financial, and control environment of the Council. The Committee has been well attended throughout the year and where apologies have been given a trained substitute member has attended on the members' behalf.

Finally, I would like to confirm that there are no areas of concern for the Committee to note or report back on which is reassuring for the Council.



Cllr Chris Dolphin
Chair of Audit Committee

2 Introduction

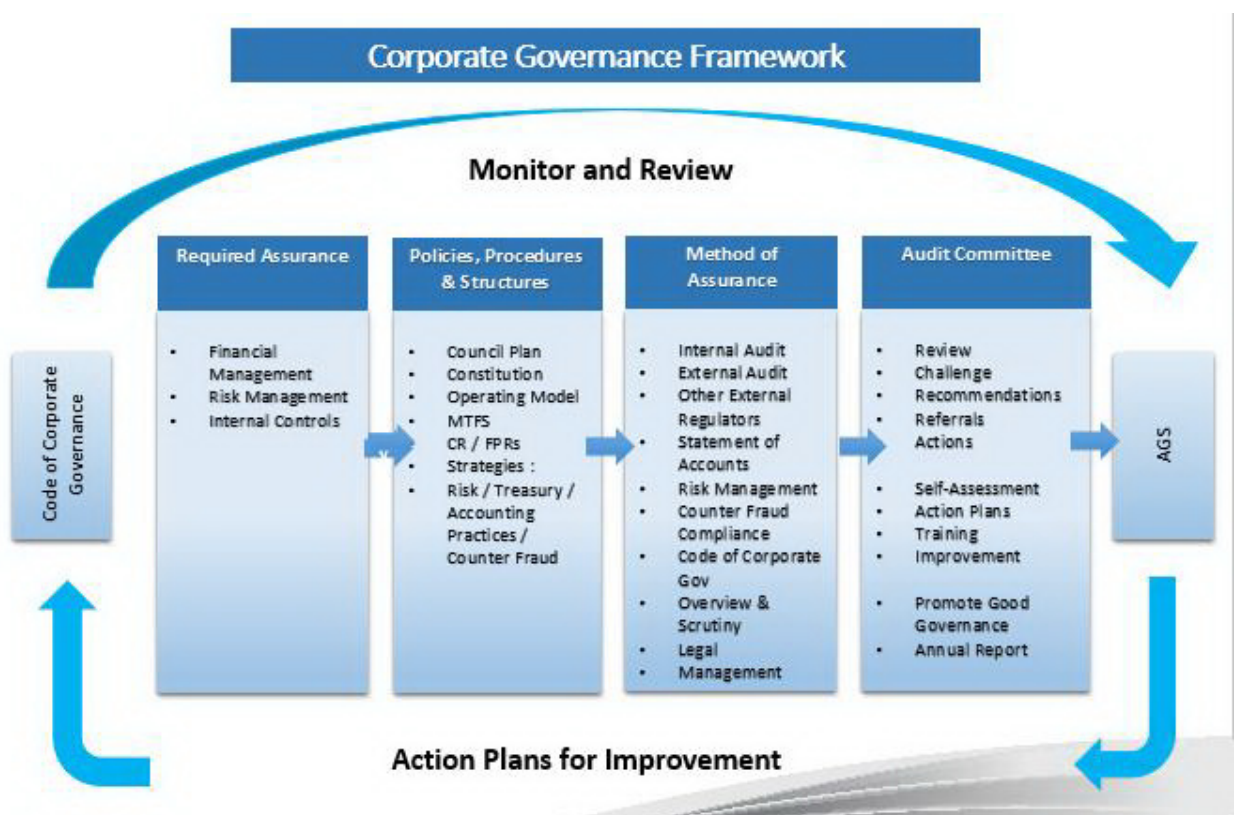
- 2.1 The Audit Committee is a key part in the Council's Governance Framework. It provides independent governance assurance over the adequacy of the Council's governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, the Committee makes an important contribution by ensuring effective assurance arrangements are in place.
- 2.2 How the Audit Committee fulfils this role is detailed within the Committee Terms of Reference (December 2018). It states that the Audit Committee's role and functions will be to:
- A** Review the effectiveness of the Authority's systems of corporate governance, internal control and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.
 - B** Oversee the reporting of the statutory financial statements to ensure the balance, transparency and integrity of published financial information, as well as the review of the financial statements prepared by the authority and recommendation to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
 - C** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
 - D** Report to the Council annually, summarising the Committee's activities and recommendations.
- 2.3 The full Terms of Reference for Audit Committee is detailed at Appendix A.
- 2.4 In supporting the Audit Committee deliver its terms of reference, there is a strong contribution from the independent member, the external advisors and regulators and the Internal Audit Team.

3 Work of the Audit Committee and its Effectiveness

- 3.1 The Committee has worked within its Terms of Reference, which includes the requirement to monitor and review governance, risk management, financial management and internal controls within the Council to ensure there is an appropriate and effective framework in place. This process is demonstrated in Graphic 1 below.
- 3.2 The Audit Committee provides the Council with an independent opinion of the effectiveness of the Governance arrangements within the Council including those of the internal and external audit function.

Graphic 1 – Corporate Governance Framework



- 3.3 As referred to 2.2, the Audit Committee’s Terms of Reference is split into four main areas referenced A-D. Within tables 1-4 below the Audit Committee demonstrates how it has met and fulfilled its Terms of Reference by receiving, reviewing, challenging and approving the following reports.

Table 1 – Terms of Reference A

TOR A : To review the effectiveness of the Authority’s systems of corporate governance, internal control and risk management		
Committee Date	Report Received	Committees Resolution
06/06/2018	Annual Governance Statement (AGS) – 2017/18	The AGS to be attached to the Statement of Accounts.
06/06/2018	Internal Audit Annual Report	The report and Internal Audit Annual opinion be noted.
06/06/2018	Internal Audit Progress Report	Report be accepted and in relation to work on Disabled Facilities Grant, appreciates the work of the professional oversight board.
06/06/2018	Planning Enforcement Follow Up	The progress made in implementing the actions from the original report be noted.
12/09/2018	Annual Review of Strategic Risks	Note the status of the 2017/18 end of year summary; and Endorsing the successful management of risks, where these are in control of the Council.
21/11/2018	Annual Improvement Report (AIR) of the Auditor general for Wales	Assured by the Auditor General for Wales’ Annual Improvement Report for 2017/18.
21/11/2018	Asset Disposal and Capital Receipts Generated 2017/18	Report is noted.
21/11/2018	Use of Consultants	Committee is assured that expenditure on consultants is being controlled and the Council is achieving value for money.
21/11/2018	Clwyd Pension Fund Governance	Report is noted and feedback provided to the Clwyd Pension Fund Committee.
21/11/2018	Internal Audit Progress Report	Report is noted; and Members are assured that the remedial actions identified on GDPR have and will, if implemented, address the controls weakness identified.
15/02/2019	Risk Management Update	The status of the initial overview of strategic risks of 2018/19 priorities of the Council be noted.
15/02/2019	Annual Review of the Code of Corporate Governance	Updated Code of Corporate Governance be endorsed as part of the Council’s Constitution.
15/02/2019	Internal Audit Progress Report	The reported be accepted.
15/02/2019	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	<ul style="list-style-type: none"> • Subject to amendments, the updated Corporate Anti-Fraud & Corruption Strategy be agreed; and • The updated Fraud and Irregularity Response Plan be agreed.
15/02/2019	Whistleblowing Policy	The updated Whistleblowing Policy be approved.
27/03/2019	External Regulation Assurance	The Committee notes how reports by external auditors, other regulators and inspectors have been dealt with during 2017/18.
27/03/2019	Internal Audit Progress Report	The report be accepted.

Table 2 – Terms of Reference B

TOR B : To Oversee the reporting of the statutory financial statement's process and review and scrutinise the County Council's financial affairs		
Committee Date	Report Received	Committees Resolution
06/06/2018	Clwyd Pension Fund Statement of Accounts	That the CPF Final Statement of Accounts is considered by the Audit Committee and approved by the CPF Committee.
11/07/2018	Draft Statement of Accounts 2017/18	<ul style="list-style-type: none"> • The Draft Statement of Accounts be noted; and • Members note the ability to discuss any aspect of the Accounts with officers.
11/07/2018	Supplementary Financial Information to Draft Statement of Accounts 2017/18	Report is noted.
11/07/2018	Draft Clwyd Pension Fund Statement of Accounts 2017/18	Report is noted.
11/07/2018	Treasury Management Annual Report 2017/18	Draft Treasury Management report is noted with no matters to be drawn to the attention of Cabinet on 17 July 2018.
11/07/2018	Treasury Management Quarter 1 Update 2018/19	Report is noted.
12/09/2018	Statement of Accounts 2017/18, including WAO ISA presentation	<ul style="list-style-type: none"> • Final version of the Statement of Accounts 2017/18 be recommended for approval by County Council; and • The WAO ISA presentation be noted.
12/09/2018	School Reserves Balances Year End 31 March 2018	Report is noted.
21/11/2018	Asset Disposal and Capital Receipts Generated 2017/18	Report is noted.
21/11/2018	Treasury Management Mid-Year Review and Quarter 2 Update 2018/19	The Draft Treasury Management Mid-Year Report 2018/19 be recommended to Cabinet on 18 December 2018.
21/11/2018	Use of Consultants	Committee is assured that expenditure on consultants is being controlled and the Council is achieving value for money.
15/02/2019	Treasury Management Strategy 19/20, Treasury Management Policy Statement, Practices and Schedules 2019/20-2021/22 and Treasury Management Quarter 3 Update 2018/19	<ul style="list-style-type: none"> • After reviewing all three documents the Committee has now specific issues to be reported to Cabinet on 19 February 2019; and • The Treasury Management Quarterly update report be noted.
15/02/2019	Wales Audit Office (WAO) – Annual Audit Letter 2017/18	The Wales Audit Officer Annual Audit Letter 2017/18 be noted.
27/03/2019	Treasury Management Quarterly Update 2018/19	The Treasury Management Quarterly update report be noted.
27/03/2019	Certification of Grants and Returns 2017/18	The content of the Grant Claim Certification report 2017/18 be noted.

Table 3 – Terms of Reference C

TOR C : To monitor the performance and effectiveness of the internal and external audit functions		
Committee Date	Report Received	Committees Resolution
06/06/2018	Internal Audit Annual Report	The report and Internal Audit Annual opinion be noted.
06/06/2018	Internal Audit Progress Report	Report be accepted and in relation to work on Disabled Facilities Grant, appreciates the work of the professional oversight board.
12/09/2018	Statement of Accounts 2017/18, including WAO ISA presentation	<ul style="list-style-type: none"> Final version of the Statement of Accounts 2017/18 be recommended for approval by County Council; and The WAO ISA presentation be noted.
21/11/2018	Annual Improvement Report (AIR) of the Auditor general for Wales	Assured by the Auditor General for Wales' Annual Improvement Report for 2017/18.
21/11/2018	Internal Audit Progress Report	<ul style="list-style-type: none"> Report is noted; and Members are assured that the remedial actions identified on GDPR have and will, if implemented, address the controls weakness identified.
15/02/2019	Wales Audit Office (WAO) – Annual Audit Letter 2017/18	The Wales Audit Officer Annual Audit Letter 2017/18 be noted.
15/02/2019	Internal Audit Progress Report	The reported be accepted.
27/03/2019	Wales Audit Office (WAO) Audit Plan 2019/20	The Wales Audit Office report be noted.
27/03/2019	Certification of Grants and Returns 2017/18	The content of the Grant Claim Certification report 2017/18 be noted.
27/03/2019	External Regulation Assurance	The Committee notes how reports by external auditors, other regulators and inspectors have been dealt with during 2017/18.
27/03/2019	Internal Audit Strategic Audit Plan 2019-2022	The Flintshire Internal Audit Strategic Plan 2019-2022 be approved.
27/03/2019	Public Sector Internal Audit Standard Compliance 2018/19	The report be noted.
27/03/2019	Internal Audit Progress Report	The report be accepted.

Table 4 – Terms of Reference D

TOR D : To report to the Council annually, summarising the Committee’s activities and Recommendations (<i>demonstrating the Committees’ effectiveness</i>)		
Date of Committee	Report Received	Committees Resolution
Part D of the Terms of Reference is new to 2018/19. The first Audit Committee Annual Report will be presented to Committee for consideration in September ahead of Council in October 2019.		
21/11/2018	Audit Committee Self- Assessment	Notes the results and progress on actions
21/11/2018	Audit Committee Terms of Reference and Charter	<ul style="list-style-type: none"> • That changes to the Terms of Reference be approved; and • The Audit Committee Charter be approved.
27/03/2019	Composition of Audit Committee	The Committee wishes to recommend to Council, via the Council’s Annual Meeting, that the number of councillors on the Audit Committee be retained and the membership rotated to allow all political groups to participate. Also that an additional lay member be recruited.

- 3.4 Any actions raised by Audit Committee after reviewing and considering these reports are detailed at Appendix B.
- 3.5 The Committee’s Forward Work programme for 2019/20 is detailed at Appendix C.

4 Internal Audit Opinion

- 4.1 The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving that opinion it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The assurance opinion is based on the matters which were identified during the work of Internal Audit and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
- 4.2 The Audit Committee has been given assurance that there has been no limitations made on the scope of Internal Audit coverage during the year.
- 4.3 In June 2018, the Internal Audit Manager presented the Annual Internal Audit Report for the year 2018/19 to Audit Committee which includes the following assurance opinion.

For the year ending 31 March 2019, based on the work we have undertaken, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.

- 4.4 Two audits were given a 'Red / Limited' assurance level during the year (2017/18, three audits, 2016/17 four audits & 2015/16 six audits), where an urgent system revision was required. These audits were spread across portfolios indicating that weaknesses are not concentrated in any one area. Whilst these audits indicated areas where controls needed to be improved, they are not significant in the context of the Authority's whole control environment.
- 4.5 To ensure the risks associated with these reviews are monitored, they have been identified for inclusion within the forward work programme of the relevant Overview and Scrutiny Committee as part of the work of the Chair and Vice Chairs Joint Committee role.
- 4.6 Overall 75% of assurance opinions issued were either Green or Amber Green providing the Committee with assurance in the main there are effective arrangements in place for governance, risk management, financial management and internal Control.
- 4.7 In order for the Internal Audit team to be in position to undertake such work and deliver this audit opinion, it has an unfettered high profile role within the Council, who has developed and holds an excellent trusted working relationship with portfolios. The breadth of the work has grown in recent years seeing a significant increase in requests for advisory, consultancy and commissioned work.

5 Audit Committee Membership and Attendance

- 5.1 The Council has determined that the membership of its Audit Committee will consist of seven elected Members and one Independent Lay Member (as required by the Local Governance (Wales) Measure 2011). The Independent Lay member is appointed for a period of four years and Council Members are reappointed annually.
- 5.2 The Committee is serviced by Council Officers, principally the Chief Executive, the Chief Officer, Governance (Council's Monitoring Officer), the Corporate Finance Manager (Section 151 Officer) and the Internal Audit Manager. Representatives from Corporate Finance, Corporate Business and Communications, and Wales Audit Office also attend Audit Committee.
- 5.3 The Audit Committee met on six separate occasions during 2018/19. For each meeting, the Committee were quorate and there were sufficient Elected Members to generate an informed discussion on the matters raised. The increase in attendance rate demonstrates the commitment to the Audit Committee is increasing.

Table 5 – Audit Committee Meeting 2018/19

Present	06/06/18	11/07/18	12/09/18	21/11/18	15/02/19	27/03/19	Total Meetings Attended
Cllr H Brown (Chair)	Yes	Yes	Yes	Yes	Yes	Yes	6
S Ellis (Independent Member & Vice-Chair)	Yes	Yes	Apology	Yes	Yes	Yes	5
Cllr G Collett	Yes	Yes	Yes	Yes	Yes	Yes	6
Cllr C Dolphin	Yes	Yes	Yes	Yes	Yes	Yes	6
Cllr A Dunbobbin	Yes	Yes	Apology	Yes	Yes	Yes	5
Cllr A Holgate	Yes	Yes	Yes	Yes	Apology	No	4
Cllr P Johnson	Yes	Yes	Yes	Yes	Yes	Yes	6
Cllr A Woolley	Yes	Yes	Yes	Apology	Yes	Yes	5
Cllr J Axworthy	-	-	-	-	-	Yes	1
Cllr M Peers (Substitute)	-	-	-	Yes	Yes	-	2
Total for Committee	8	8	6	8	8	8	46
Other Members Present as Observers	4	2	5	2	1	2	
Attendance Ratio for 2018/19				95.8%			
Attendance Ratio for 2017/18				87.5%			

- 5.4 All members of the Committee, including any substitutes have received the required Audit Committee training prior to attending their first Audit Committee meeting. All meetings were held in open sessions and papers available on the Council's website. Officers from the Council's External Auditors, Wales Audit Office (WAO) were present at each of the meetings.

6 Self-Assessment, Training & Development

Audit Committee Self-Assessment

- 6.1 In September 2018, the Audit Committee held a self-assessment workshop where the performance and effectiveness of the Committee was reviewed against the best practice set out by CIPFA.
- 6.2 The workshop was interactive with a positive discussion taking place regarding the delivery of the Committee's core role and function. Following the self-assessment an action plan (Appendix D) was developed and will be used to monitor performance.
- 6.3 During the workshop the Committee's Terms of Reference and Audit Committee Charter were reviewed and brought up to date to mirror the best practice set out by CIPFA. The revised Terms of Reference and Charter were approved by Audit Committee, Constitution and Democratic Services Committee in November 2018 and Council in December 2018.

Audit Committee Training and Development

- 6.4 During the year members of the Audit Committee attended and received a number of formal training courses and awareness sessions. Table 6 provides details of this.

Table 6 – Audit Committee Training & Development

Topic	Date	Type of Training	Coverage
Audit Committee Member Training	16/05/2018	Governance; Risk; Financial; Control; Fraud Awareness; & External Audit	Training provided to new members and future substituting members of the Audit Committee.
Audit Committee Facilitation Workshop	26/09/2018	Governance; Risk Financial; Control; & Fraud Awareness	Half day session reviewing the effectiveness of the Audit Committee, refresher training on the role and responsibilities of the Audit Committee as well as the identification of training needs.
Code of Corporate Governance	21/11/2018	Governance	Presentation and explanation of the Code of Corporate Governance and how this feeds into the Governance framework.
Treasury Management	29/01/2019	Financial	Half day external training session provided on the Council's approach to Treasury Management.
Audit Committee Member Training	04/03/2019	Governance; Risk; Financial; Control; Fraud Awareness; & External Audit	Training provided to a new substituting member of the Audit Committee.
Annual Governance Statement	27/03/2019	Governance	Presentation and explanation of the Annual Governance Statement .
Statement of Accounts	05/06/2019	Accounts	Presentation and explanation of the Statement of Accounts .

7 Future Priorities

- 7.1 The Committee's Forward Work Programme (Appendix C) will continue to be reviewed to ensure the contribution to governance, risk management, financial management and internal control is maximised.

Audit Committee's Terms of Reference

Appendix A

7.00 Article 7 - Statement of Purpose:

The terms of reference sets out the Audit Committee's position in the governance structure of the Council.

The Audit Committee is a key component of Flintshire County Council's (the Council's) corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

7.01 Role:

The Audit Committee's role and functions will be to:

- A.** Review the effectiveness of the Authority's systems of corporate governance, internal control and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.
- B.** Oversee the reporting of the statutory financial statement's process to ensure the balance, transparency and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.

- C.** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
- D.** Report to the Council annually, summarising the Committee's activities and recommendations.

A. Corporate Governance, Risk Management and Internal Control

1. Evaluate whether Senior Accountable Officers and service teams are setting the appropriate "control culture" by communicating the importance of internal control and risk management.
2. Consider and assure the annual update of the Code of Corporate Governance against the 'Delivering Good Governance Framework (Wales)'.
3. Consider and assure the draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council's Regulators.

4. Evaluate the overall effective development and operation of the internal control and risk management frameworks and consider whether actions raised by the internal and external auditors have been implemented by Senior Accountable Officers.
5. Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.
6. Monitor progress in addressing risk related issues reported to the Committee.
7. Consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
8. Keep under review the Council's Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy and the assessment of fraud risks and potential harm to the Council from Fraud and Corruption.
9. Consider the Council's arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
10. Receive reports on all fraud identified and any other special investigations, and action taken.
11. Consider how Senior Accountable Officers are held to account for the security of computer systems and applications to protect against computer fraud or misuse.
12. Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
13. Obtain regular updates from Senior Accountable Officers and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.
14. The Chair and Vice Chair of the Audit Committee together with the Chairs and Vice Chairs of the six Overview and Scrutiny Committees will attend the Chair and Vice Chair Liaison Group with the primary aim to reduce duplication of work, ensure there is a shared coverage of the Council's risk profile and escalate poor performance between respective Committees.

Appendix A of the Audit Charter provides a diagram of the co-ordination of work between the Overview and Scrutiny Committees and Audit Committee.

B. Financial:

Statutory Financial Statements

1. Receive the draft Annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final

Statement of Accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.

2. Understand the controls and processes implemented by Senior Accountable Officers to ensure the financial statements derive from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate review.
3. Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
4. Ensure that significant adjustments, unadjusted differences, disagreements with Senior Accountable Officers and critical accounting policies and practice are discussed with the external auditor.

Financial Affairs

5. Understand the internal control systems implemented by Senior Accountable Officers and service team for the approval of transactions and the recording and processing of financial data.
6. Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
7. Keep under review the Council's financial procedure rules, contract procedure rules and all other corporate directions concerning financial control.
8. Review and assure the Treasury Management Strategy and Policy, consider quarterly updates on Treasury Management, and make appropriate recommendations / observations to the Cabinet.

C. Internal and External Audit

1. Keep under review the joint working arrangements of the Council's Internal and External Auditors.

Internal Audit

2. Promote the role of internal audit within the Council, as a key element of its control environment.
3. Review and approve the Internal Audit Charter, outlining the role, scope, independence, authority, responsibility and reporting of the department.
4. Keep under review the organisational structure and resource requirements of the Internal Audit Section and consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Internal Audit Manager. To approve and periodically review safeguards to limit such impairments.

5. Make appropriate enquiries of both Senior Accountable Officers and the Internal Audit Manager to determine if there are any inappropriate scope or resources limitations.
6. Review, approve (but not direct) and monitor the delivery of the risk-based internal audit plan, the approach to using other sources of assurance, and any work required to place reliance upon those other sources. Ensure the plan considers changes arising from Government, Assembly or Council initiatives.
7. Approve significant interim changes to the risk based Internal Audit Plan and resources requirements.
8. Receive summaries of all internal audit reports issued, highlighting key actions with corporate control implications.
9. Consider reports from the Internal Audit Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - Updates on the work of internal audit including key findings, issues of concern including monitoring the implementation of agreed actions contained within internal audit reports, receive report on actions not implemented within agreed timescales and seek explanations from officers where required.
 - Regular reports on the results of the Quality Assurance Improvement Programme (QAIP);
 - Reports on instances where the Internal Audit service does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Governance Advice Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
10. Receive and consider the Internal Audit Manager's annual report:
 - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of Internal Audit.
 - The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement (AGS).
 - Keep performance indicators under review and evaluate, on an annual basis, the performance and effectiveness of Internal Audit and its compliance with best practice.
11. Consider summaries of specific internal audit reports as requested.
12. Receive reports outlining the action taken where the Internal Audit Manager has concluded that Senior Accountable Officers and service teams have accepted a

level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.

13. Contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.
14. Meet separately with the Internal Audit Manager to discuss any matters that the Committee or internal auditors believe should be discussed privately.
15. Should the need arise, arbitrate in the event of any failure to agree between a Senior Accountable Officers and Internal Audit.
16. Discuss with the external auditor the standard of work of internal audit.

External Audit and External Regulatory Bodies

External Audit

17. Support the independence of external audit through consideration of the external auditors' annual assessment of its independence.
18. Review the external auditors' proposed audit scope and approach for the current year in the light of the Authority's present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.
19. Ensure that the annual audit is undertaken in compliance with statutory requirements.
20. Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
21. Consider specific reports as agreed with the external auditor.
22. Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
23. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the Audit Committee when required.
24. Review, annually, the performance of external audit and co-ordinate any feedback requested from the Wales Audit Office.

External Regulation: Performance

25. External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies such as the Wales Audit Office (WAO), Estyn and the Care Inspectorate Wales (CIW), plus a number of other external regulatory bodies. To examine how the organisation manages and spends

public money including achieving value in delivery. This work is co-ordinated by the Chief Executive's Business and Communications team and a shared protocol for these working arrangements is in place.

26. To gain assurance and confidence of the Council's response to the external regulatory findings, the Audit Committee will:
 - a) Receive periodic reports from external regulators which will include the Council's response to the reports and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
 - b) Receive an annual report collating external regulatory activity on improvement assessment work which is supplemented by local risk based audit work; and
 - c) Receive the Annual Improvement Report from the Auditor General.

D. Accountability Arrangements

1. Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above Terms of Reference.
2. Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
3. The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the Committee's members require a meeting. Beyond those requirements, the Committee can meet whenever it likes.
4. The Audit Committee will keep the above Terms of Reference under annual review and propose any amendment to the County Council.
5. Report to full council and publish an annual report on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

7.02 Composition

1. The Chair and Vice-Chair of the Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the Audit Committee will be chosen from amongst the opposition group(s), non-aligned Councillors or lay member on the Council (that is to say from amongst the group(s) none of whose members are included in the Cabinet).
2. The County Council shall appoint one person who is neither a serving Councillor nor an officer of the County Council or any other Council to serve as a lay member of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual

general meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.

3. It is the express wish of the Council that there should be continuity of membership of the Audit Committee so as to build up a body of expertise and maintain a consistency of approach.
4. In recognising the express wish of the Council, but observing the requirements of the legislation for political balance, the Audit Committee will comprise seven Members with the seats allocated in accordance with the legislation to the appropriate political groups and one lay member. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the Audit Committee, at the commencement of its meeting, agrees that good reasons exist for substitution.
5. Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.
6. The business of the Committee shall be conducted apolitically.

Audit Committee Actions Raised – 2018/19

Appendix B

Item No.	Report	Action Required	Action Taken	Status
6th June 2018				
5	Annual Governance Statement	To insert the word 'positive' before 'engagement with Trade Unions' in the AGS.	AGS updated to reflect these changes.	Closed
8	IA Progress Report	To make available to Members a full written update on progress with Greenfield Valley Heritage Park within 7-10 days.	Update emailed to Committee members 11 July 2018	Closed
11	Forward Work Programme	To move 'Asset Disposals & Capital Receipts' and 'Annual Report on External Inspections' to the November meeting or later. To remove the Internal Audit Progress Report from the September meeting.	Forward work programme updated to reflect these changes.	Closed
11th July 2018				
17	Draft Clwyd Pension Fund Accounts 2017/18	To schedule a future report and presentation on governance of the Clwyd Pension Fund.	Included within the forward work plan for 21 st November 2018.	Closed
18	Treasury Management Annual Report 2017/18 & Treasury Management Qtr1 Update 2018/19	To respond to the Committee on Cllr Johnson's request for information on FMS, the loan provider for LOBOs.	A response emailed to all committee members on 3 August 2018.	Closed
12th September 2018				
23	School Reserve Balances Year Ending 31/03/18	That a deteriorating deficit position on school balances be recorded as a live ongoing corporate risk in the Medium Term Financial Strategy.	This risk is now reflected in the monthly budget monitoring report to Cabinet and Scrutiny Committee.	Closed
21st November 2018				
32	Asset Disposal and Capital Receipts	That a private briefing note be shared with the Committee on the site disposal in Mold referred to by Cllr Peers.	A briefing note has been circulated to all members of the Audit Committee on 17 th January 2019.	Closed
32	Asset Disposal and Capital	To remove the item on Asset Disposals & Capital	This item has been removed from the Forward	Closed

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Item No.	Report	Action Required	Action Taken	Status
	Receipts	Receipts from the January meeting.	Work Programme.	
32	Asset Disposal and Capital Receipts	The projected capital receipts supporting the Capital Programme to form part of the MTFS refresh in January/February.	The Capital Strategy continues to state that whenever capital receipts are received they will be used to fund the capital programme. Capital receipts are subject to considerable risk and uncertainty, and it is considered imprudent to recognise capital receipts until they have actually been received. In addition they are often subject to commercial sensitivity. The Council is therefore unable to include any specific estimates of receipts in the Capital Strategy or in considering the MTFS position.	Closed
32	Asset Disposal and Capital Receipts	The projected capital receipts supporting the Capital Programme to be reflected in the updated Capital Strategy.	The statement above also applies to this action.	Closed
35	Clwyd Pension Fund Governance	That the report be noted and feedback provided to the Clwyd Pension Fund Committee.	This was reported to the Pension Fund Committee in November 2018.	Closed
35	Clwyd Pension Fund Governance	That the Clwyd Pension Fund annual report be circulated to the Audit Committee.	Annual Report for the Clwyd Pension Fund was circulated to the Audit Committee members via email on 21 November 2018.	Closed
35	Clwyd Pension Fund Governance	Officers to consider the regularity of reporting and a possible future presentation on governance arrangements to give further assurance to the Committee without duplicating the work of the Pensions Board.	Included as an item to at the February Clwyd Pension Fund Committee.	Closed
36	Internal Audit Progress Report incl. GDPR compliance	That officers advise the Chair and Vice-Chair of the completion dates for the two issues outstanding from the 2016/17 Payroll audit.	The Chair and Vice Chair were notified on 14 th January that all actions for 16/17 Payroll audit have now been implemented.	Closed
36	Internal Audit Progress Report incl. GDPR compliance	To provide Cllr Dolphin with an update on progress with the final version of the legal agreement for the Greenfield Valley Trust.	An update has been provided to Cllr Dolphin on Greenfield Valley Trust.	Closed

Item No.	Report	Action Required	Action Taken	Status
36	Internal Audit Progress Report incl. GDPR compliance	To schedule an update report on Planning Enforcement.	A meeting took place on the 21 st December to review the outstanding actions and a further update is included within the covering report for Internal Audit Progress report para 1.06.	Closed
36	Internal Audit Progress Report incl. GDPR compliance	To consider Planning Enforcement at the next meeting of the Audit and Overview & Scrutiny liaison group.	This was raised at the last Chairs and Vice Chairs Liaison Group meeting.	Closed
15th February 2019				
46	WAO - Annual Audit Letter 2017/18	To circulate a link to WAO reports on the financial position of Welsh councils.	Circulated on 18/02/19	Closed
47	Risk Management Update	In developing the Council Plan 2019/20, review the wording on the debt level risk to capture a broader range of people who may be impacted outside Council tenants or those on Universal Credit.	The issue has been picked up in relation to Poverty within the Council Plan proposals for 2019/20.	Closed
49	Internal Audit Progress Report	To escalate those overdue actions with no responses to the Chief Officer team.	An email has been sent to all Chief Officers requesting an update for all actions. The outstanding actions report accompanying this email has also been amended to identify when the service provided the last update, if any.	Closed
49	Internal Audit Progress Report	To note that names of individuals should not be shown in future reports (p.199).	Noted. Future progress reports will not include an individual's name.	Closed
50	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	That subject to the amendments, the updated Corporate Anti-Fraud & Corruption Strategy be agreed.	The Anti-Fraud and Corruption Strategy has been amended to reflect the comments made by Committee was presented to the Constitution and Democratic Services Committee for approval in June 2019.	Closed
50	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	That the Fraud & Irregularity Response Plan be updated to include the suggestions raised by the Vice Chair at the briefing: Section 2.6 - remove double negative	The Fraud & Irregularity Response Plan has been amended to reflect the comments made by Committee and presented to the Constitution and Democratic Services Committee for approval in June 2019.	Closed

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Item No.	Report	Action Required	Action Taken	Status
		Section 8.15 - remove 'where applicable'		
50	Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	To consider what else could be put in the 'Cabinet Member' box at the top of future reports.	This line has now been removed from the report.	Closed
51	Whistleblowing Policy	To action the suggestions raised by the Vice Chair at the briefing.	The Whistleblowing Policy has been mended to reflect the comments made by Committee and presented to the Constitution and Democratic Services Committee for approval in June 2019.	Closed
27th March 2019				
59	WAO Audit Plan 2019	Regulatory reports to be included on the Forward Work Programme when received from WAO.	The Forward Work Programme will include future regulatory reports from WAO.	Ongoing
61	External Regulations Assurance	To forward to Sally Ellis recent performance reports on DFGs and Homelessness.	An update on the performance of DFGs Homelessness has been provided to Sally Ellis.	Closed
64	Internal Audit Progress Report	For future reports to include a footnote on Appendix C on which services the Red and Amber/Red assurance reports relate to.	The Internal Audit Progress Report has been updated to include this information.	Closed
65	Composition of Audit Committee	That the Committee wishes to recommend to Council, via the Council's Annual Meeting, that the number of councillors be retained on the Audit Committee and the membership rotated to allow all political groups to participate. Also that an additional lay member be recruited.	The composition of the Audit Committee was discussed at the Council's Annual meeting and approval given for the recruitment of an additional lay member. A new Lay Member has now been appointed.	Closed
65	Composition of Audit Committee	To send condolences to Paul Williams, the former lay member, on behalf of the Committee.	Condolences has been sent to Paul Williams.	Closed
67	Forward Work Programme	Corporate Grants and WAO regulatory reports to be scheduled.	The forward work programme will include Corporate Grants and WAO regulatory reports.	Closed

Audit Committee Forward Work Programme – 2019/20

Appendix C

Meeting Date	Agenda Item	Assurance Type	Int. / Ext. Assurance
05/06/2019	Draft Annual Governance Statement	Corporate Governance	Internal
	Internal Audit Annual Report 2018/19	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2019/20	Governance, Risk, Financial & Control	Internal
	Audit Charter	Internal Audit	Internal
	Audit Committee Action Tracking	-	-
Forward Work Programme	-	-	
10/07/2019	Treasury Management 2019/20 Q1 Update & Annual Report 2018/19	Financial Management	Internal
	Supplementary Financial Information to Draft Statement of Accounts 2018/19	Accounts	Internal
	Risk Management update 2019/20	Risk Management	Internal
11/09/2019	School Reserves – Annual Report on School Balances	Financial Management	Internal
	Statement of Accounts 2018/19	Accounts	Internal
	Annual Improvement Report (WAO) (2018/19)	Corporate Governance	External
	Audit Committee Annual Report	Corporate Governance	Internal
	Contract Management	Internal Control	Internal
	Internal Audit Progress Report 2019/20	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	-
Forward Work Programme	-	-	
20/11/2019	Asset Disposals and Capital Receipts	Financial Management	Internal
	Corporate Grants	Financial Management	Internal
	Treasury Management 2019/20 – Mid Year Report	Financial Management	Internal
	Risk Management Update – Mid Year Report	Risk Management	Internal
	Financial Procedural Rules (Biennial)	Financial Management	Internal
	Use of Consultancy Report	Internal Control	Internal
	Internal Audit Progress Report 2019/20	Governance, Risk, Financial & Control	Internal

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Meeting Date	Agenda Item	Assurance Type	Int. / Ext. Assurance
	Audit Committee Action Tracking	-	-
	Forward Work Programme	-	-
29/01/2020	Treasury Management 2019/20 Q3 Update and 2020/21 Strategy	Financial Management	Internal
	Risk Management Update	Risk Management	Internal
	Code of Corporate Governance	Corporate Governance	Internal
	Annual Audit Letter	Accounts	External
	Internal Audit Progress Report 2019/20	Governance, Risk, Financial & Control	Internal
	Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan	Anti-Fraud & Corruption	Internal
	Whistleblowing Policy	Anti-Fraud & Corruption	Internal
	Audit Committee Action Tracking	-	-
	Forward Work Programme	-	-
25/03/2020	Treasury Management 2018/19 Q4 Update	Financial Management	Internal
	Audit Plan (WAO)	External Audit	External
	Annual Report on External Inspections 2018	Corporate Governance	External
	Certification of Grants and Returns Report (WAO)	Financial Management	External
	Internal Audit Strategic Plan 2019/2022	Internal Audit	Internal
	Public Sector Internal Audit Standards Compliance 2018/19	Internal Audit	Internal
	Internal Audit Progress Report 2018/19	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	-
	Forward Work Programme		
	Private Meeting (WAO and Internal Audit)	Corporate Governance	Internal & External

Audit Committee Self-Assessment and Action Plan

Appendix D

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Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
Purpose of Audit Committee:								
1	Each Audit Committee member understands the Committee has different roles and responsibilities to those of Overview & Scrutiny?	2	4	0	0	0	Action: None	Status: Implemented & Ongoing - The joint committee of Chairs and Vice chairs will now assign risks to one of the Overview & Scrutiny Committees.
2	The Audit Committee's Terms of Reference clearly defines and accurately reflects its responsibilities in promoting good governance and acting independent and objective at all times?	2	4	0	0	0	Action: Update and present revised TOR and Charter to the November Audit Committee.	Status: Implemented - Revised TOR and Charter presented to Audit Committee and Constitution and Democratic Services Committee in November and approved by Council in December 2018.
							Action: Review the timing of the meetings should new members join the Committee.	Status: Ongoing
Governance:								
3	The Audit Committee is regarded as being an essential part of the Council's corporate governance framework?	2	2	2	0	0	Action: It was agreed that next year the same question would be ask of Overview & Scrutiny Committees, Cabinet Members and Chief Officers.	Status: Outstanding - This will be undertaken for next year's self-assessment.

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Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or	Disagree	Strongly Disagree		
4	The Audit Committee provides meaningful assurance to Council and management as to the effectiveness of areas such as <i>Corporate Governance, Risk Management, Financial management and Internal Control?</i>						<p>Action: Given the Audit Committee members are relatively new to the Committee guidance on the areas to consider / focus in relation to the statement of accounts would greatly benefit the members. Any major paper to be presented to AC, a short briefing on the subject is to take place at the Committee meeting before (statement of accounts and AGS).</p>	<p>Status: Implemented – also this continue on an ongoing basis.</p>
		1	2	2	1	0	<p>Action: The Committee discussed the overall assurance opinion determined by the Internal Audit Manager at the year end. The Committee felt that it would be useful to have a cumulative picture of this. It was agreed that the Internal Audit Progress report would provide an on-going summary of the assurance provided throughout the year.</p>	<p>Status: Implemented - The Internal Audit Progress Report has been revised to provide a summary of the assurance opinions given on an ongoing basis.</p>
							<p>Action: The risk profile of the Council was discussed on how the Committee could obtain assurance in relation to those strategic risks which effectively out of the Council of the Council. It was agreed that areas such as the Council's response to continuity plans e.g. BREXIT, could be explored.</p>	<p>Status: Implemented & Ongoing - this forms part of the work of the Joint Chair and Vice Chairs Committee.</p>
							<p>Action: The impact on decision making was discussed and the consequential impact on services and the will do versus the does. This could form part of additional work of IA but it also falls under the responsibility of the O&S committees.</p>	<p>Status: Ongoing - This will be taken up by the Chairs & Vice Chairs of Overview and Scrutiny and Audit Committee Liaison Group.</p>

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Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
							Action: IT Priorities was another topic explored by the Committee as a number of actions appear to be on hold due to IT priorities. The Committee agreed with it would be helpful if IT could share with the Committee their approach to demand planning and how management actions fit into this.	Status: Outstanding.
							Action: The Audit Committee commented that sometimes is was difficult to 'see the wood for the trees' with the information they received. Example the AGS is long a wordy when they really need to feel assured. Need to liaise with key officers to share feedback.	Status: Implemented – presentation of the AGS provided to the Audit Committee.
							Action: The Audit Committee also suggested there may be times they need additional information (as and when) to support the subject they are gaining assurance from.	Status: Implemented & Ongoing – training will be provided as and when required on an ongoing basis.
Financial Statements								
5	The Audit Committee obtains sufficient information to provide assurance and make recommendations over the quality and accuracy of the Financial Statements?	0	4	2	0	0	Action: Given the Audit Committee members are relatively new to the Committee guidance on the areas to consider / focus in relation to the statement of accounts would benefit the Committee – it was agreed that any major paper to be presented to AC, a short briefing on the subject to take place the Committee meeting before.	Status: Implemented & Ongoing - Short briefing session on the statement of accounts has been held at the Committee meeting prior to the statement of accounts being presented for consideration.

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Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly Disagree		
Assurance: - Internal Audit								
6	The Audit Committee obtains sufficient assurance over the quality of the Internal Audit service?	1	5	0	0	0	Action: Develop reporting method to demonstrate further the value of work IA undertakes.	Status: Implemented - To be completed as part of the internal Audit annual report.
7	The Audit Committee obtains sufficient assurance over the Council's approach to Counter Fraud?	0	5	1	0	0	Action: None	Status: N/A
Assurance – External Audit								
8	The Audit Committee obtains sufficient assurance over the quality of the External Audit service?	1	4	0	1	0	Action: None	Status: N/A
Audit Committee - Accountability								
9	Each Audit Committee member has a good understanding of the Council's priorities, statutory obligations and how their role as an Audit Committee member supports them?	1	4	1	0	0	Action: None	Status: N/A
10	Audit Committee members are provided with sufficient training and information?	1	3	0	2	0	Action: Due to the technicality of Treasury Management it was questioned why all members attend the session rather than it session being tailored to the needs of the Audit Committee members and for the training to cover both local and national level.	Status: Implemented - all Members are invited as the responsibility for approving the Strategy sits with full Council. However the training could be tailored to meet any training needs of audit committee members.

Tudalen 143

Ref	Topic	1	2	3	4	5	Action	Status of Action
		Strongly agree	Agree	Neither agree or	Disagree	Strongly Disagree		
							Action: The Committee felt it would be beneficial to have ½ hour training on key topics (ahead of when they are due at AC). 9.30-10.00 is the preferred timing for the training.	Status: Implemented and ongoing. Training sessions provided to the Committee.
11	The Audit Committee collectively possesses an appropriate skills mix to enable it to fulfil its role.	0	2	3	1	0	Action: None	Status: N/A
12	The Audit Committee communicates effectively with Full Council, Scrutiny Committees, the Internal Audit Manager, External Audit and other stakeholders?	0	0	4	1	1	Action: The Audit Committee felt committees do not currently operate as a 'whole' at the moment and welcome the re-establishment of the Chairs / Vice Chair liaison meetings.	Status: Implemented – The Joint Chairs and Vice Charis Group has now been re-established.
							Action: The Committee explored how risks raised by Audit Committee to Chairs / Vice Chairs will be monitored. The Committee was reassured that this would take place through action tracking due to the success with Audit Committees action tracking.	Status: Ongoing
							Action: The Committee raised the need to Overview & Scrutiny Committees, particularly the Cabinet Portfolio holders, to be made aware of any RED / Limited audit reports. It was confirmed that each Chief Officer is advised to present their audit report to O&S prior to attending AC.	Status: Implemented and ongoing – all Chief Officers are advised that their Cabinet Portfolio holder and Overview & Scrutiny are made aware of any Red / limited assurance report issued within their portfolio.

Tudalen 144

Ref	Topic	1	2	3	4	5	<ul style="list-style-type: none"> ▪ Action ▪ Status of Action 	
		Strongly agree	Agree	Neither agree or	Disagree	Strongly Disagree		
							Action: Communicate further with Council – through the annual report The Audit Committee also felt it would be beneficial to meet all members of the Internal Audit team 'Who's Who?' This will be arranged for in an informal setting prior to the next AC meeting.	Status: Implemented - the Audit Committee has met all members of the Internal Audit team.
							Action: A similar approach to be applied for finance / asset disposals etc limiting this to key officers within the service.	Status: Outstanding
13	The Audit Committee adequately accounts for how well it undertakes its roles and meets its terms of reference?	0	2	2	2	0	Action: This will be addressed through the Chair presenting the Annual Report to demonstrate their accountability.	Status: Implemented – Draft annual report for Audit Committee presented to September Committee in readiness for Council.
Overall Score		11	41	17	8	1		

Eitem ar gyfer y Rhaglen 9



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday 22 nd October 2019
Report Subject	Review of the Flintshire Standard
Report Author	Chief Officer (Governance)

EXECUTIVE SUMMARY

The Council has adopted a local resolution process that also includes a statement of the standards of behaviour to which the Council aspires. This is called the Flintshire Standard. There has been a desire amongst both Members and Officers to review and restate those expectations.

Officers have reviewed the standard with Group Leaders and some amendments are suggested to expand and clarify expectations around behaviour. The Standards Committee endorsed the changes and suggested that complaints under the Local Resolution Protocol should be brought within 3 not 12 months. The Constitution and Democratic Services Committee endorsed the suggested changes.

RECOMMENDATIONS

1	That the amended Flintshire Standard be adopted.
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REPORT DETAILS

1.00	BACKGROUND TO THE FLINTSHIRE STANDARD
1.01	In June 2013 the Council adopted a local resolution process, called the Flintshire Standard, as an alternative to referring complaints about behaviour, from Members and/or Officers, to the Public Services Ombudsman for Wales. The Flintshire Standard set out how Members should behave towards each other and Officers.
1.02	The provisions of the Code of Conduct, which, whilst possessing the virtue of brevity, do not give practical examples of what is required. The Flintshire Standard therefore expands upon the obligations that relate to behaviour towards others with a list of “do’s and don’ts” across a range of situations. The Standard also sets out an escalating process of mediation to be followed in the event that a Member or Officer feels its provisions have been breached.
	Reviewing the Standard
1.03	There has recently been a desire amongst both Members and Officers to review the contents of the Flintshire Standard in order to: <ul style="list-style-type: none">• expand and clarify the guidance within it; and• restate and reinforce the behaviours expected.
1.04	Officers and Group Leaders have therefore suggested some amendments to the Flintshire Standard. These are shown in tracked changes at Appendix 1.
1.05	The Standards Committee and Constitution and Democratic Services Committee have considered the amendments. The Standards Committee endorsed the amendments at the meeting on 2 nd September 2019 and suggested that the time limit for making a complaint under the Local Resolution Process should be 90 days not 12 months. The aim of local resolution is to provide a quick outcome and so this change seems appropriate. A verbal update will be provided on the feedback from the Constitution and Democratic Services Committee.

2.00	RESOURCE IMPLICATIONS
2.01	The Flintshire Standard is intentionally quick and simple to operate in its early stages, so that any disputes are quickly resolved. The process is therefore not greatly demanding of time or other resources.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Chief Officers and Group Leaders (plus their deputies) have contributed to the preparation of the suggested amendments. As noted the document has been endorsed by the Standards Committee and by the Constitution and Democratic Services Committee.

4.00	RISK MANAGEMENT
4.01	The local resolution process contained within the Flintshire Standard is intended for use on low level complaints concerning the relationship between Councillors or Councillors and Officers. It can be invoked quickly and easily in order to catch issues before significant harm occurs to that relationship and whilst people are more willing to compromise. It is, however, extra statutory and so does not have recourse to the legislative sanctions available following a complaint to the Ombudsman. Its use must always therefore be considered carefully to ensure its suitability in light of the nature of the complaint and the surrounding circumstances.

5.00	APPENDICES
5.01	Appendix 1 – Flintshire Standard

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Report to Standards Committee - 2 nd September 2019 Report to Constitution and Democratic Services - 16 th October 2019 Contact Officer: Gareth Owens, Chief Officer (Governance) Telephone: 01352 702344 E-mail: gareth.legal@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	None

Mae'r dudalen hon yn wag yn bwrpasol

THE FLINTSHIRE STANDARD

This document explains the standard of conduct expected from Flintshire County Councillors and co-opted members in dealing with each other and with officers. It should be read in conjunction with the Members' Code of Conduct and the Protocol on Member-Officer Relations. It adds to those documents and does not detract from them.

This standard applies to councillors whilst they are acting in their official capacity, as defined within the code of conduct, including when they are on line or using social media in an official capacity.

In each case behaviour under the Flintshire Standards will be judged objectively. That is to say, it will be judged based on what a reasonable person knowing all the facts would conclude from observing the behaviour.

Freedom of speech, particularly political expression is important within a democratic society. In exercising the right to free speech and when acting on Council business, the following standards are expected of Flintshire County Council members—~~are expected to:-~~

Public Behaviour towards others:

- Show respect to each other and officers
- ~~Not to~~Do not make personal or abusive comments about each other or officers
- ~~Not to~~Do not ~~publish anything insulting about~~accuse each other or officers of lying or falsifying facts or documents
- ~~Not to make~~Do not make malicious allegations against each other or officers
- ~~Not to~~Do not publish or spread any false information about each other or officers
- Show respect to diversity and equality
- Do not accuse or imply that officers are acting from political motives .-

Behaviour in committees:

- Behave with dignity in meetings
- Show respect to and obey decisions of the Chair
- Make points based on the issue under discussion not personal remarks about others
- Allow others to speak without interruption or heckling
- Not to use indecent language nor make ~~racial-discriminatory~~ remarks or remarks which prejudice any section of society
- Exclude officers from the scope of political remarks

Confidentiality:

- Keep the confidentiality of exempt papers and any other documents which are not public.
- Not to release confidential information to the press or the public.
- Return or securely destroy confidential papers.
- Not to use confidential information for purposes other than intended.

Local members

- Work with any joint ward member and/or members of adjoining wards for the benefit of the locality.

- If dealing with any matter relating to another ward
 - Explain to anyone seeking assistance that he/she is not the local member
 - Inform the local member, unless it would lead to a breach of confidentiality
- Ensure that officers are treated with respect at public meetings within their ward. Where several councillors are at the same public meeting all share this obligation equally.

LOCAL RESOLUTION PROCEDURE FOR COMPLAINTS ABOUT BEHAVIOUR

INTRODUCTION

1. The Flintshire Standard and the Protocol for Member-Officer Relations are important in promoting good co-operation between members and between members and officers within the Council, thereby allowing the council to fulfil its duties effectively and professionally. It is therefore important that any allegations against a member that he/she has breached the standard and/or protocol can be dealt with quickly and effectively. The purpose of this procedure is to introduce a simple and easy way to understand the method of dealing with such allegations.
2. It is important that poor behaviour is quickly addressed and matters are handled whilst recollections are fresh. This procedure will therefore only apply to incidents or behaviour occurring in the ~~12 months~~90 days prior to a complaint being made in writing to the Monitoring Officer.

STAGE 1 OF THE PROCEDURE

3. Any member or officer who wishes to submit an allegation under this procedure should send the complaint to the Monitoring Officer. Officers wishing to make a complaint should first consult with their Head of Service. Following receipt of the complaint the Monitoring Officer will act as follows:-
4. The Monitoring Officer will not deal with the allegation at this stage in order to preserve their ability to advise the Standards Committee later in the process. In the first place the allegation will be referred either the Deputy Monitoring Officer (or another officer nominated by the Monitoring Officer) who will advise whether the allegation falls within this procedure or whether it should be referred to the Ombudsman as an allegation of breach of the Members Code of Conduct.

N.B. The complainant has the statutory right to complain to the Public Service Ombudsman for Wales ("PSOW"). Should the complainant exercise that right then this procedure will not be used, and any efforts to resolve a complaint using this procedure will be stopped. The process will only resume if the matter is referred back for local resolution.
5. This procedure is only suitable for allegations made by officers or members of Flintshire County Council that a member has breached the Flintshire Standard or the Protocol on Member/Officer relations. It is not suitable for complaints:
 - made by members of the public;
 - which in the opinion of the Monitoring Officer allege a serious breach of the code of conduct; or
 - alleging repeated breaches of the code of conduct, or breaches where are similar to complaints that have been handled at Stage 3 of this procedure.

If the complaint is suitable for this procedure then the Deputy Monitoring Officer will give advice about how to possibly resolve the complaint. If the complaint is not suitable for this procedure then the Deputy Monitoring Officer will give advice about what (if anything) can be done.

6. If, following the first stage, the complainant wishes to proceed with the allegation under this procedure, the matter may be referred either:
- to a conciliation meeting under —Stage 2; or
 - to a hearing by the Standards Committee under Stage 3.

STAGE 2 OF THE PROCEDURE

7. At Stage 2 a meeting will be held between:

- the complainant;
- the member against whom the complaint is made;
- the Chief Executive
- the leader of any relevant political group(s), that is to say the subject member's group leader and, if the complainant is a member, his/her group leader.

If the complainant is an officer, then it will be possible for the complainant to have a colleague or senior officer with him/her. A non-aligned (ungrouped) member may bring another councillor with him/her.

It is also possible for the matter to be dealt with in the complainant's absence in exceptional cases.

8. The purpose of this meeting will be to try and to resolve the matter by conciliation. If deemed necessary the Chief Executive can call on the Monitoring Officer, or the Deputy Monitoring Officer, for advice and assistance.

STAGE 3 OF THE PROCEDURE

9. The third Stage is a hearing before the Standards Committee. The complainant will be asked to submit the substance of the complaint in writing and the member concerned will be asked for a written response. These papers, together with any additional written evidence that is submitted by either side will be distributed to the members of the Standards Committee.
10. Both the complainant and the member have the right to appear before the Standards Committee and to submit evidence from witnesses. Both will have the right to representation or to have a colleague present. The Council will not meet the costs of representation.
11. If either side wishes not to be present or fails to attend the hearing may be held in their absence.
12. After the evidence has been heard, both sides and their representatives will be asked to leave the chamber and the Standards Committee will come to a conclusion on the allegation. The Monitoring Officer will be available to advise the Committee.
13. The Committee can come to one of three conclusions, namely :-
- a) That there is no basis to the complaint.
 - b) That there is a basis to the complaint but that no further action is required.

- c) That there is a basis to the complaint and that the member should be censured.

In addition the Committee can make recommendations to the Council regarding changing any procedures or taking any further action.

SUPPLEMENTARY MATTERS

- 14. The papers for the hearing will be exempt and it will be recommended that the hearing will take place with the press and public excluded. Publicity will not be given to the names of either the member or the complainant unless it is decided TO UPHOLD the complaint and that the member should be censured.
- 15. Stages 2 and 3 do not have to be following sequentially. Although it is possible for a complainant who remains dissatisfied after the conciliation meeting to ask for the matter to be referred to a hearing before the Standards Committee, it is also possible for a matter to proceed directly to the Standards Committee without going first to a conciliation meeting.
- 16. The aim of this procedure is to try and resolve complaints regarding members quickly and effectively. Nothing in this procedure prevents a complainant from submitting a complaint to the Public Services Ombudsman for Wales that a member has breached the Members Code of Conduct.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 10



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 22 October 2019
Report Subject	Code of Conduct for Councillors
Report Author	Chief Officer (Governance)

EXECUTIVE SUMMARY

The Committee on Standards In Public Life (“CSPL), which is also known as the Nolan Committee” after its first chair, recently reviewed the ethical regime in England, which has differed markedly from the Welsh regime since 2011. In considering the effectiveness of the English regime the CSPL contrasted the arrangements in England to those in other nations within the United Kingdom.

The legislation is very different in England and the CSPL recommended a number of changes to the law (in order to create a system that is more similar to the Welsh model). It also made a number of best practice recommendations. Allowing for the differences in legislation, a number of the CSPL’s suggestions could help to improve our own practices.

The Standards Committee considered both the recommendations and best practice findings. It considered that the Council should voluntarily change its Code of Conduct to require members to declare not only gifts above a certain individual value but also gifts above an aggregate value. The proposal is that any gift worth more than £10 should be registered (as at present) but also that if gifts of £100 or more are received from the same donor in the space of 12 months then this should also be recorded.

RECOMMENDATIONS

1	That the suggested amendment requiring gifts with a total value of £100 or more in any 12 month period to be declared is added to the Code of Conduct for Councillors.
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REPORT DETAILS

1.00	Background
1.01	The Council is required to adopt a Code of Conduct for Councillors based on the provisions of the national model code, as laid down in statutory instrument by Welsh Government. The Council can add to the code provided that in doing so it does make the effect of the code less onerous.
	The Report of the Committee on Standards In Public Life
1.02	The Committee on Standards in Public Life (also known as “the Nolan Committee”) published a report on Local Government Ethical Standards in January 2019. The report studied the impact of changes made to the ethical regime in England by the Localism Act 2011 and compared the efficacy of the English system to that of the other countries within the United Kingdom.
1.03	The Localism Act 2011 made sweeping changes to the ethical regime in England as follows: <ul style="list-style-type: none"> • The national model Code of Conduct was repealed; • The Standards Board for England (the body created to enforce the Code of Conduct) was abolished; • The Adjudication Panel for England was abolished; • The penalties of suspension and disqualification for breaching the Code of Conduct were repealed; • Each Council was obliged to adopt its own Code of Conduct and to appoint an Independent Person to assist the Standards Committee and Monitoring Officer in its enforcement; • New offences of voting with a pecuniary interest were created.
1.04	The report of the CSPL can be found here . In short, the Committee found that the regime in England needed fundamental changes some of which required new legislation and some of which could be achieved by Councils using their existing powers.
1.05	The Committee made recommendations that relate only to the legislative changes needed and so, because of our differing legislation, most do not have any relevance in Wales. However, the Committee also made good practice recommendations which are not specific to any legislative regime and so are potentially relevant to how we operate. The Standards Committee considered these recommendations and good practice findings at its meeting on 2 September 2019. It agreed to adopt the suggested best practice findings (where we do not already do the same or something similar) and these are largely operational issues that have already been actioned by officers.

1.06	It considered that the Council should voluntarily adopt Recommendation 6 in relation to gifts and hospitality. The CSPL recommended that Councillors in England should be required to register any gifts / hospitality over £50 or over £100 pa from a single source. In Flintshire, Councillors are already required to register any gift or hospitality over £10 in value (and to reject any gift/hospitality of any value that appears to place the councillor under an improper obligation). The Standards Committee considered that they should also register gifts of £100 or more, within a 12 month period, from a single source.
1.07	The suggested revision to the Code of Conduct are shown in tracked changes at Appendix 1. They were considered by the Constitution and Democratic Services Committee at its meeting on 16 October 2019 and a verbal update will be given.

2.00	RESOURCE IMPLICATIONS
2.01	As Councillors already record gifts over £10 in value this amendment would not create an additional administrative burden.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Standards Committee and the Constitution and Democratic Services Committee both endorse the suggested amendment.

4.00	RISK MANAGEMENT
4.01	This suggested amendment reduces the risk that gifts/hospitality might escape registration by being given in small value amounts over time.

5.00	APPENDICES
5.01	Appendix 1 – Code of Conduct for Councillors

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Report to the Standard Committee on 2 September 2019 and the report of the Committee on Standards in Public Life. Report to Constitution and Democratic Services Committee on 16 October 2019 Contact Officer: Gareth Owens, Chief Officer Governance Telephone: 01352 702344 E-mail: gareth.legal@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Committee on Standards in Public Life – a Committee established by Prime Minister John Major in 1994 in the wake of the “cash for questions” scandal in Parliament. The Committee was first chaired by Lord Nolan and established the Principles of Standards in Public Life – the “Nolan Principles”.

Remove from Constitution

Section 19

12. **MEMBERS' CODE OF CONDUCT**

ADOPTED BY RESOLUTION OF

THE COUNTY COUNCIL

8th April 2008

to take effect from 2nd May 2008

and updated 25 November 2014

and updated 10th May 2016

THE LOCAL AUTHORITIES

(MODEL CODE OF CONDUCT) (WALES) ORDER 2008

With the determination of the amount of £10.00
for the purposes of paragraph 17 recorded in paragraph 18

PART 1

INTERPRETATION

1.(1) In this code —

“co-opted member”, in relation to a relevant authority, means a person who is not a member of the authority but who —

- (i) is a member of any committee or sub-committee of the authority, or
- (ii) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority,

and who is entitled to vote on any question which falls to be decided at any meeting of that committee or sub-committee;

“meeting” means any meeting —

- (iii) (a) of the relevant authority,
- (iv) (b) of any Cabinet or board of the relevant authority,
- (v) (c) of any committee, sub-committee, joint committee or joint sub-committee of the relevant authority or of any such committee, sub-committee, joint committee or joint/sub-committee of any Cabinet or board of the authority, or
- (vi) (d) where members or officers of the relevant authority are present other than a meeting of a political group constituted in accordance with regulation 8 of the Local Government (Committee and Political Groups) Regulations 1990⁽¹⁾,

and includes circumstances in which a member of a Cabinet or board or an officer acting alone exercises a function of an authority;

“member” includes, unless the context requires otherwise, a co-opted member;

“register of members interests” (cofrestr o fuddlannau'r aelodau) means the register established and maintained under section 81 of the Local Government Act 2000;

“relevant authority” means—

- (b) a county council,
- (c) a county borough council,
- (d) a town or community council,
- (e) a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004⁽²⁾ or a scheme to which section 4 of that Act applies,
- (f) a National Park authority established under section 63 of the Environment Act 1995⁽³⁾;

“you” means you as a member or co-opted member of a relevant authority; and

(1) S.I. 1990/1553 as amended by S.I. 1991/1389; S.I. 1993/1339; S.I. 1998/1918; and S.I. 1999/500.

(2) 2004 c.21.

(3) 1995 c.25.

“your authority” means the relevant authority of which you are a member or co-opted member.

(2) “(2) In relation to a community council—

(3) (a) “proper officer” (“swyddog priodol”) means an officer of that council within the meaning of section 270(3) of the Local Government Act 1972(1); and

(b) “standards committee” (“pwyllgor safonau”) means the standards committee of the county or county borough council which has functions in relation to the community council for which it is responsible under section 56(1) and (2) of the Local Government Act 2000.”

PART 2
GENERAL PROVISIONS

- 2.(1) Save where paragraph 3(a) applies, you must observe this code of conduct
- (a) whenever you conduct the business, or are present at a meeting, of your authority;
 - (b) whenever you act, claim to act or give the impression you are acting in the role of member to which you were elected or appointed;
 - (c) whenever you act, claim to act or give the impression you are acting as a representative of your authority; or
 - (d) at all times and in any capacity, in respect of conduct identified in paragraphs 6(1)(a) and 7.
- (2) You should read this code together with the attached general principles prescribed under section 49(2) of the Local Government Act 2000 in relation to Wales.
3. Where you are elected, appointed or nominated by your authority to serve —
- (i) (a) on another relevant authority, or any other body, which includes a Local Health Board you must, when acting for that other authority or body, comply with the code of conduct of that other authority or body; or
 - (b) on any other body which does not have a code relating to the conduct of its members, you must, when acting for that other body, comply with this code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.
4. You must —
- (a) carry out your duties and responsibilities with due regard to the principle that there should be equality of opportunity for all people, regardless of their gender, race, disability, sexual orientation, age or religion;
 - (b) show respect and consideration for others;
 - (c) not use bullying behaviour or harass any person; and
 - (d) not do anything which compromises, or which is likely to compromise, the impartiality of those who work for, or on behalf of, your authority.

5. You must not —

- (a) disclose confidential information or information which should reasonably be regarded as being of a confidential nature, without the express consent of a person authorised to give such consent, or unless required by law to do so;
- (b) prevent any person from gaining access to information to which that person is entitled by law.

6.(1) You must —

- (a) not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute;
- (b) report, whether through your authority's confidential reporting procedure or direct to the proper authority, any conduct by another member or anyone who works for, or on behalf of, your authority which you reasonably believe involves or is likely to involve criminal behaviour (which for the purposes of this paragraph does not include offences or behaviour capable of punishment by way of a fixed penalty);
- (c) report to your authority's monitoring officer any conduct by another member which you reasonably believe breaches this code of conduct;
- (d) not make vexatious, malicious or frivolous complaints against other members or anyone who works for, or on behalf of, your authority.

(2) You must —

- (a) adhere to the Flintshire standard of conduct
- (b) cooperate with the Local Resolution Procedure
- (c) comply with any request of the Monitoring Officer, or the Public Services Ombudsman for Wales, in connection with an investigation conducted in accordance with their respective statutory powers.

7. You must not —

- (a) in your official capacity or otherwise, use or attempt to use your position improperly to confer on or secure for yourself, or any other person, an advantage or create or avoid for yourself, or any other person, a disadvantage;
- (b) use, or authorise others to use, the resources of your authority —

- (i) imprudently;
- (ii) in breach of your authority's requirements;
- (iii) unlawfully;
- (iv) other than in a manner which is calculated to facilitate, or to be conducive to, the discharge of the functions of the authority or of the office to which you have been elected or appointed;
- (v) improperly for political purposes; or
- (vi) improperly for private purposes.

8. You must —

- (a) when participating in meetings or reaching decisions regarding the business of your authority, do so on the basis of the merits of the circumstances involved and in the public interest having regard to any relevant advice provided by your authority's officers, in particular by —
 - (i) the authority's head of paid service;
 - (ii) the authority's Section 151 officer;
 - (iii) the authority's monitoring officer;
 - (iv) the authority's chief legal officer (who should be consulted when there is any doubt as to the authority's power to act, as to whether the action proposed lies within the policy framework agreed by the authority or where the legal consequences of action or failure to act by the authority might have important repercussions);
- (b) give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

9. You must —

- (a) observe the law and your authority's rules governing the claiming of expenses and allowances in connection with your duties as a member;
- (b) avoid accepting from anyone gifts, hospitality (other than official hospitality, such as a civic reception or a working lunch duly authorised by your authority), material benefits or services for yourself or any person which might place you, or reasonably appear to place you, under an improper obligation.

PART 3

INTERESTS

Personal Interests

- 10.**(1) You must in all matters consider whether you have a personal interest, and whether this code of conduct requires you to disclose that interest.
- (2) You must regard yourself as having a personal interest in any business of your authority if —
- (a) it relates to, or is likely to affect —
 - (i) any employment or business carried on by you;
 - (ii) any person who employs or has appointed you, any firm in which you are a partner or any company for which you are a remunerated director;
 - (iii) any person, other than your authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties as a member;
 - (iv) any corporate body which has a place of business or land in your authority's area, and in which you have a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;
 - (v) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a body of the description specified in sub-paragraph (iv) above;
 - (vi) any land in which you have a beneficial interest and which is in the area of your authority;
 - (vii) any land where the landlord is your authority and the tenant is a firm in which you are a partner, a company of which you are a remunerated director, or a body of the description specified in sub-paragraph (iv) above;
 - (viii) any body to which you have been elected, appointed or nominated by your authority;
 - (ix) any —

- (aa) public authority or body exercising functions of a public nature;
- (bb) company, industrial and provident society, charity, or body directed to charitable purposes;
- (cc) body whose principal purposes include the influence of public opinion or policy;
- (dd) trade union or professional association; or
- (ee) private club, society or association operating within your authority's area, in which you have membership or hold a position of general control or management;
- (x) any land in your authority's area in which you have a licence (alone or jointly with others) to occupy for 28 days or longer;

(b) or

(c) a decision upon it might reasonably be regarded as affecting —

- (i) your well-being or financial position, or that of a person with whom you live, or any person with whom you have a close personal association;
- (ii) any employment or business carried on by persons as described in 10(2)(c)(i);
- (iii) any person who employs or has appointed such persons described in 10(2)(c)(i), any firm in which they are a partner, or any company of which they are directors;
- (iv) any corporate body in which persons as described in 10(2)(c)(i) have a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
- (v) anybody listed in paragraphs 10(2)(a)(ix)(aa) to (ee) in which persons described in 10(2)(c)(i) hold a position of general control or management,

to a greater extent than the majority of—

- (aa) in the case of an authority with electoral divisions or wards, other council tax payers, rate payers or inhabitants of the electoral division or ward, as the case may be, affected by the decision; or
- (bb) in all other cases, other council tax payers, ratepayers or inhabitants of the authority's area.

Disclosure of Personal Interests

- 11.(1) Where you have a personal interest in any business of your authority and you attend a meeting at which that business is considered, you must disclose orally to that meeting the existence and nature of that interest before or at the commencement of that consideration, or when the interest becomes apparent.
- (2) Where you have a personal interest in any business of your authority and you make —
- (a) written representations (whether by letter, facsimile or some other form of electronic communication) to a member or officer of your authority regarding that business, you should include details of that interest in the written communication; or
 - (b) oral representations (whether in person or some form of electronic communication) to a member or officer of your authority you should disclose the interest at the commencement of such representations, or when it becomes apparent to you that you have such an interest, and confirm the representation and interest in writing within 14 days of the representation.
- (i)
- (3) Subject to paragraph 14(1)(b) below, where you have a personal interest in any business of your authority and you have made a decision in exercising a function of a Cabinet or board, you must in relation to that business ensure that any written statement of that decision records the existence and nature of your interest.
- (4) You must, in respect of a personal interest not previously disclosed, before or immediately after the close of a meeting where the disclosure is made pursuant to sub-paragraph 11(1), give written notification to your authority in accordance with any requirements identified by your authority's monitoring officer, or in relation to a community council, your authority's proper officer, from time to time but, as a minimum containing —
- (a) details of the personal interest;
 - (b) details of the business to which the personal interest relates; and
 - (c) your signature.
- (5) Where you have agreement from your monitoring officer that the information relating to your personal interest is sensitive information, pursuant to paragraph

16(1), your obligations under this paragraph 11 to disclose such information, whether orally or in writing, are to be replaced with an obligation to disclose the existence of a personal interest and to confirm that your monitoring officer has agreed that the nature of such personal interest is sensitive information.

(6) For the purposes of sub-paragraph (4), a personal interest will only be deemed to have been previously disclosed if written notification has been provided in accordance with this code since the last date on which you were elected, appointed or nominated as a member of your authority.

(7) For the purposes of sub-paragraph (3), where no written notice is provided in accordance with that paragraph you will be deemed as not to have declared a personal interest in accordance with this code.

Prejudicial Interests

12.(1) Subject to sub-paragraph (2) below, where you have a personal interest in any business of your authority you also have a prejudicial interest in that business if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

(2) Subject to sub-paragraph (3), you will not be regarded as having a prejudicial interest in any business where that business—

(a) relates to —

(i) another relevant authority of which you are also a member;

(ii) another public authority or body exercising functions of a public nature in which you hold a position of general control or management;

(iii) a body to which you have been elected, appointed or nominated by your authority;

(iv) your role as a school governor (where not appointed or nominated by your authority) unless it relates particularly to the school of which you are a governor;

(v) your role as a member of a Local Health Board where you have not been appointed or nominated by your authority;

(b) relates to —

(i) the housing functions of your authority where you hold a tenancy or lease with your authority, provided that you do not have arrears of rent

- with your authority of more than two months, and provided that those functions do not relate particularly to your tenancy or lease;
- (ii) the functions of your authority in respect of school meals, transport and travelling expenses, where you are a guardian, parent, grandparent or have parental responsibility (as defined in section 3 of the Children Act 1989) of a child in full time education, unless it relates particularly to the school which that child attends;
 - (ii) the functions of your authority in respect of statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of such pay from your authority;
 - (iii) the functions of your authority in respect of an allowance or payment made in accordance with the provisions of Part 8 of the Local Government (Wales) Measure 2011(2), or an allowance or pension provided under section 18 of the Local Government and Housing Act 1989;
- (c) your role as a town or community councillor in relation to a grant, loan or other form of financial assistance made by your town or community council to community or voluntary organisations up to a maximum of £500.
- (3) The exemptions in subparagraph (2)(a) do not apply where the business relates to the determination of any approval, consent, licence, permission or registration.

Overview and Scrutiny Committees

- 13.** You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—
- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority’s Cabinet, board or another of your authority’s committees, sub-committees, joint committees or joint sub-committees; and
 - (b) at the time the decision was made or action was taken, you were a member of the Cabinet, board, committee, sub-committee, joint-committee or joint sub-committee mentioned in sub-paragraph (a) and you were present when that decision was made or action was taken.

Participation in Relation to Disclosed Interests

14.(1) Subject to sub-paragraphs (2), (2A) (3) and (4), where you have a prejudicial interest in any business of your authority you must, unless you have obtained a dispensation from your authority's standards committee —

(a) withdraw from the room, chamber or place where a meeting considering the business is being held—

(i) where sub-paragraph (2) applies, immediately after the period for making representations, answering questions or giving evidence relating to the business has ended and in any event before further consideration of the business begins, whether or not the public are allowed to remain in attendance for such consideration; or

(ii) in any other case, whenever it becomes apparent that that business is being considered at that meeting;

(b) not exercise Cabinet or board functions in relation to that business;

(c) not seek to influence a decision about that business;

(d) not make any written representations (whether by letter, facsimile or some other form of electronic communication) in relation to that business; and

(e) not make any oral representations (whether in person or some form of electronic communication) in respect of that business or immediately cease to make such oral representations when the prejudicial interest becomes apparent.

(iii)

(2) Where you have a prejudicial interest in any business of your authority you may attend a meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

(2A) Where you have a prejudicial interest in any business of your authority you may submit written representations to a meeting relating to that business, provided that the public are allowed to attend the meeting for the purpose of making

representations, answering questions or giving evidence relating to the business, whether under a statutory right or otherwise.

(2B) When submitting written representations under sub-paragraph (2A) you must comply with any procedure that your authority may adopt for the submission of such representations.”

(3) Sub-paragraph (1) does not prevent you attending and participating in a meeting if

—

(a) you are required to attend a meeting of an overview or scrutiny committee, by such committee exercising its statutory powers; or

(b) you have the benefit of a dispensation provided that you —

(i) state at the meeting that you are relying on the dispensation; and

(ii) before or immediately after the close of the meeting give written notification to your authority containing —

(aa) details of the prejudicial interest;

(bb) details of the business to which the prejudicial interest relates;

(cc) details of, and the date on which, the dispensation was granted; and

(dd) your signature.

(4) Where you have a prejudicial interest and are making written or oral representations to your authority in reliance upon a dispensation, you must provide details of the dispensation within any such written or oral representation and, in the latter case, provide written notification to your authority within 14 days of making the representation.

PART 4
THE REGISTER OF MEMBERS' INTERESTS

***Registration of Financial and Other Interests and Memberships and
Management Positions***

- 15.(1) Subject to sub-paragraph (4), you must, within 28 days of—
- (a) your authority's code of conduct being adopted or the mandatory provisions of this model code being applied to your authority; or
 - (b) your election or appointment to office (if that is later),
- register your financial interests and other interests, where they fall within a category mentioned in paragraph 10(2)(a) in your authority's register of members' interests by providing written notification to your authority's monitoring officer.
- (2) Subject to sub-paragraph (4) You must, within 28 days of becoming aware of any new personal interest falling within paragraph 10(2)a, register that new personal interest in your authority's register of members' interests by providing written notification to your authority's monitoring officer, or in the case of a community council to your authority's proper officer.
- (3) Subject to sub-paragraph (4), you must, within 28 days of becoming aware of any change to a registered personal interest falling within a category mentioned in paragraph 10(2)(a), register that change in your authority's register of members' interests by providing written notification to your authority's monitoring officer, or in the case of a community council to your authority's proper officer.
- (4) Sub-paragraphs (1), (2) and (3) do not apply to sensitive information determined in accordance with paragraph 16(1).
- (5) Sub-paragraphs (1) and (2) do not apply if you are a member of a relevant authority which is a community council when you act in your capacity as a member of such an authority.
- (6) You must, when disclosing a personal interest in accordance with paragraph 11 for the first time, register that personal interest in your authority's register of members' interests by providing written notification to your authority's monitoring officer, or in the case of a community council to your authority's proper officer.

Sensitive information

- 16.(1) Where you consider that the information relating to any of your personal interests is sensitive information, and your authority's monitoring officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to the interest under paragraph 15.
- (2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under sub-paragraph (1) is no longer sensitive information, notify your authority's monitoring officer, or in relation to a community council, your authority's proper officer, asking that the information be included in your authority's register of members' interests.
- (3) In this code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

Registration of Gifts and Hospitality

17. **(1)** You must, within 28 days of receiving any gift, hospitality material benefit or advantage above a value specified in a resolution of your authority, provide written notification to your authority's monitoring officer, of the existence and nature of that gift, hospitality material benefit or advantage, or in relation to a community council, your authority's proper officer
- (2) You must, provide written notification to your authority's monitoring officer, of the existence and nature of any gifts, hospitality, material benefits and/or advantages, received from the same source during any rolling 12 month period, where the total aggregate value of those gifts, hospitality, and/or material benefits is above £100
- (3) Where you have received gifts, hospitality, material benefits and/or advantages, under 17(2) you must provide written notification to your authority's monitoring officer within 28 days
18. The Authority has determined that for the purposes of paragraph 17(1) the amount shall be £10.00 until further determination.

THE PRINCIPLES

The Local Government Act empowered the National Assembly to issue principles to which you must have regard in undertaking your role as a member. The Code is based on these principles which are designed to promote the highest possible standards. These principles draw on the 7 Principles of Public Life which were set out in the Nolan Report “Standards of Conduct in Local Government in England, Scotland and Wales”. Three more were added to these: a duty to uphold the law, proper stewardship of the Council’s resources and equality and respect for others.

Members elected to local authorities give generously of their time and commitment for the benefit of their communities. The principles provide a framework for channelling your commitment in a way which will reflect well on you and your authority, and which will give your communities confidence in the way that your authority is governed.

The individual sections of the Code are designed to support the implementation of the Principles. For example, the Selflessness principle is covered by Section 7 of the Code – Selflessness and Stewardship.

The current principles were set out in a statutory instrument¹ and are detailed below.

1. Selflessness

Members must act solely in the public interest. They must never use their position as members to improperly confer advantage on themselves or to improperly confer advantage or disadvantage on others.

2. Honesty

Members must declare any private interests relevant to their public duties and take steps to resolve any conflict in a way that protects the public interest.

3. Integrity and Propriety

Members must not put themselves in a position where their integrity is called into question by any financial or other obligation to individuals or organisations that might seek to influence them in the performance of their duties. Members must on all occasions avoid the appearance of such behaviour.

4. Duty to Uphold the Law

Members must act to uphold the law and act on all occasions in accordance with the trust that the public has placed in them.

5. Stewardship

In discharging their duties and responsibilities members must ensure that their authority's resources are used both lawfully and prudently.

6. Objectivity in Decision-making

In carrying out their responsibilities including making appointments, awarding contracts, or recommending individuals for rewards and benefits, members must make decisions on merit. Whilst members must have regard to the professional advice of officers and may properly take account of the views of others, including their political groups, it is their responsibility to decide what view to take and, if appropriate, how to vote on any issue.

7. Equality and Respect

Members must carry out their duties and responsibilities with due regard to the need to promote equality of opportunity for all people, regardless of their gender, race, disability, sexual orientation, age or religion, and show respect and consideration for others.

8. Openness

Members must be as open as possible about all their actions and those of their authority. They must seek to ensure that disclosure of information is restricted only in accordance with the law.

9. Accountability

Members are accountable to the electorate and the public generally for their actions and for the way they carry out their responsibilities as a member. They must be prepared to submit themselves to such scrutiny as is appropriate to their responsibilities.

10. Leadership

Members must promote and support these principles by leadership and example so as to promote public confidence in their role and in the authority. They must respect the impartiality and integrity of the authority's statutory officers and its other employees.

The principles are not part of the Model Code, and failure to comply with the Principles is not of itself, therefore, indicative of a breach of the Code. However, it is likely that a failure, for example, to adhere to the principle concerning equality and respect would constitute a breach of the requirements of paragraphs 4 (a) and (b) in the Code in respect of equality of opportunity and respect.

In any event, the Principles offer a sound basis for your conduct in office and I encourage members to have regard to them at all times.

Public Services Ombudsman for Wales

Eitem ar gyfer y Rhaglen 11

Notices of Motion Flintshire County Council - 22 October 2019

(i) **Councillor Andy Dunbobbin**

Raising Awareness of Violence Against Women and Domestic Abuse

Members may recall that the Welsh Government has developed an e-learning package, to raise awareness of violence against women and domestic abuse. All staff are undertaking this e-learning, which we applaud.

The package had been adapted to be available to Members. It would show our support for this worthy initiative if all Members were to do this training, which only takes about 40 minutes.

Can we all commit to giving 40 minutes to acquiring learning which may help all of us to deal more effectively with such issues which we may encounter in our wards?

(ii) **Councillor Kevin Hughes**

First Aid Training in Schools

This Council calls upon Welsh Government to make First Aid, including CPR and defibrillator training, compulsory as part of the new curriculum. Further, schools are provided with the required funding to ensure the training can be delivered.

Mae'r dudalen hon yn wag yn bwrpasol