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Corporate Assessment Follow-up – Flintshire County Council

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This document is also available in Welsh.

The team who delivered the work comprised Charlotte Owen, Paul Goodlad and Jeremy Evans, under the direction of Huw Rees

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Summary report

Summary

- 1 In March 2015, the Auditor General published his Annual Improvement Report (AIR)¹ for Flintshire County Council (the Council). The report, which included findings from the September 2014 Corporate Assessment (CA), concluded that the Council had made significant progress in a number of difficult areas, but needed to strengthen some aspects of its arrangements. Although the Council was reasonably well placed to continue to deliver its priorities in the face of further financial challenges, the report made seven proposals for improvement (PFIs). Action to address four of the seven PFIs was still underway at the start of 2016-17.
- 2 In early 2016 we reviewed the Council's progress against the PFIs and reported our findings in the AIR published in June 2016²; Overall, we found the Council:
 - had made good progress in addressing the governance-related PFIs;
 - was strengthening its management of financial resources, but had made less consistent progress revising other resource management strategies; and
 - had made some progress to improve the consistency of its approach to workforce planning, but further work was required to complete the arrangements.
- 3 During early 2017, we revisited the actions which were incomplete at the time of our earlier follow-up. This second follow-up found that the Council continues to make progress in addressing the 2015 corporate assessment proposals for improvement.
- 4 We came to this conclusion because:
 - the Council is promoting staff ownership of key objectives which will be supported by a new integrated approach to business planning in 2017-18;
 - corporate strategies are well aligned and the Council has implemented its revised asset management strategy, but progress on the new people and digital strategies has been slower than planned;
 - the Council is improving its risk management processes, but work to align project and savings plan risks to the Council's revised risk matrix has been delayed; and
 - workforce planning is a key element of the Council's new people strategy and although work is underway to develop workforce plans, it is too early to assess their impact.

¹ [Flintshire County Council – Annual Improvement Report 2014-15](#) Published March 2015 Source: Wales Audit Office

² [Flintshire County Council - Annual Improvement Report 2015-16](#) Published June 2016 Source: Wales Audit Office

Proposals for improvement

The Council has made significant progress against many of the proposals for improvement arising from the 2015 corporate assessment report. However, some actions have only recently been implemented and some are scheduled for completion during 2017. So, it is too soon to assess their overall impact. Our Audit Plan for 2017-18 includes further follow-up work during late 2017-18, to review the impact of recent and imminent changes.

There are no additional proposals for improvement arising from this follow-up audit. However, we expect the Council to continue making progress against the original proposals.

DRAFT

The Council continues to make progress in addressing the 2015 corporate assessment proposals for improvement

The Council is promoting staff ownership of key objectives which will be supported by a new integrated approach to business planning in 2017-18

Summary text 'Description of the Proposal for Improvement included in the original 2015 corporate assessment report'

Corporate Assessment Proposal for Improvement P1 (from the 2015 CA report)

The Council should develop and implement a consistent approach to business planning that promotes the ownership by staff of key objectives and targets.

- 5 The Council continues to improve its business planning arrangements and intends to implement a new approach during 2017-18:
 - Each portfolio will produce a comprehensive five-year business plan to support service planning and performance management; and
 - The business plans will incorporate corporate initiatives and strategies and demonstrate fit with the Medium Term Financial Strategy.
- 6 The Council anticipates that the new business plans will support workforce engagement and staff ownership of key objectives by clarifying how corporate objectives relate to individual service areas. A standard business plan format intended to promote consistency across portfolios and plans will be formally reviewed and updated twice a year.
- 7 The Council's integrated performance management system places greater responsibility on chief officers and service managers for data input and promotes ownership of the objectives. The system, and the reports it generates, identifies the officers responsible for meeting objectives and specific targets. As always, the quality of the reports produced is dependent on the data input into the system; the Council reports that data quality is variable, but is improving. The system's automated reporting function provides the Policy and Performance Team with more opportunity to monitor the quality and consistency of data.
- 8 The Council has rolled out an updated staff appraisal model. The model now includes the option of a 'light touch' approach, more appropriate for staff on low-hour contracts, who do not require a full appraisal. Appraisal completion figures for 2016-17 were not available at the time of our review, but the Council expects this dual approach to increase the number of appraisals completed. The full appraisal model encourages staff to consider how their role contributes to the Council's corporate and service-level priorities and objectives. The Council expects this to promote greater awareness and ownership of the priorities and objectives.

- 9 The new business plans are intended to complement this approach by including more explicit links to corporate objectives. The Council has also taken steps to ensure that new corporate strategies, such as the People Strategy 2016-2019, are accessible, to encourage buy-in from staff at all levels of the organisation.
- 10 We will revisit the actions being taken to address this PFI during late 2017-18 to assess whether their intended impact has been achieved.

Corporate strategies are well aligned and the Council has implemented its revised asset management strategy, but progress on the new people and digital strategies has been slower than planned

Summary text 'Description of the Proposal for Improvement included in the original 2015 corporate assessment report'

Corporate Assessment Proposal for Improvement P3 (from the 2015 CA report)

The Council should ensure that, in implementing its revised strategies for People, ICT and Asset Management:

- their financial implications feed into the medium-term financial plan; and
- the links between the strategies are fully considered so that specialist staff are available when required.

- 11 Progress on revising and implementing the people and digital strategies has been slower than planned. The Capital Strategy and Asset Management Plan 2016-2020 (CS&) was approved in February 2016 and implemented during 2016-17. The Council's Capital Programme for the period 2017-18 to 2019-20 follows the framework set out in the capital strategy. The Council has evaluated proposals for capital expenditure against the asset management plan to ensure they support delivery of its priorities.
- 12 Our previous follow-up review acknowledged that an ICT service restructure and reduced capacity in the Human Resources and Organisational Development (HR & OD) team had delayed progress of the new digital and people strategies. The Council originally expected to finalise its digital strategy during summer 2016. However, further delays meant the Council did not approve its Digital Flintshire 2017-2022 strategy until February 2017; and the People Strategy 2016-2019 was approved in November 2016. The Council is now developing action plans to support implementation of both strategies. Until the action plans are completed, the scale of actions and timescales associated with the implementation is unclear.
- 13 The financial implications of the Digital Flintshire strategy are not yet clear. Capital investment in IT equipment, necessary to maintain the current infrastructure's functionality, was approved as part of the Council's Capital Programme. The capital investment required to realise the strategy will become clearer once the Council has determined the extent of its programme of changes. The Council intends to run each potential project through a cost-benefit assessment before

taking a decision to proceed. The Council expects to deliver its People Strategy within current resource levels.

- 14 There are clear links between the Council's key corporate strategies. Both the people and digital strategies provide a clear vision of how the workforce and digital information and technology will contribute towards improvement priorities and strategic plans. Enabler strategies are also better integrated and the Council has taken a collaborative approach to developing the revised people and digital strategies; corporate services staff liaise closely and consult with officers at a portfolio level. The Council also expects supporting action plans to take account of relevant departments' capacity when scheduling projects, with relevant actions embedded within portfolio business plans.
- 15 The Council originally planned to produce a corporate resourcing strategy that would provide an overarching strategic focus on capability, capacity and risks. We agreed that this approach could provide an effective way to link the Council's enabler strategies. However, the Council subsequently decided not to proceed. Instead, the Council's new business plans, which are being introduced during 2017-18, will link to the suite of corporate strategies. The Council expects this approach to provide improved connectivity between its strategies and planning arrangements.
- 16 We will follow up these arrangements during late 2017-18 to assess the extent to which the intended linkages are working in practice.

The Council is improving its risk management processes but work to align project and savings plan risks to the Council's revised risk matrix has been delayed

Summary text 'Description of the Proposal for Improvement included in the original 2015 corporate assessment report'

Corporate Assessment Proposal for Improvement P6 (from the 2015 CA report)

The Council should:

- adopt a consistent approach to managing risk, ensuring that all staff involved use a similar approach to record impact, likelihood and mitigating actions; and apply this approach to its future savings plans.

- 17 In May 2016, Internal Audit (IA) provided reasonable assurance³ of the Council's risk management processes. The IA review focussed on the Council's use of its integrated performance management system to provide a more consistent approach to risk management. During 2016-17, a number of the planned improvements arising from the IA review were completed. Although the Council originally anticipated completing all actions during 2016, some were delayed and

³ The Council's Internal Auditor defines reasonable assurance as "Key Controls in place but some fine tuning required; key controls generally operating effectively" Source: Internal Audit routine reports to Audit Committee

now have revised completion dates between March and September 2017. The Council's IA team continues to track progress against the action plan.

- 18 The Council reports that the integrated performance management system is supporting a more consistent and sophisticated approach to risk. All operational risks have been added to the system, promoting consistent use of the revised risk matrix. However, less progress has been made in adding project risks to the system due to capacity issues and the need for further work to build and develop the Council's risk framework for projects. The Council now expects to complete this work by the end of March 2017.
- 19 Portfolio business plans have integrated risk management into service planning and monitoring processes. For example, Programme Board meetings routinely discuss both existing and emerging risks. The Council also delivered risk management training during 2016-17 to support a consistent approach to risk escalation across portfolios, and is updating its risk management guidance.
- 20 Savings plans do not currently use the risk matrix. Instead, efficiencies are risk-assessed in terms of their deliverability and acceptability. The Council also assesses the financial robustness of planned efficiencies. This provides further assurance on likely deliverability; better-developed costings increase the likelihood of achieving the planned efficiency. Once planned work to support project-level risks within the integrated performance management system is complete, the Council intends to add new portfolio business plans and efficiencies to the system. The Council expects these changes to align efficiency plans to the risk matrix and integrate risk management with efficiency reporting.
- 21 The Council provided a mid-year update on the strategic risks contained in its 2016-17 Improvement Plan to Audit Committee in January 2017. The Council's report concluded that the Council's approach to management of risk was effective; there was a significant reduction in the proportion of major risks and an increase in the number of risks classified as minor or insignificant.
- 22 We will assess the effectiveness of the updated risk management arrangements during a follow-up review in late 2017-18.

Workforce planning is a key element of the Council's new people strategy and although work is underway to develop workforce plans, it is too early to assess their impact

Summary text 'Description of the Proposal for Improvement included in the original 2015 corporate assessment report'

Corporate Assessment Proposal for Improvement P7 (from the 2015 CA report)

The Council should ensure a consistent approach to workforce planning and use the results to inform future reductions in staff.

- 23 The Council's approach to workforce planning is set out in its new People Strategy 2016-2019. Effective workforce planning is a Council priority and work has recently

begun to implement this part of the strategy; the Human Resources (HR) team are working with managers to develop service level workforce plans. The Council considers that its approach to engaging with senior managers on implementation of the strategy has been effective. An outline template ensures consistency of approach across services and HR have provided service managers with the management information they require to develop the plans. A key planned outcome of the Council's people strategy is a single consolidated workforce plan and supporting action plans. The Council expects this to promote a consistent approach to workforce planning.

- 24 Although it is too early to assess the workforce plans and their impact on future reductions in staff, the People Strategy is clear about their intended purpose. The Council expects its workforce plans to set out and address the gap between current workforce arrangements and those required to deliver future service plans. Workforce plans will inform Council decisions around future workforce numbers and help it to develop job roles and flexible working patterns that support future service delivery models. The plans will form an integral part of the Council's business planning approach and portfolio business plans will be required to demonstrate how workforce requirements are being addressed.
- 25 We will review the effectiveness of the actions taken to improve the consistency of workforce planning arrangements during a follow-up review in late 2017-18.

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