

Ref.	Description	Detail	Relevant comments from last report	Additional considerations from guidance notes
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	Legislative requirement for Authorities to deliver VFM. Delivery of VFM depends on decisions by Elected Members. Shared responsibility across the Leadership Team to communicate and understand the risks involved.	<p>VFM becomes more of a concern when decisions are more risky and/or deviate away from areas that the Council understands well.</p> <p>Actions required: Be aware of risks in new activities.</p>	<p>Consider the appropriate use of benchmarking and efficiency reviews. Partly addressed through the Challenge Board process. Need to note the limitations in most benchmarking data. Transformation programme is already looking at improving efficiency.</p> <p>In relation to communication on how the Council has delivered Value for Money. This is included in the Narrative Report in the Statement of Accounts, although this has limited readership. The Summer article in Outlook which usually focuses on the financial position was extended to cover Value for Money. To keep under review further opportunities for proactive communication, but also balance the work involved with the level of readership.</p> <p>Be aware of the increased risk when adopting new models of service delivery.</p> <p>Actions required: Continue to use Transformation programme to deliver further efficiency and a new ways of thinking.</p>
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	<p>In summary this Statement requires that the CFO:</p> <ol style="list-style-type: none"> 1. Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest. 2. Must be actively involved in, and able to bring influence to bear on, all material 	None outstanding.	Nothing additional identified.

		<p>business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.</p> <p>3. Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.</p> <p>4. Must lead and direct a finance function that is resourced to be fit for purpose.</p> <p>5. Must be professionally qualified and</p>		
C	<p>The leadership team demonstrates in its actions and behaviors responsibility for governance and internal control.</p>	<p>A proper scheme of delegation that ensures that frontline responsibility for internal and financial control starts with those who have management roles.</p> <p>Clarity over the role of Head of Paid Service and Monitoring Officer.</p> <p>Audit Committee provides independent assurance over governance, risk and internal control arrangements, with a focus on financial management, financial reporting and audit and assurance.</p> <p>Leadership Team with a culture of constructive challenge based on realism. Goals, assumptions and implementation plans are rigorously examined.</p>	<p>The recent SIAS reviews of Finance, Audit and Risk Committee (FARC) made a recommendation about having an independent member.</p> <p>Actions required: Continue to progress with an Independent FARC member.</p>	<p>Leadership Team to be seen as setting and demonstrating the highest standards in governance and internal control. To address any deficiencies promptly.</p> <p>Actions required:</p> <p>To note and ensure compliance with the above.</p>

D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	This framework recommends that the review of the effectiveness of the system of internal control is reported in an annual governance statement	Nonoutstanding.	<p>Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to success and balancing competing demands when determining priorities for the finite resources available. Intention is that proposed budget reviews will include stakeholder engagement.</p> <p>Actions required: When carrying out consultation on budget and spending reviews to consider who to get views from.</p>
E	The financial management style of the authority supports financial sustainability	Strong financial management is assessed against a hierarchy of (1) delivering accountability, (2) supporting performance and (3) enabling transformation. Need to perform well at each level before moving to the next. This is broadly linked to economy, efficiency and effectiveness.	<p>Planned work on better integration of performance and finance data has not taken place, mainly due to other priorities in relation to Covid-19.</p> <p>Actions required: Look at ways to better integrate performance and cost information (Budget Holders supported by Finance).</p>	<p>Consider whether the Leadership Team feels like it has sufficient skills and knowledge to enable the delivery of financial sustainability.</p> <p>Actions required: Continue to provide regular finance updates to Leadership Team on key issues and address any training needs as they arise.</p>
F	The authority has carried out a credible and transparent financial resilience assessment	<p>Requirement to test sustainability against plausible scenarios of cost drivers, service demands, resources and key risks. Review of alternative options to match demand and resources.</p> <p>CIPFA will be providing Authorities with a Financial Resilience Index which may assist in this.</p>	The intention was that the MTFs for 2022/27 (previously planned for 2021/26) would include more scenario testing, analysis of risk areas and develop a longer time horizon. Given the continuing uncertainty over Covid-19 recovery and funding it has focused on that instead.	<p>Ideally any resilience review should have objectivity and independence.</p> <p>An understanding of the Council's assets and how they will be kept fit for purpose is an important component of ensuring resilience. To provide reports on this to the Leadership Team. Whilst this is partly addressed through the Council's investment strategy, to investigate ways to provide additional information.</p>

			<p>The plan is now to carry out the above actions for the 2023/28 MTFS (depending on the Covid situation). As part of that the Leadership Team will need to consider resilience options that are available in the event that significant risks transpire. E.g. what to do if there was a significant increase in a contract price at renewal.</p> <p>Actions required: Development of MTFS for 2023/8 to include scenario testing (Service Director- Resources). Consideration of resilience options (PLB).</p>	<p>Need to have clear plans for delivering savings, and ensure that there is an understanding of the difference between: savings where there is a delivery plan, savings where there is a principle agreed but not a clear strategy, savings that have been proposed but not agreed, and unidentified savings.</p> <p>Actions required: Plan a SIAS review of resilience as part of the 2022/23 audit plan. Review information provided to Leadership Team in relation to the Council's assets (see Appendix B).</p> <p>Ensure that the output of the Council's Challenge Board process includes categorising savings as above, and there is a plan to move them through the stages.</p>
G	<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>Based on the above, have a long-term financial strategy that links to vision, strategy and outcomes. This should include a vision of what services will look like in the future to achieve financial sustainability. The length of the long-term is undefined and should be linked to the risks faced. Potentially should be 10 years+.</p>	<p>The previous Council Plan contained a list of potential actions, but these had not been costed and prioritised. This has been addressed in the proposed Council Plan for 2022-27 where the actions listed have all been budgeted for.</p>	<p>Nothing that has not already been covered above.</p>

H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	<p>The Council has a long-term Capital Strategy that ensures that assets are managed and future plans are linked to capital resources available.</p> <p>Commercial investment activity should be considered over a suitable time horizon with risks fully considered. Ensure compliance with Prudential Code if borrowing.</p>	None outstanding, although potentially a need to review the Property Acquisition and Development Strategy.	Nothing additional identified.
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Translation of the long-term view into a more detailed medium-term financial plan. The time frame of which should support financially sustainable decision making. Clear link to service plans.	None outstanding.	<p>Make use of sensitivity analysis in Medium Term financial planning. Some of this has been included in relation to Covid-19. To look to further develop for the 2023-28 MTFS. Incorporate more details of use and condition of assets in medium-term planning. In line with the comments in F above.</p> <p>Proposed actions required: To review the MTFS and Investment Strategy next year to determine how these can be improved.</p>
J	The authority complies with its statutory obligations in respect of the budget setting process	<p>These are generally covered by part 2 of Local Government Act 2003. This includes robustness of estimates and reserves (covered below) and the requirement for financial monitoring.</p> <p>It also includes section 114 of the Local Government Finance Act 1988, which requires the CFO to issue a report if the Council is about to incur unlawful expenditure. This would include setting an unbalance budget.</p>	None outstanding.	Nothing additional identified.
K	The budget report includes	Reserves to be considered as part of the budget process and should be 'adequate' and	None outstanding.	Nothing additional identified.

	a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	<p>‘necessary’. Should enable the Council to manage unexpected events from within its own resources.</p> <p>The budget report details earmarked reserves held, the purpose of each reserve and estimated opening and closing balances.</p>		
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<p>Enabling residents to understand that resources are limited, and spending has to be prioritised. Leadership Team redirects resources to areas of higher priority. Understanding of statutory service delivery requirements.</p> <p>Use stakeholder consultation to set priorities. Helps to encourage community involvement, which could help reduce costs.</p>	<p>To carry out a budget consultation process when there is greater clarity over future funding. The budget challenge process is helping shape the content for the consultation.</p> <p>Actions required: To undertake public budget consultation in line with greater certainty over future funding and therefore financial forecasts.</p>	<p>Need to identify the stakeholders that are important to engage in a consultation process. Consider models in relation to ‘power’ and ‘interest’. Also consider how to achieve effective engagement (e.g. timing, format, content).</p> <p>Actions required: Plan the consultation bearing in mind the above.</p>
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	Decisions are made from clear business cases that detail the up-front and ongoing costs and benefits. Where appropriate the time value of money should be considered. Alternative options should be considered. The complexity of the business case should be proportionate to the decision.	None outstanding.	Nothing additional identified.

N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The Council should have timely information on its financial and operational performance. Performance indicators should be reviewed, alongside any overspends/ undelivered savings.	As E above, consider how to better align performance and financial reporting.	<p>Raises the need for timely reporting. The standard reporting timetable is relatively delayed. But more frequent reporting was introduced in relation to Covid-19 impacts. This will be continued/ used again as required. Therefore, no specific actions.</p> <p>Consider incorporating key partner performance in monitoring reports as an indicator of risk.</p> <p>To seek feedback from Leadership Team on whether financial monitoring reports allow appropriate decision making.</p> <p>Actions required: To review what partner performance data would help in assessing risk. Continue to seek feedback on financial monitoring reports.</p>
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	Need to await the guidance notes as the Code itself is unclear on the requirements. There is reference to monitoring material elements of the balance sheet that might give indications of departures from financial plans. Specific reference is made to commercial asset portfolios, contingencies and provisions. Cash flow is managed in accordance with guidance.	None identified due to lack of detail.	<p>Highlights the need to raise awareness of the various elements of the Council's balance sheet, what they mean and the potential impacts/ risks. Also aligns to points raised previously about assets, and their condition.</p> <p>Actions required: To provide a more detailed report on this (see Appendix B).</p>
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the	The CFO has statutory responsibility for (1) producing the accounts and ensuring they are published on a timely basis (2) maintaining financial records (3) certification of the accounts and confirmation of a 'true and fair view'.	None outstanding.	Nothing additional identified.

	local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom			
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	The narrative report that accompanies the accounts provides a link to achievement of outcomes and performance. The Leadership Team understand variances from budget and how they have been managed. The future implications of variances should also be considered i.e. will it affect the financial strategy/ financial resilience.	None outstanding.	To consider whether outturn reporting is effective. The end of year report follows the same format as the quarterly reports. So, links to the action in N above.