
CIPFA Financial Management Code

Committee considering report:	Governance Committee
Date of Committee:	16 April 2024
Portfolio Member:	Councillor Iain Cottingham
Date Portfolio Member agreed report:	10 January 2024
Report Author:	Joseph Holmes

1 Purpose of the Report

- 1.1 The CIPFA (Chartered Institute of Public Finance & Accountancy) FM (Financial Management) Code has been in its current format since 2020-21 and forms part of the support available to build a sustainable financial future. The Code is based on a variety of good practice statements and is supported by a significant amount of guidance notes. The Council, through its Finance & Governance Group, has reviewed a self assessment against the CIPFA FM code for the 2023-24 financial year. This self assessment will likely be used by the Council's external auditors as part of their Value for Money work, but it is a helpful piece of work to undertake in its own right to highlight where the Council can improve and how it compares to the CIPFA FM code.
- 1.2 The self assessment review has highlighted four main areas for improvement against the following themes, with the other 13 themes of the code being assessed as green:
 - The authority has carried out a credible and transparent financial resilience assessment
 - The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves
 - The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget
 - The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions
- 1.3 This report has not been subject to external review yet but will be provided to our external auditors for this purpose, as well as potentially review by internal audit as well.

2 Recommendation

- 2.1 For members to comment on and note the report

3 Implications and Impact Assessment

Implication	Commentary			
Financial:	None directly other than the purchase of the FM code; however, the report does highlight a variety of improvements and specifically the need for the Council to improve its reserves position.			
Human Resource:	None directly			
Legal:	None directly			
Risk Management:	The assessment has highlighted the need to improve the Council's reserve position (which has been recognised in the quarterly revenue budget report to Executive as well as the forthcoming budget papers).			
Property:	None directly			
Policy:	None directly			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		No decision within the report

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		See above
Environmental Impact:		X		None identified; report is a to note summary
Health Impact:		X		None identified; report is a to note summary
ICT Impact:		X		None identified; report is a to note summary
Digital Services Impact:		x		None identified; report is a to note summary
Council Strategy Priorities:		x		None identified; report is a to note summary
Core Business:	X			The completion of the CIPFA FM code self-assessment should assist core business is identifying areas for improvement
Data Impact:		X		None identified; report is a to note summary
Consultation and Engagement:	Finance & Governance Group			

4 Executive Summary

- 4.1 The Council, through the Finance & Governance Group (a group consisting of officers who meet to discuss governance issues arising and financial reporting / audit considerations), has reviewed a self assessment against the CIPFA (Chartered Institute of Public Finance & Accountancy) FM (Financial Management) Code. The code existed to set out the guidance for what best practice looks like in the sector for ensuring sustainable financial management.

4.2 The CIPFA FM Code has a variety of key themes (A to Q) that highlight 17 different areas of financial management (including leadership and governance). A self assessment against these themes has been undertaken (full details in appendix A) and has highlighted the following areas as areas for improvement (amber):

- F - The authority has carried out a credible and transparent financial resilience assessment
- K - The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves
- L - The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget
- M - The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions

4.3 There are areas in all of the above where in year improvements are being made, these are the areas that still require further improvement, and have strong links with other assessments undertaken across the Council, for example the Annual Governance Statement. Given the Council's financial position, though there has been assessments of financial resilience and use of available tools, the very low levels of reserves do highlight this as an area that must be improved upon in order to achieve greater financial sustainability in the short and medium term.

4.4 The document is for members to discuss and the self assessment will be provided to the Council's external auditors (KPMG for 2023-24) as part of their Value for Money audit work.

5 Supporting Information

Introduction

5.1 The most recent CIPFA FM (Financial Management) Code was introduced in 2020 and it provides guidance for good and sustainable financial management in Councils. The code requires Councils to demonstrate that they've put in place the principles of good financial management. Councils are required to comply with the code (in a similar way to the prudential code), and this summary sets out the Council's latest self assessment against the principles of the code. The Council has completed a previous self-assessment and the Council's external auditors are expected to have focussed more on the Value for Money element of their audit in recent years with a change to the overall code of audit practice.

Background

5.2 The CIPFA FM code covers a wide range of themes. It is not focussed solely on finances and takes a wide view of financial management. Indeed, in the assessment areas A to Q, a large amount of them are focussed on issues of good governance, leadership and project management.

5.3 The self-assessment undertaken is supported by different forms of evidence from across the Council. The full self-assessment is included in appendix A, with the summary assessment included below in table 1.1. The assessment has been scored internally as green (fully complies), amber (partially complies) and red (does not comply).

CIPFA Financial Management Code

- 5.4 The self assessment has highlighted areas for improvement. The main areas for improvements are strongly linked to the current financial position the Council faces and the Annual Governance Statement. Financial resilience is a key themes. The Council does have a transparent assessment and has included the CIPFA resilience index within the revenue budget papers since its inception, but given the very low levels of reserves that the Council currently, this is an area the Council can improve on highlighting risks and drivers of low financial resilience to leadership and decision makers. The forthcoming MTFS (Medium Term Financial Strategy) paper (to February Full Council) will highlight an increase in reserves of £6m over the life of the MTFS to improve financial resilience, but the current pressures in year and for 2024-25 have increased the risks the Council faces in ensuring its financial resilience with requesting exceptional financial support from Government.
- 5.5 Other areas for improvement are around engagement with key stakeholders and options appraisals. Compared to other Councils there has been a lot of engagement around the budget in recent years (and for 2024-25 there have been a variety of in person roadshows with the public as well as a budget consultation that closes on the 11th January 2024). This is an area that the Council are focussing on further and have used a stakeholder matrix to understand engagement focus further. The 2024-25 budget consultation has seen a significant level of response so in future years this assessment may well turn green.
- 5.6 In respect of option appraisals, this is an area highlighted in recent annual governance statements. A lot of work has been completed on putting in place new governance arrangements and the new boards overseeing project governance should be an enhancement to ensuring that options appraisals are being completed on a consistent basis and sharing more best practice across the Council.

Table 1.1: Summary of CIPFA FM Code

Area	Standards description	Assessment	Comments
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money		
B	The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government (2016)</i>		
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control		
D	The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework (2016)</i>		

CIPFA Financial Management Code

E	The financial management style of the authority supports financial sustainability		
F	The authority has carried out a credible and transparent financial resilience assessment		
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members		
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities		
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans		
J	The authority complies with its statutory obligations in respect of the budget setting process		
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves		There is a statement with detail on the robustness of estimates and reserves for WBC budgets. However, there is a question on 'does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future'. This was true for 2023-24, however, there is a substantial in year overspend that is putting the Council's general fund below the minimum level set by the s151 officer.
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget		See comments above; further engagement is taking place for 2024-25.

M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions		
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability		
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability		
P	The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom		
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions		

6 Other options considered

6.1 The Finance & Governance Group could have chosen not to request a self-assessment and rely on its overall processes to comply with the CIPFA FM code. This was disregarded as it is important that we continue to self-assessment against sectoral best practice to demonstrate our commitment to continuous improvement.

7 Conclusion

7.1 For Corporate Board and Operations Board to comment on the report, note the self-assessment, and the need to improve the financial sustainability of the Council specifically in respect of the Council’s reserves position.

8 Appendices

Appendix A – Self assessment against the CIPFA FM code

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: All

Officer details:

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CIPFA FM Code self assessment

		Evidence	Further supporting information
A	<ul style="list-style-type: none"> Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team? Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved? 	<ul style="list-style-type: none"> Performance against the ‘3 Es’ is evidenced through procurement activity (see Procurement Board), as well as regular detailed review of cost centres (for e.g. financial challenge panel 2021) with member oversight. Evidence on equity is measured through consultation and engagement as part of schemes and strategies, though this is not undertaken across all activity. The governance structure is currently under review (and is highlighted in the Annual Governance Statement – AGS); within the senior management team, over half of the CMT/CLT tier are interim (though internal interim staff). The Council has effective scrutiny arrangements in place, including some more targeted review e.g. fees and charges in 2022 Audit arrangements are in place and reported to those charged with governance, though the 2020-21 and 2021-22 financial statements remain outstanding due to GT staffing issues The corporate strategy is clear; a new strategy is currently being consulted on The Council has a clear financial and service planning process that is articulated across senior management The Council has an Outcomes Based Budgeting approach to financial planning looking over a 4 year time horizon; the MTFs shows the requirement for @£20m of savings (2023-27) with just under £13m identified 	

		<ul style="list-style-type: none"> • The approach aims to encourage greater longer term planning and creativity and move away from short term savings • The approach has been partial successful; over the last two years the Council has moved away from having a year on year approach to savings, with some proposals identified in years 2 to 4, as well as framework for the themes of savings. However, the major increases to inflation have significantly dented this approach (for example the 2022-26 MTFS forecast a savings requirement of £2.5m lower for the FY23/24 than emerged). • Longer term contractual arrangements are mixed; there are some positive relationships built with the ASC care market that have enabled a level of stability (though this has come with significant increases to unit costs); relationships are flexible with the waste PFI contractor and have seen an introduction of an enhanced service with weekly food waste collection during the FY22/23. Though contractor failure is rare, there have been some significant changes to contracts during the year in grounds maintenance and leisure services in the year. • There are transparent arrangements for scrutiny and oversight of financial information; quarterly reports go to the Executive, and OSMC beforehand where the timescales allow now. Budget papers are available for over a month in the public domain before the final budget decision is taken. 	
<p>B</p>	<ul style="list-style-type: none"> • Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to 	<ul style="list-style-type: none"> • Yes the CFO attends Corporate Board, Operations Board and other strategic boards within the Council's governance structure 	

	<p>bear on, all material business decisions?</p> <ul style="list-style-type: none"> • Does the CFO lead and champion the promotion and delivery of good financial management across the authority? • Is the CFO suitably qualified and experienced? • Is the finance team suitably resourced and fit for purpose? 	<ul style="list-style-type: none"> • Yes – the finance service provides challenge and support to the wider organisation and has enabled innovation in schemes, for example the Community Municipal Investment • Yes, 10 years experience as a s151 officer – CIPFA qualified • Yes – there are resourcing constraints in specialists areas in line with many other Councils, though no significant savings have been taken from the finance team in recent years and there are an increasing number of qualified and part qualified accountants through a successful training scheme. 	
<p>C</p>	<ul style="list-style-type: none"> • Does the leadership team espouse the Nolan principles? • Does the authority have in place a clear framework for governance and internal control? • Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability? 	<p>The Leadership Team is required to adhere to the Officers Code of Conduct which reflects the Nolan Principles. The Code of Conduct does not however explicitly refer to the Nolan Principles, and this is something that should be addressed when the Code of Conduct is reviewed next year.</p> <p>The Council has also recently adopted a new Behaviour Framework, which also reflects the Nolan Principles (albeit not explicitly). This will become embedded into the appraisal process.</p> <p>The Council has recently reviewed a significant part of its Constitution and is due to complete this work next year. Further, there has been a review of internal governance undertaken by the Chief Executive, which is due to be implemented following the review of the Council’s Constitution. This review has been subject to consultation with officers, and there has been a programme of training for senior officers, to ensure that there is a good understanding of the relevant processes. The Council’s Digital Team have also developed a tool, which will inform officers of the correct decision-making route for a particular project.</p>	<p>See HR led behaviour framework</p> <p>See Governanc</p>

	<ul style="list-style-type: none"> Does the leadership team espouse high standards of governance and internal control? Does the leadership team nurture a culture of effective governance and robust internal control across the authority? 	<p>Yes. Reports should be signed off by a senior officer, and Corporate Board (Membership of CEO, Executive Directors and the Monitoring Officer) consider all reports before they go into the public domain. Corporate Board should also see all reports before they are shared with Members.</p> <p>The senior leadership team have been supportive of the recent governance review, as there was a collective view that previous controls impeded quick and efficient decision making. The new governance boards are chaired by either Executive or Service Directors, and will be supported by officers from Finance, Legal etc.</p> <p>There is a planned review of the updated governance arrangements 12 months after implementation, to ensure that the stated aims of that review have been achieved.</p>	<p>e review by CPfS</p> <p>See training on governance framework – Summer 2023</p> <p>Governance framework paper - 2023</p>
<p>D</p>	<ul style="list-style-type: none"> Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements? Does the authority have in place a suitable local code of governance? Does the authority have a robust assurance process to support its AGS? 	<p>Yes – the framework is reflected in the Council’s AGS</p> <p>Yes – a separate code of governance was introduced in 2021 and update for 2023</p> <p>Yes – this is built up per the AGS that is approved and articulated and supported by review of the Corporate Risk Register, Internal audit and external audit reports as well as information from programme management</p>	<p>Local Code of Governance</p> <p>Annual Governance Statement</p>
<p>E</p>	<ul style="list-style-type: none"> Does the authority have in place an effective framework of financial accountability? 	<p>Yes – this is included in the Council’s constitution and governance arrangements with accountability to budget holders</p>	<p>See constitution</p>

	<ul style="list-style-type: none"> Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services? Does the authority's finance team have appropriate input into the development of strategic and operational plans? Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so? <ul style="list-style-type: none"> Has the authority sought an external view on its financial style, for example through a process of peer review? Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities? 	<p>Yes – demonstrated through regular benchmarking to assess areas of known higher costs. Recent EDI framework (November 2023) to continue improvement in equity of services. Work completed on greater engagement through the budget process (consultation and community engagement in services) from 2022 onwards. Transformation programme creation with focus on key areas to improve the 4 'E's' – specifically on assets, business support, HtST, HR activity, planning and ASC care provision</p> <p>Yes – finance managers are closely aligned to forthcoming plans and projects. Finance representative across governance boards.</p> <p>Yes – training provided through finance</p> <p>Peer Review taking place in February 2024</p> <p>Yes – recent review of constitution realigned some areas of delegation to closely reflect the Council's management arrangements</p>	<p>https://decisionmaking.westberks.gov.uk/documents/s116289/8.%20Corporate%20Transformation%20Programme.pdf</p>
<p>F</p>	<ul style="list-style-type: none"> Has the authority undertaken a financial resilience assessment? Has the assessment tested the resilience of the authority's financial plans to a 	<p>Not an external financial resilience assessment. Internally this forms a key part of the budget setting papers supporting the CFOs reserves levels set. Tools are available e.g. CIPFA resilience index. This assessment has been included within the revenue budget papers since the resilience index was introduced and has highlighted to members areas of comparative high and low financial resilience which has helped inform the budget setting process</p>	<p>See appendix E to the revenue budget for 2022-23 and before</p>

	<p>broad range of alternative scenarios?</p> <ul style="list-style-type: none"> • Has the authority taken appropriate action to address any risks identified as part of the assessment? 	<p>The assessment has highlighted (as is known to WBC) a reduced level of reserves and a need to stop the use of reserves to support future budgets. Outside of external funds, the 2023-24 budget is using less than £1m of reserves.</p> <p>The MTFS includes a scenario plan of different impacts on the Council's budget. What has significantly tested the Council's financial resilience in the current year has been the continued increases to Children's and Adult's social care</p> <p>From 2024-25 the MTFS highlights the requirement to increase reserves by £1m in 2024-25 and increasing by a total of £6m over the life of the MTFS to replenish the General Fund balance and rebuilt service risk reserves</p>	<p>See MTFS</p>
<p>G</p>	<ul style="list-style-type: none"> • Does the authority have a sufficiently robust understanding of the risks to its financial sustainability? • Does the authority have a strategic plan and long-term financial strategy that adequately address these risks? • Has the authority sought to understand the 	<p>Notwithstanding the above, yes – key risks are identified either through to the Corporate Risk Register e.g. inflation or where they are long term risks e.g. social care demand, they are monitoring monthly with formal reporting through to members quarterly. There are regular budget board meetings with senior managers and the Executive with financial sustainability regularly the primary item</p> <p>Partial – the MTFS highlights the need for @£20m savings between 2023-27; @£13m of this has been identified, but there are clearly further savings to be found. The largest external issue is the future of 'fair funding' and the business rates retention proposals and baseline reset from Government; these reforms have been paused for 5 years – their continued pause is more likely to benefit WBC and the MTFS is based on this...though it of course very uncertain.</p>	

CIPFA Financial Management Code

	<p>impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)?</p> <ul style="list-style-type: none"> Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making? 	<p>Yes – see the MTFS which includes scenario planning for financial challenges</p> <p>Yes – see the above – Budget Board papers available</p>	
H	<ul style="list-style-type: none"> Has the authority prepared a suitable capital strategy? Has the authority set prudential indicators in line with the Prudential Code? Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set? 	<p>Yes – the Capital Strategy for 2023 has been lengthened to 10 years ahead (it was previously 5)</p> <p>Yes – see the Capital Strategy and also the Investment and Borrowing Strategy</p> <p>Yes – key indicators are monitored during the year with mid-year reports and outturn reports on the Investment and Borrowing Strategy going to the G&E committee in the public domain.</p> <p>The Council also has a well established internal Treasury Management Group that meets quarterly (and includes the finance portfolio holder) to monitor performance against the prudential code, future borrowing and investment decisions and wider risks to the Council's treasury management position</p>	<p>https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=116&MId=6983&Ver=4</p> <p>https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=388&MId=6764</p>
I	<ul style="list-style-type: none"> Does the authority have in place an agreed medium-term financial plan? 	<p>Yes – a separate MTFS (Medium Term Financial Strategy) document is presented to the Executive and Council as part of the budget setting process to enable greater scrutiny of the longer term financial implications for WBC</p>	<p>https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=388&MId=6764</p>

	<ul style="list-style-type: none"> Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims? 	<p>Yes – there's a strong link between the MTFS and the Council Strategy and the capital strategy</p> <p>Yes – the main demand budgets are separated out in the revenue budget papers with the volatility highlighted and modelled through with expected cases – see appendix B to the revenue budget</p> <p>Yes – see scenario planning contained within the MTFS papers towards the end of the paper</p> <p>Yes – a revised asset management strategy was approved by the Executive in June 2022 (see item 7). Further work has been completed with Peopletoo and CIPFA on the corporate landlord model and options for introducing this to WBC.</p>	<p>ents.aspx?CId=116&MId=6983&Ver=4</p> <p>https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=117&MId=6899&Ver=4</p>
<p>J</p>	<ul style="list-style-type: none"> Is the authority aware of its statutory obligations in respect of the budget-setting process? Has the authority set a balanced budget for the current year? Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so? 	<ul style="list-style-type: none"> Yes – this is reflected in the constitution (and the budget and policy framework as well as financial rules of procedure have recently been updated). Yes – see budget papers – a much lower use of reserves (majority of which is using specific reserve) Yes – aware of requirements. Regularly papers to Finance Governance Group on where these have (or are going to be) issued in other Councils and review external reports for any implications for West Berkshire Council. Reports to the Executive during 2023-24 have set out the circumstances of a s114 report and how this would occur. 	<p>Item 74 https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=116&MId=6170</p> <p>https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=116&MId=6170</p>

			<p>CId=116&MId=6983</p> <p>See Finance Governance Group papers</p>
K	<ul style="list-style-type: none"> Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves? Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case? Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future? Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall? 	<ul style="list-style-type: none"> Yes – specific appendix of the revenue budget report setting these items out, where these have changed and what the implications are Yes – estimates are highlighted and within the MTFS some scenario planning is included referencing back to some of the key estimates included within the financial planning process e.g. interest costs Yes – as recognised in the report, these reserves have been declining in the last two years. However, the total levels of reserves remains higher than the budget set before the pandemic for 2019-20; reserves did increase during the pandemic (in part, but not entirely, due to Collection Fund accounting) and have decreased to just above the minimum level set with a small amount of specific earmarked reserves. The MTFS highlights the need to increase earmarked reserves, and specifically risk reserves, by £1m in each of the upcoming three years. 	<p>Appendix Ei and ii https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=116&MId=6983</p>
L	<ul style="list-style-type: none"> How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget? How effective has this engagement been? What action does the authority plan to take to improve its engagement with key stakeholders? 	<ul style="list-style-type: none"> Partial – there have been budget simulator (which was very interactive) and consultation exercises with the wider public on the forthcoming budgets, much greater use of communications channels, interactive Facebook live sessions etc. 376 responses to the 2023-24 budget which was positive comparatively high. 	<p>Budget consultations have been completed – https://westberks.gov.uk/balanci</p>

		<p>However, engagement is much more internally focussed within the Council rather than with wider partners</p> <ul style="list-style-type: none"> - Utilisation of the stakeholder matrix will be considered as part of the 2024-25 budgetary process to ensure greater representation in our works 	<p>ngourbudget</p>
<p>M</p>	<ul style="list-style-type: none"> • Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication <i>Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal</i>? • Does the authority offer guidance to officers as to when an option appraisal should be undertaken? • Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? • Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty? • Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)? 	<ul style="list-style-type: none"> - The option appraisal methodology is covered to some degree in our Project Brief where it prompts the PM to consider value for money, social value and the three options of doing nothing, doing the minimum and doing the best case scenario which encourages them to have calculated and considered all of the possibilities. However, it is not covered in the detail as shown in the publication referred to which is very complex and aimed more at accountants. That said, some of the Property or Education project management teams do more in-depth investment appraisals around the sums of money they spend which are much larger. There is an opportunity to review this guidance further to see how to improve our internal documentation. The Prioritisation template does ask some questions but not to the degree that is set out in the document. • Yes, the Project Briefs/PIDs could always be more detailed and as some are pared down for smaller projects. The Project Briefs are now better challenged and insufficient detail in a PB means that it won't be passed through the governance structure. Our governance and understanding of the business cases is definitely improving and we are asking for more information on the deliverables both financial and non financial. PMs and Sponsors are asked to make recommendations around the considered options to demonstrate the reasons for proceeding in a particular way. If the governance group agrees with the proposal and feel that sufficient challenge has been 	

		<p>made, they will approve the proposal for delivery. Another thing that could be done more often is to reassess as we move into delivery whether the proposal remains value for money and aligned with the original business case. The Council needs to consider challenging ‘sunk cost fallacy’ and also ensure that we clearly articulate reasons for non delivery of projects / reasons for overspends etc.. This could be down to the level of project management maturity in the organisation though and that many of the projects undertaken are required anyway such as system upgrades or statutory requirements which leave us with little option.</p>	
<p>N</p>	<ul style="list-style-type: none"> • Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability? • Do the reports cover both forward and backward-looking information in respect of financial and operational performance? • Are there mechanisms in place to report the performance of the authority’s significant delivery partnerships such a contract monitoring data? • Are the reports provided to the leadership team in a timely manner and in a suitable format? • Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action? 	<p>Yes – reports are clear and provided quarterly to decision makers with a different suite of reports depending on the audience. These articulate reasons for emerging risks (as does the risk register) to the in year and overall budget strategy. In 2022-23 for the first time, the Council included an in year MTFS review to give an updated position to members due to the extreme inflation impact that the Council faced.</p> <p>Yes – reports are forward and backward looking; the forward looking element could be improved to longer term financial sustainability.</p> <p>Partial – significant partnerships are monitored with cost implications arising. Contract monitoring is an area for improvement for the Council.</p> <p>Yes – the reports come through to the leadership team within the month of each quarter and to the Executive sometimes in less than a month from quarter end</p> <p>Yes – the leadership does take action and mitigations and make amendments and adjustments to reports as they travel through</p>	<p>See Executive reports and more detailed ones to Corporate Board and Operations Board.</p>

<p>O</p>	<ul style="list-style-type: none"> • Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability? • Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet? • Is the authority taking action to mitigate any risks identified? • Does the authority report unplanned use of its reserves to the leadership team in a timely manner? • Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes? 	<p>Yes – General Fund balances and earmarked reserves – separate reports are included in the budget papers on these and they are regularly report to, for example budget board, as well as a fulsome summary in the Financial Statements.</p> <p>Yes – the outturn monitoring position is geared towards the changes to the General Fund balance</p> <p>Yes – in 2022-23 almost all earmarked reserves were utilised to support the General Fund balance position of £7m</p> <p>Yes – unplanned in year use of reserve was reported early in 2022-23 financial year.</p> <p>Partial – further work is required on some other key elements of the balance sheet risks, for example collection fund and investment property valuations.</p>	<p>See budget papers and in year monitoring papers</p>
<p>P</p>	<ul style="list-style-type: none"> • Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements? • Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms? • Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i>? 	<p>Yes – the CFO is clear on their responsibilities; the CFO regularly attends the G&E committee updating members on the latest position on the preparation and audit of the financial statements.</p> <p>Yes – included through the Council's constitution, responsibilities of the CFO, through to the HoF&P</p> <p>Yes – the accounts have been prepared in line with DLUHC (and predecessor) timescales</p>	<p>See paper 5 https://decisionmaking.westberks.gov.uk/ie/ListDocuments.aspx?CId=388&MId=6764&Ver=4</p> <p>Constitution and perf. Mngt docs</p>
<p>Q</p>	<ul style="list-style-type: none"> • Is the authority's leadership team provided with a suitable suite of reports on the authority's financial 	<p>Yes – quarterly reports are provided for both revenue and capital setting out key variations</p>	<p>See item 11 and 12</p>

	<p>outturn and on significant variations from budget?</p> <ul style="list-style-type: none"> • Is the information in these reports presented effectively? • Are these reports focused on information that is of interest and relevance to the leadership team? • Does the leadership team feel that the reports support it in making strategic financial decisions? 	<p>and progress on achieving the year’s financial savings programme. Monthly reports are prepared for key risks areas; primarily adults and children’s social care models where regular meetings are held with senior finance and service staff to review and identify actions</p> <p>Yes – the reports attempt to mix written description and graphs to highlight the overall narrative and make these as simple as possible whilst contained sufficient financial information</p> <p>Yes – per the above, there is additional focus on the main risk areas of the budget, social care.</p>	<p>of https://decisionmaking.westberks.gov.uk/ieListDocuments.aspx?CId=118&MId=6897</p>
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