

REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 26th APRIL 2021
SUBJECT:	Croydon Finance Review - Phase 1 Report - Update on Implementation
LEAD OFFICER:	Chris Buss – Interim Director of Finance, Investment and Risk
CABINET MEMBER:	Councillor Stuart King, Deputy Leader (Statutory) and Cabinet Member for Croydon Renewal
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: <i>Implementation of the recommendations of the Croydon Finance Review forms part of the Croydon Renewal Plan</i>	
FINANCIAL IMPACT The consultancy cost of Phase 1 of the Croydon Finance Review was £48,000, with all other associated costs absorbed within existing budgets as part of business as usual. The recommendations of the review will be considered for additional funding where necessary through the council's normal governance arrangements.	

1. RECOMMENDATIONS

- 1.1 To note and comment upon the progress in implementing the recommendations of Phase 1 of the Croydon Finance Review

2. EXECUTIVE SUMMARY

- 2.1 The council commissioned a full root and branch review of its financial management in May 2020 from a suitably qualified independent finance consultant.
- 2.2 Phase 1 of the review, which focuses on three key areas: long to medium term financial management, the annual budget, and monitoring financial performance, was considered by GPAC on 20th October 2020. GPAC received an update on implementation on 27th January 2021. This report further updates the committee on progress with implementing the 75 Phase 1 recommendations.
- 2.3 A summary of the current position concerning the implementation of the recommendations is presented at Appendix A.
- 2.3 The action plan to implement the 75 recommendations is attached at Appendix B. Progress is noted against each recommendation. Some significant progress

is reported in relation to the MTFs, budget setting, and budget monitoring.

3. BACKGROUND

- 3.1 In response to the impact of the Covid19 pandemic on the council's financial position, its capacity to deliver its budget priorities moving forward, and integration with health partners, the council commissioned a full root and branch review of its financial governance, strategy and planning, leadership, decision making, management and group company structures in May 2020.
- 3.2 The review has been carried out by a suitably qualified and experienced financial consultant, Ian O'Donnell; the former executive director of resources at Ealing Council. The review of group company structures was commissioned separately, from PWC, and has been subject to different reporting arrangements.
- 3.3 The plan was to deliver the review in phases, in line with the activity plan reported to the Croydon Finance Review Panel. However, the Croydon Renewal Plan has superseded the Croydon Finance Review and the recommendations from Phase 1 have now been incorporated in the Renewal Plan. The remainder of the review will now be delivered as part of the Renewal Plan and will be subject to the associated reporting arrangements.
- 3.4 Phase 1 focused on three key areas: long to medium term financial management; the annual budget; and monitoring financial performance. These areas were prioritised because of the urgent need to address the council's financial position and their immediate importance in that regard. The report set out 75 recommendations for change.
- 3.5 The standards used as a benchmark for the review are the various statutory and professional standards that apply to financial management in local authorities, as presented in CIPFA's Financial Management Code and in other professional advisory publications.
- 3.6 The Phase 1 report was considered by GPAC on 20th October 2020, and progress was reported to GPAC on 27 January 2021. This report provides a further update on progress with implementing the recommendations.

4. PROGRESS UPDATE

- 4.1 An action plan to implement the 75 recommendations has been created and is attached as Appendix A.
- 4.2 Some recommendations relating to key improvements have already been implemented. These include:
 - Financial governance: new arrangements are in place for budget setting involving all cabinet and ELT members in the budget development process through budget development meetings.
 - The council's medium term financial strategy (MTFS) has been reviewed and updated.

- The MTFs sets out a plan to build up reserves over three years to provide the council with adequate resilience.
- Previously unreported financial risks have been identified and included in forecasts.
- Work has been commissioned to develop a new 30 year plan for the HRA and a new Asset Management Plan.
- A review of the capital programme has been completed.
- Budget savings proposals put forward for 2021/22 have received additional validation by PWC.
- Budget monitoring is carried out monthly and reported to ELT and cabinet members, with reports to Cabinet quarterly but moving to monthly in the new financial year.
- A savings tracker has been developed and implemented to ensure budget reductions effected promptly and reported.

4.3 Meetings have been held with the officers who hold actions in order to assess progress.

4.5 It has been agreed with Internal Audit (Simon Maddocks) that the action plan will be reviewed as part of the annual audit plan, to ensure that the actions agreed are completed fully.

4.6 Progress on the implementation of these recommendations will be reported regularly to the Renewing Croydon Steering Group and Improvement Board, as well as GPAC.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The delivery of the proposals set out in the improvement plan do require investment (both of a one-off nature and on an ongoing capacity). Provision for such investment was contained within the budget agreed by Cabinet and then Full Council in March. Investment includes that for not only the Council's finance team and systems, but also recognises the need to upskill budget managers in delivering their contribution to managing the Council's budgets.

5.2 Particular risk exists in not investing in these improvements with regard to the Council being able to accurately forecast and manage its finances over the short and medium term. Failure to make such investment and deliver on the improvement plan would be likely to lead to additional pressures in excess of the investment being required as well as a risk that MHCLG's assessment of Croydon Council's ability to re-balance its budget position without the need for commissioners to be appointed.

Approved by: Chris Buss, Interim Director of Finance, Investment and Risk

6. LEGAL CONSIDERATIONS

6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that standards being used for the review are set out in the Chartered Institute of Public Finance and Accountancy's Financial Management Code (the CIPFA FM Code) and other professional advisory publications which embed the various statutory and professional requirements

which apply to financial management within the Council. The Council is required to apply the requirements of the FM Code with effect from 1 April 2020.

- 6.2 The CIPFA FM Code is also supported by the statutory requirement to have in place sound financial management set out in Section 151 of the Local Government Act 1972 which requires that every local authority in England and Wales should "... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs".
- 6.3 Those responsibilities are further reinforced by Section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all Members if there is or is likely to be unlawful expenditure or if expenditure in the year (including forecasted expenditure) is likely to exceed resources (including borrowings). Members will be aware of the two section 114(3) reports which have to date been issued by the Chief Finance Officer to all Members under these provisions.
- 6.4 CIPFA's judgment is that compliance with the CIPFA FM Code is necessary for local authorities to demonstrate that they are meeting those legislative requirements and evidence how the Chief Finance Officer is meeting their statutory responsibility for sound financial administration.

Approved by: Sandra Herbert Head of Litigation and Corporate Law for and on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There is a proposal in development concerning the structure of the Finance team. This will be brought forward through the council's usual decision-making processes in 2021/22 financial year.

8. EQUALITIES IMPACT

- 8.1 There are no specific equalities implications.

9. ENVIRONMENTAL IMPACT

- 9.1 There are no specific environmental implications

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no specific crime and disorder reduction implications.

11. DATA PROTECTION IMPLICATIONS

- 11.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

There are no data protection considerations as no personal data is included in or processed in relation to this report.

CONTACT OFFICER: Chris Buss, Interim Director of Finance, Investment and Risk

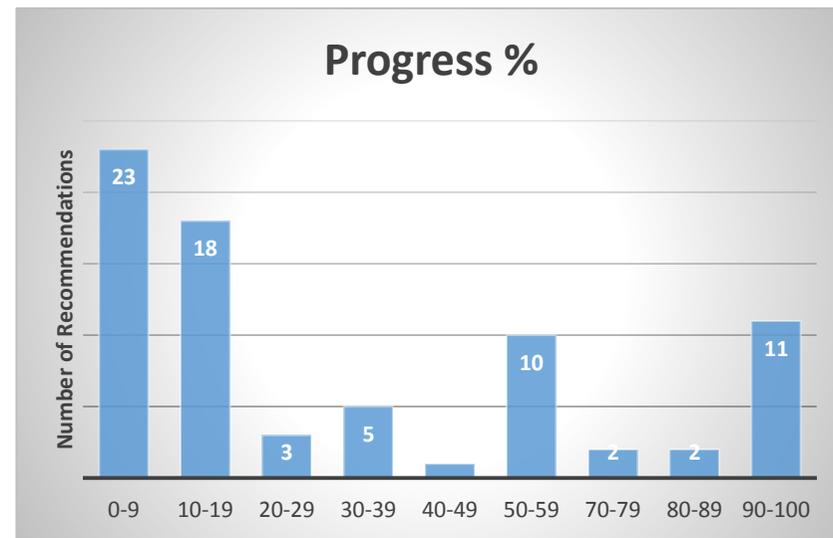
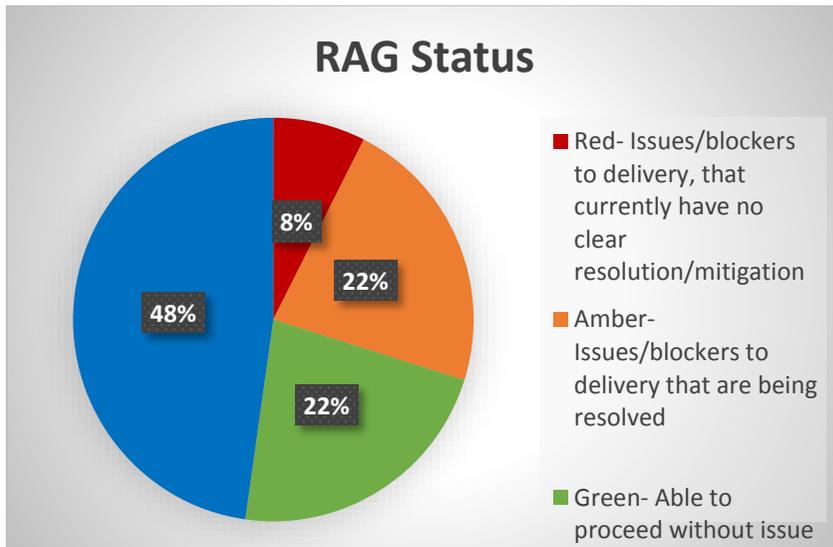
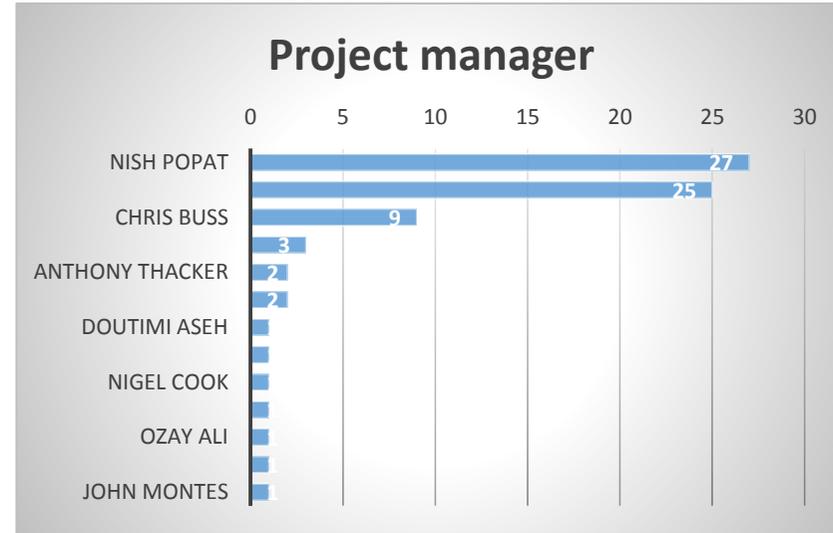
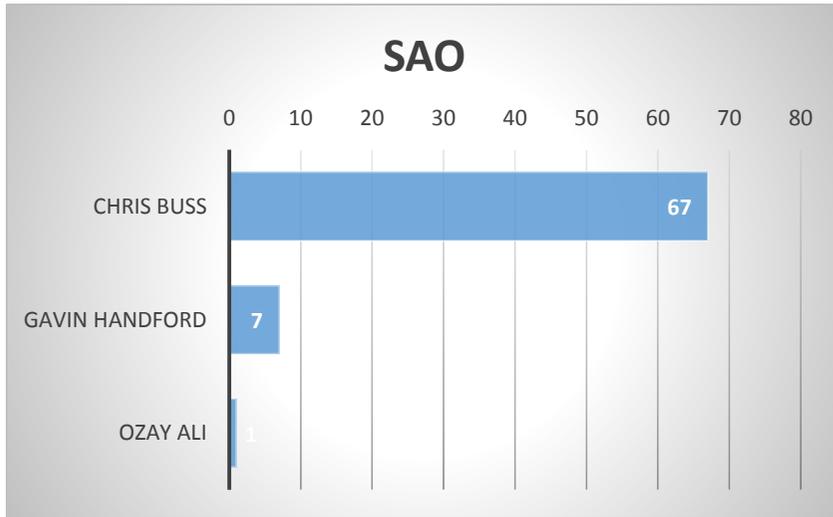
APPENDICES TO THIS REPORT

[appendices to be attached to this report must be listed in number order below]

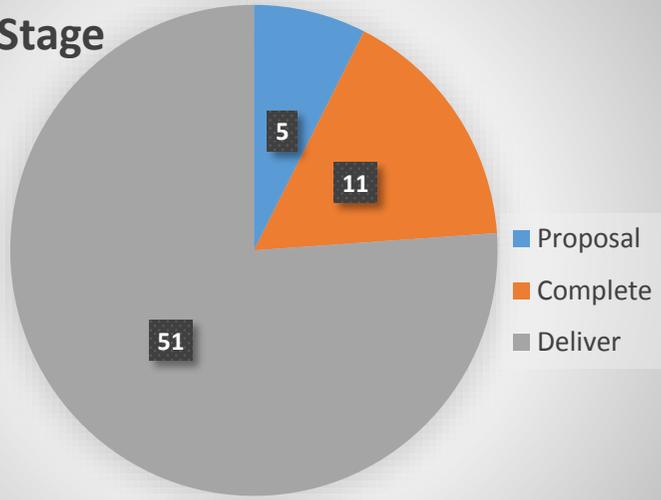
Appendix A – Finance Review Phase 1 – Progress Summary

Appendix B – Finance Review Phase 1 - Action Plan

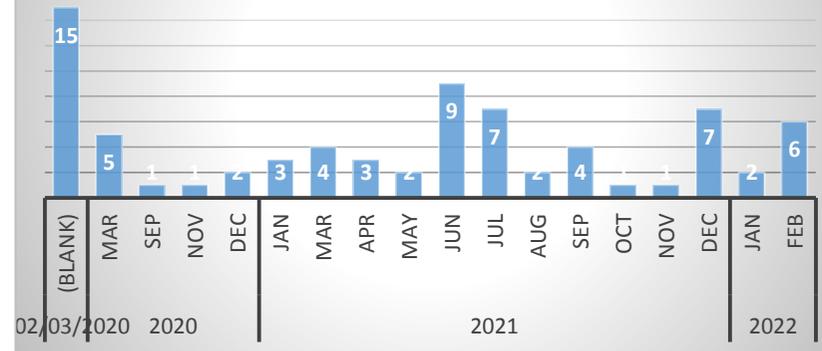
Appendix A – Finance Review Phase 1 – Progress Summary



Stage



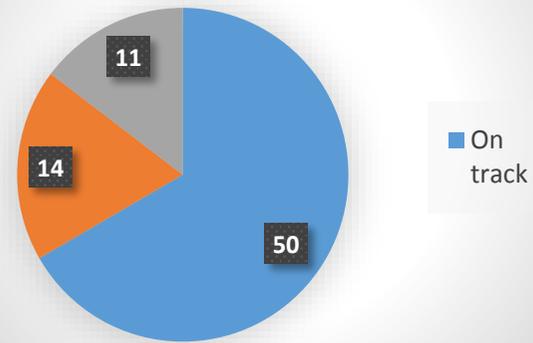
Number of Project Due to be Completed per Month



Stage of Projects by Priority



Number of Overrun Projects



Appendix B – Finance Review Phase 1 - Action Plan

Appendix A- Finance Review Phase 1 Action Plan

No.s	Recommendation	Lead Officer	Stage	% Progress	Latest update	Target end date	RAG	Path to green
1	The authority should conduct a scenario based financial resilience assessment to support the Medium Term Financial Strategy [BP 1].	Nish Popat	Deliver	50	This will be done as part of 22/23 budget setting.	01/02/2022	-	
2	The authority should make greater use of independently verified comparative data in assessing its financial resilience and ongoing financial sustainability. [BP 2]	Matthew Davis	Deliver	0	This will be completed as part of 22/23 budget setting.	01/02/2022	-	
3	Risks identified in relation to strategic partners (and captured on the corporate risk register) should be explicitly considered when taking decisions in connection with those strategic partnerships. [BP 3]	Matthew Davis	Deliver	0	This will be considered on a report by report basis and considered as part of 22/23 budget setting.	01/03/2021	-	
4	The authority should bring together the elements of its long term financial plans – i.e. the Capital Strategy, the Asset Management Plan, the Asset Investment Strategy, the 30 year business plan for the HRA, and the Treasury Management Strategy together with any other relevant long term financial planning	Nish Popat	Deliver	40	There is currently a 3 year capital strategy, but the council aims to have a 10 year strategy. A report on capital is being prepared for June/ July which will address this recommendation.	31/07/2021	Amber	The Capital Strategy, HRA Business Plan and Treasury Strategy are already included within the Councils MTFS which brings together in one place the financial impacts of the plans. Currently, no Asset

	information – in a Long Term Financial Strategy document [BP 5].							<p>Management Plan and Asset Investment Strategy exists and these will need to be developed by the necessary teams and sent to Finance.</p> <p>Finance will engage with the Property and Asset Team to ensure this is fed into the Financial Plans.</p>
5	Transformation activity should be supported by the council's strengthened programme management function to provide assurance that risks are managed and projects are delivered on time. [BP 6]	Anthony Thacker	Deliver	0	<p>A new transformation process has been created by finance with supporting documentation. This has been to ELT and has been signed-off.</p> <p>We are reaching out to finance to understand how this sits within the new programme management process.</p>		-	
6	The authority should review its MRP policy to ensure that it adequately provides for debt repayment and matches its appetite and capacity for managing risk, particularly in relation to arm's length entities	Matthew Davis	Complete	100	Completed, this policy will now be reviewed annually.		Green	

	and commercial investments. [BP 10].							
7	The authority should manage its capital programme and associated funding arrangements within the forecast prudential indicators. [BP 10]	Matthew Davis	Deliver	15	A report on capital is being prepared for June/ July which will address this recommendation.	31/01/2021	Green	
8	The authority should consider the affordability of its borrowing plans in the context of its overall budget risk and in particular the ongoing impact on the general fund of social care pressures. [BP 10]	Nigel Cook	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	01/03/2021	-	
9	The Capital Strategy should have a time horizon of 20 to 30 years [BP 11].	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	Amber	<p>The Finance team will need to coordinate with the Council to put together a capital Strategy. The Council already has Capital Budget Plan which details where the Council is allocating resources and also maintains an asset register for accounting purposes.</p> <p>The Project Lead on this needs to be a Capital Asset expert who understands all capital development and their useful lives.</p>

10	The Capital Strategy should explore external influences in more depth and consider how these affect the requirement and scope for capital investment over the long term (20-30 years). [BP 12]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	02/08/2021	Red	<p>The Council currently does not have a formal Capital Governance arrangement where projects are challenged and scrutinised to ensure effective value for money.</p> <p>This will need to be set up which Finance will lead on to set the framework.</p> <p>But Project lead needs to be with Assets background.</p>
11	The Capital Strategy should consider and model the long term (20-30 year) impact of internal influences such as the Asset Management Plan, the Education Estates Strategy, the Asset Investment Strategy, Digital Strategy, and other strategic documents and plans that concern the acquisition, disposal or use of assets. [BP 13]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	-	
12	The Capital Strategy should include consideration of all of the council's capital-related strategies	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/01/2022	Green	

	and plans including the HRA. [BP 13]							
13	The Capital Strategy should include consideration of risks and mitigations in relation to the council's asset investment strategy. [BP14]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	-	
14	The Capital Strategy should consider the long term financial implications of capital investment decisions (i.e. modelled over a 20-30 year period). [BP 15]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	Red	
15	The Capital Strategy should include consideration of the organisation's capacity to secure the forecast funding (e.g. capital receipts) and the associated risks, with particular regard to arm's length bodies. [BP 17]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	-	
16	The Capital Strategy should consider the organisation's capacity to deliver the planned capital programme and evaluate the associated risks (e.g. impact and likelihood of slippage) [BP 17]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/01/2022	-	
17	Assessment of affordability should take into account the council's revenue position and the full range of risks associated with the proposed capital programme. [BP 18]	Nish Popat	Deliver	50	Saville's have been commissioned to write the HRA Business Plan. This will also form part of the June/ July capital report.	31/07/2021	Amber	A formal Capital Governance arrangement needs to be established so that all risks are accurately captured within the each Capital project.

18	The authority should produce a 10-year capital investment plan (i.e. capital programme) – with actions, timescales, outputs and outcomes [BP 21]	Nish Popat	Deliver	33	A report on capital is being prepared for June/ July which will address this recommendation.	21/12/2020	Amber	The Council produces a 3 year Capital Plan. This will need to be extended to 10. Capital Planning needs to move to Corporate and then work with Colleagues in the Council to put a longer Capital Plan.
19	The Capital Strategy should capture the significant risks and mitigations in relation to the capital programme. [BP 22]	Nish Popat	Deliver	10	A report on capital is being prepared for June/ July which will address this recommendation.	31/12/2021	Red	Set up a governance and capital monitoring process that allows for risks and mitigation to be captured at the front end and then monitored regularly as part of the Monitor. Capital Needs to move to Corporate Finance.
20	The authority should ensure that its governance arrangements concerning capital are fit for purpose and clearly set out in the Capital Strategy and the council's Financial Regulations. [BP 23]	Nish Popat	Proposal	20	A report on capital is being prepared for June/ July which will address this recommendation.	31/07/2021	Amber	Initial flow charts and framework have been created. Need to begin to socialise with S151 officer and wider organisation.
21	The authority should ensure that capital decisions are made in compliance with the agreed	Nish Popat	Deliver	10	A report on capital is being prepared for June/	30/08/2021	Amber	A Capital Governance Process has been designed. However,

	governance arrangements. [BP 23]				July which will address this recommendation.			needs significant consultation and engagement with relevant stakeholders. A project plan needs to be designed and delivered as the capital governance process will be a new way of working and staff across the organisation will need to be informed and trained.
22	The authority should maintain an up to date asset management plan for operational property [BP 8, BP 24]	Simon Maddocks	Deliver	0	A report on capital is being prepared for June/ July which will address this recommendation.		-	
23	The authority's asset management plan for operational property should meet best practice standards. [BP25]	Stephen Wingrave	Deliver	15	A report on capital is being prepared for June/ July which will address this recommendation.	30/09/2021	Amber	- Approval of AMP budget - SCP approval for AMP expertise to write specification - procurement support for tender process - in house commercial expertise to manage AMP

24	The MTFS should be rolled forward annually in July and updated in February as part of the budget setting process. [BP 26]	Matthew Davis	Deliver	5	On track to be updated in 21/22	01/03/2021	Green	
25	The MTFS should forecast 3-5 years ahead. [BP 27]	Matthew Davis	Deliver	50	3 Year MTFS completed as part of 21/22 budget setting. Going to forecast 4 years ahead. July new MTFS will begin and this will be completed.	30/06/2021	Green	
26	The council's budget setting process should bring together well-evidenced proposals for savings and growth that are based on a detailed understanding of costs and business practices and have clear delivery plans. [BP 28]	Matthew Davis	Deliver	50	Completed for 21/22 budget- all savings and growth proposals submitted a bid form which detailed milestones, risk etc. This will be an on-going process.	23/09/2020	Green	
27	The budget report should update the MTFS, reconciling the previous MTFS forecast budget gap to the proposed budget. [BP 29]	Matthew Davis	Deliver	50	Completed for 21/22 budget.	01/02/2022	Green	
28	Service plans should be kept up to date and linked to the MTFS, in particular with regard to significant savings, growth, demand management and cost control matters. [BP 30]	John Montes	Deliver	0	Service plans delayed until October.	31/01/2021	Amber	
29	The authority should introduce systematic benchmarking of service performance with other	Caroline Bruce	Proposal	0	There is a report to Cabinet on the 12 April which sets out the next		Green	There is a detailed road map to delivery which to date is on

	organisations and with its own performance over time as part of its performance regime. [BP 31]				steps in order to deliver a robust corporate performance reporting framework. Work is underway to deliver this in full by September. This is an iterative process with the first draft of a performance report due to be presented to Cabinet and ELT in June. A further report will go to Cabinet in June to finalise the arrangements. Benchmarking against our previous performance, statistical neighbours, London and England averages will form part of the report.			track. There are some dependencies in terms of accessibility to benchmarking data in arrears where we may not subscribe
30	The authority should track progress in delivering planned savings through a savings tracker that should be reported with the monthly budget monitoring statement. [BP 32]	Anthony Thacker	Deliver	0	The Power BI tool has been demo'd to the steering group and is currently being introduced to the departments by the CPMO via their DLT's. The next stage is to get feedback which allows power BI to be used in departmental and	18/12/2020	-	

					<p>service level meetings.</p> <p>It is expected this will require development to the LBC delivery tracker (changes to fields and the way data is captured).</p> <p>We have had commitment from finance this will be the single source of truth and they will not maintain any local (excel) trackers and that our CEO and S.151 officer will use power BI in future finance assurance meetings.</p>			
31	The MTFS should contain analysis of the use of reserves against plan in the recent past, and the planned use of reserves over the MTFS period. The analysis should be underpinned by an analysis of financial risk. [BP 33]	Matthew Davis	Deliver	50	Completed for 21/22	01/02/2022	Green	
32	The council should review group and company structures to ensure they are necessary and fit for purpose at regular intervals or when there is a significant change in the regulatory or funding framework. [BP 34]	Matthew Davis	Deliver	10	Review is on-going with Chris Buss and Asmat Hussain. This will be completed by September	01/09/2021	-	

33	Agreements with arm's length bodies should contain provision for the authority and its external auditors to have access to the records of the funded body. [BP 38]	Sean Murphy	Deliver	20	Completed with regard to Brick by Brick. This will part of the review in CFR32.	30/06/2021	-	
34	The authority should ensure its representatives on boards are adequately supported to drive the authority's strategic objectives through the activities of the arm's length body. [BP 39]	Doutimi Aseh	Deliver	0	Part of CFR32 review	01/09/2021	-	
35	The authority should ensure that in relation to its representation on the boards of arm's length companies, any conflicts of interests are identified and avoided or escalated and resolved. [BP 39]	Chris Buss	Deliver	0	Part of CFR32 review	01/09/2021	-	
36	The budget report should update the MTFS each year, reconciling the budget proposals to the previous MTFS forecast, to ensure that the proposed budget and the medium term financial plan are in step and based on the latest information. The MTFS should be revised in full in July each year. [BP 42]	Matthew Davis	Deliver	50	Complete for 21/22. Starting for 22/33-on track	31/07/2021	Green	
37	The authority should bring together the elements of its long term financial plans in a Long Term Financial Strategy document	Matthew Davis	Proposal	0	Finance aim to prepare a document for July		-	

	(see BP 5 above). The budget report should evidence consistency with the long term financial strategy. [BP 42]							
38	Departments should have clear financial targets to work to in developing budget options. [BP 43]	Matthew Davis	Deliver	50	Complete for 21/22 budget. Departments will be given their 22/23 targets in April.	30/04/2021	Green	
39	In order to allow sufficient time for departments to develop robust proposals for growth and savings to feed into the budget decision-making process, departments should start work as early as possible in the cycle. This means not waiting until the MTF5 has been revised but working to provisional targets beginning as early as May. [BP 43]	Matthew Davis	Deliver	0	Departments will be given their 22/23 targets in April.	30/04/2021	-	
40	The budget process should enable budget proposals to be built from the bottom up, so that they are underpinned by the expertise of practitioners. [BP 43]	Matthew Davis	Complete	100	Complete		-	
41	As part of the budget development process departments should collaborate across departmental boundaries to develop robust and deliverable cross-cutting savings proposals. [BP 43]	Matthew Davis	Deliver	0	Reviewing contracts and opportunities for digitisation across departments currently.	02/03/2020	-	
42	Budget proposals should be evidenced by performance data	Chris Buss	Deliver	0	Benchmarking data presented at all BDM for	30/04/2021	-	

	and modelling to demonstrate robustness and deliverability, with performance and value for money benchmarked over time and against other organisations. [BP 43]				21/22 budget setting. Departments will be given the target to have their costs in the bottom quartile of London Boroughs.			
43	Meetings between officers and members to explore budget options (Budget Development Meetings) should focus on prioritisation of proposals. Proposals should not be screened out politically before being presented at Budget Development Meetings. [BP 43]	Matthew Davis	Deliver	10	Guidance for 22/23 going to ELT in April.	30/11/2020	-	
44	The budget report should contain only savings proposals for which there is a clear and achievable path to benefits realisation. [BP 43]	Matthew Davis	Deliver	50	Completed for 21/22	01/02/2022	-	
45	The budget proposals brought forward by departments should be prioritised by members. Friendly and constructive challenge has an important role to play in the development of proposals, to ensure that they are aligned with corporate priorities, are developed to their full potential, and are sufficiently robust and deliverable. For these reasons budget development meetings should be held in	Matthew Davis	Deliver	0	Finance aim to have savings proposal at September Cabinet	02/03/2020	-	

	September / October involving both members and officers. To ensure collective ownership of the financial position and decisions, all cabinet and ELT members should be invited to each meeting. The meetings will follow an agreed format and focus upon a particular set of proposals, grouped by theme (e.g. Capital) or by department. [BP 44]							
46	The budget development process should engage CLT members (i.e. directors), not only in their role as originators of budget savings and growth proposals, but collectively through regular briefings. [BP 44]	Chris Buss	Deliver	0	Update given at GPAC: 27.1.21 There have been internal communications concerning the budget but we are unable to evidence a communications plan specifically for the budget. There have been regular communications to CLT throughout the budget setting process through DMTs and directly from CEO.	02/03/2020	-	
47	Scrutiny should have a formal role in the process, with pre-scrutiny of proposals for significant change being feasible because of longer development timescales. Scrutiny	Chris Buss	Deliver	0	To begin after September		-	

	of budget proposals should take place in the period November to February as the proposals are brought forward for Cabinet approval. [BP 44]							
48	The budget report should update the MTFS with any new assumptions arising from current financial performance as well as external factors. This should include any significant over/under-spending and an update on the delivery of planned savings and growth proposals in the current year. [BP 45]	Matthew Davis	Deliver	50	Completed for 21/22	28/02/2022	Amber	MTFS and Budget Process will need to be enhanced for 22/23 budget and work will need to start in early May 21.
49	The budget report should include analysis of the use of reserves and balances compared to plan. [BP 45]	Matthew Davis	Complete	100	Complete		Green	
50	The target level of reserves should be set by the s151 officer based on their professional judgement about the risks the council is facing, and the budget plan must prioritise maintaining the reserves at the target level above any operational considerations. The minimum level of reserves cannot be set on the basis of affordability in comparison with other priorities, but must be set on the basis of risk assessment as a fundamental requirement that	Matthew Davis	Complete	100	Complete	02/03/2020	Green	

	underpins the stability of the organisation. [BP 46]							
51	A full budget monitor should be produced monthly and reported to departmental management teams and to ELT. Cabinet should receive its first report on budget monitoring as early as possible in the cycle, which is likely to be the July Cabinet meeting. [BP 47]	Nish Popat	Complete	100	Complete	02/03/2020	Green	
52	The budget monitoring report should not only set out the financial forecast and associated risks but should also set out any corrective action required and the associated implementation plan. [BP 47]	Matthew Davis	Deliver	0	Not started on corrective action this will be implemented from May		-	
53	The budget monitor should incorporate a savings tracker, monitoring the realisation of savings proposals introduced through the budget setting process. [BP 47]	Nish Popat	Deliver	30	Will be done from May as part of new reporting processes	30/06/2021	Amber	<p>A Savings Tracker has been designed based on 20/21 savings list.</p> <p>Further work needs to be done to consult with Service Finance Teams on this and ensure we have an effective way of updating the Savings Tracker and monitoring progress on delivery.</p>

54	Where overspending is forecast, executive directors should set out options for bringing spending back within the agreed bounds and these should be considered and approved without delay through the appropriate governance arrangements. [BP 47]	Nish Popat	Deliver	0	Will be done from May as part of new reporting processes.	30/06/2021	-	
55	Budget managers should be held to account if they do not remain within their agreed budget plan / promptly take corrective action when overspending is forecast. Failure to take appropriate action is a serious issue and potentially a disciplinary matter. [BP 47]	Chris Buss	Complete	100	Will be done from May as part of new reporting processes	30/06/2021	-	
56	The finance team should be increased in size to enable monthly budget monitoring. [BP 47]	Chris Buss	Complete	100	Restructure planned for later in the year	30/06/2021	-	
57	The data that budget holders rely upon to make their budget forecasts such as the staffing establishment should be corrected and kept up to date. [BP 48]	Gail Nicolson	Deliver	70	The project delivering this work has been paused on instruction from Elaine Jackson. This is so Ian O'Donnell new project reviewing the council's financial systems and data can be scoped. This work will most likely form part of this project and will therefore	30/06/2021	Red	

					recommence as part of lan's new project.			
58	The authority should consider ways of improving the MyFinance system to make it more intuitive and user friendly, or consider moving to another system that more closely meets budget holder requirements. [BP 48]	Nish Popat	Deliver	20	Work to commence. Need complete this by February 2022	31/05/2021	Amber	Engagement with supplier to gauge costs, items that are possible to change within the system and delivery.
59	The authority should review and correct base budgets to ensure that they represent a credible spending plan for the year, particularly where there is an ongoing pattern of significant over/underspending . [BP 49]	Matthew Davis	Deliver	80	To be completed by end of May	01/07/2021	Amber	Further detailed work will need to be done to understand Budget requirement within Social Care and Housing GF.
60	Employee budgets should be reconciled to and kept in step with the staffing establishment data. [BP 49]	Gail Nicolson	Deliver	0	The project delivering this work has been paused on instruction from Elaine Jackson. This is so Ian O'Donnell new project reviewing the council's financial systems and data can be scoped. This work will most likely form part of this project and will therefore recommence as part of lan's new project.	08/03/2021	Red	

61	Operational performance data should be reported alongside financial performance data to enable a full understanding of the cost/income drivers. [BP 49]	Caroline Bruce	Proposal	0	This needs to be considered as phase two of the CFR65 project. In order for financial information to be pulled directly from the My Resources My Finance module we need an SME of the system to work with the BI team to ensure that we can secure the data into the lake. This is not currently possible and there is no in house expertise to do this. The BI team have raised this with IOD as part of his review work and to ELT.	31/01/2021	Red	We need to secure expert knowledge of the back end of the MyResources system in order to work with the BI technical engineer.
62	The council's budgetary control systems should support the use of profiling by budget holders. The guidance for MyFinance should support the use of budget profiles. [BP 50]	Nish Popat	Proposal	0	To be completed by September	31/12/2021	-	This will depend on the systems ability to provide profiling. This is being scoped out currently. Low confidence delivery score.
63	Information should be presented in a more user friendly format that supports budget holders to understand the implications and take action. Operational performance information should be presented alongside the	Nish Popat	Proposal	10	First part completed by May. Part 2 an aspiration.		Amber	A revised format has been presented for Q3 but the financial performance needs to be redesigned. Finance needs to

	financial information. [BP 51]							work with services so they provide detailed information on their data. There are issues in the service around how data is managed and held.
64	The MyFinance system should produce the summarised information needed by heads of finance when reporting the financial position without the need for further intervention. [BP 52]	Nish Popat	Deliver	75	To be completed by end of May.	31/05/2021	Amber	New reports and training on how to download these reports will be provided as part of wider MyFinance improvement.
65	Operational performance information should be presented alongside the financial information. [BP 52]	Caroline Bruce	Proposal	80	This relates to the first phase which is reporting the financial information with regard to savings within the LBC tracker. To date, the BI team have been working with finance to develop a BI dashboard which will pull the finance information from the tracker as the one source of data. Nish and colleagues have been carrying out testing and we are awaiting final sign off of this stage.		Green	Final sign off by finance colleagues. Potential risk to reporting is that the LBC tracker is not updated regularly by finance colleagues
66	High risk budgets should be scrutinised by ELT and Cabinet	Chris Buss	Complete	100	Completed	30/06/2021	-	

	members monthly as a minimum. [BP 53] see also BP 52							
67	ELT should receive a monthly budget monitoring report, which should also be shared with cabinet members. Formal quarterly reporting to Cabinet should continue. [BP 53]	Nish Popat	Complete	100	Completed	30/06/2021	Green	<p>A monthly budget monitoring report is being produced for ELT. I need to confirm with Lisa if this is being presented to cabinet members. There is also an annual budget monitoring timetable that has been set which notifies budget holders when they need to complete the return by. I have also built in an extra day of Corporate Finance challenge.</p> <p>Currently we seem to struggle to get it out as per the timetable due to delays in receiving the report. We are working on improving this.</p>
68	The authority should standardise the presentation of financial performance information. [BP 53]	Nish Popat	Complete	100	Completed	31/07/2021	Green	New Budget monitoring report being designed and content needs to be considered based on data available.

69	The authority should review the level of contingency and also the level of the general fund balance to ensure these are at an appropriate level to manage the risks the authority is facing. On the basis of current overspending both are too low. [BP 54]	Chris Buss	Complete	100	Completed		-	
70	The authority should consider identifying and monitoring specific budget risks in relation to partnerships and collaborative ventures as part of its routine budget monitoring. [BP 56]	Matthew Davis	Deliver	0	Incorporated into existing processes		-	
71	The authority should profile capital budgets accurately, aligning spend with the project delivery plan. [BP 57]	Simon Maddocks	Proposal	10	This recommendation will address in the June/ July Capital Report	31/10/2021	Red	The Council will need to ensure robust project delivery plans exist. Capital will need to be brought to Corporate and engage with services for project plan.
72	A standard programme/project methodology should be applied to all capital projects. [BP 57]	Chris Buss	Deliver	10	This recommendation will address in the June/ July Capital Report		-	This will form part of the capital governance arrangements. Most projects are different in nature so will be difficult to apply a standard approach.
73	Capital underspends should be returned for reallocation to other	Nish Popat	Deliver	30	This recommendation will address in the June/ July Capital Report	30/11/2021	Amber	Will be covered as part of the Capital Governance process.

	priorities and not retained by departments. [BP 57]							
74	Appropriate governance arrangements should be in place to oversee the delivery of the capital programme at a detailed level – this may be the Growth Board or a new arrangement. [BP 57]	Nish Popat	Deliver	30	Nish Popat has designed a framework. Next step to design the details eg business cases template Complete by September	31/07/2021	Amber	<p>Further refinement work of the governance process needs to be carried out.</p> <p>New framework needs to be socialised and agreed.</p> <p>Implementation</p>
75	The authority should monitor balance sheet risks such as the collection of sundry debtors, and use of provisions and reserves against plan, as part of the monthly budget monitoring arrangements. [BP 58]	Nish Popat	Deliver	30	Will do a half yearly review at the end of september.		Amber	<p>Corporate Finance have started work on building a Grants Register and a Reserve Register.</p> <p>As part of the Year end requirements the Finance team is building a register for Provisions with effective workings behind it so to track the risk.</p> <p>From 2021/22 Corporate Finance will introduce Balance Sheet reconciliation requirements where each balance sheet</p>

								code will have a responsible Accountant assigned to it and it will be there responsibility to manage those balance transactions.
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