



Additional / To Follow Agenda Items

This is a supplement to the original agenda and includes reports that are additional to the original agenda or which were marked 'to follow'.

Nottingham City Council Audit Committee

Date: Friday, 23 February 2024

Time: 9.30 am

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG

Governance Officer: Kate Morris **Direct Dial:** 0115 8764214

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Audit Committee – 23 February 2024

Title of paper:	Improvement and Assurance Board Finance Instructions - Update	
Corporate Director(s) / Director(s):	<p>All Finance Instructions excluding Instruction 8:</p> <p>Ross Brown – Corporate Director of Finance and Resources (Section 151 Officer)</p> <p>Shabana Kausar - Director of Finance and Deputy Section 151 Officer</p> <p>Finance Instruction 8 only:</p> <p>Sajeeda Rose – Corporate Director Growth and City Development</p> <p>Nicki Jenkins - Director of Economic Development and Property</p>	Wards affected: All
Author:	Toyin Bamidele - Finance Improvement Programme Lead	
Other Colleagues who have provided input:	Glenn Hammons – Interim Technical Finance Team Leader	
Does this report contain any information that is exempt from publication? No		
Recommendation(s):		
1.	That Audit Committee note the update on the Improvement and Assurance Board Finance Instructions	

1 Reasons for recommendations

- 1.1 To inform and provide assurance to the Audit Committee on the progress made in implementing the Improvement and Assurance Board’s (IAB) instructions relating to Finance.

2 Background

- 2.1 The IAB in February 2023 issued 39 instructions within six workstreams to Nottingham City Council. These instructions were grouped into six workstreams as illustrated in table 1 below.

Table 1 - Summary of the IAB initial Instruction to NCC – February 2023

Workstream	Number of Instructions
1. Governance	6
2. Finance	8

Workstream	Number of Instructions
3. Transformation	6
4. Corporate Planning	3
5. Companies	8
6. Workforce Culture and Performance Outcomes	8
Total	39

2.2 This report provides the Committee with an update on the eight instructions relating to the finance workstream. The eight finance instructions had varying deadlines as illustrated in table 2 below:

Table 2 - the eight IAB instructions relating to the finance workstream

Instructions	Deadline
1. Approval of wholly realistic, and balanced, plans and budgets	06-Mar-23
2. Establish and maintain a sound and prudent reserves policy and practice	06-Mar-23
3. Deliver a fully resourced Capital Investment Plan	06-Mar-23
4. Early resolution of all outstanding matters relating to 2019/20, 2020/21 and 2021/22 audit of accounts	30-Sep-23
5. Complete the financing of the £17m misappropriation of funds relating to the HRA	31-Mar-23
6. Deliver the Financial Improvement Plan covering the key elements identified by the IAB to provide assurance in respect of finance and accounting	31-Mar-24
7. Reinforce financial stewardship in providing resilience and sustainability through 2023/27	31-Mar-23
8. Bring forward a credible and risk assessed plan for additional pipeline of capital receipts linked to the implementation of the corporate landlord model	30-Sep-23

2.3 **Instruction 1 – Approval of wholly realistic, and balanced, plans and budgets**

2.3.1 **Progress Update**

The Executive Board and City Council approved a balanced General Fund budget for 2023/24 and over the Medium-Term Financial Plan (MTFP) period to 2026/27 respectively on 21 February 2023 and 6 March 2023 following a budget process led collectively by the interim Corporate Director of Finance and Resources (Section 151 Officer) and the Corporate Leadership Team (CLT) during 2022 which involved directorate challenge sessions over 10 week period with the IAB and separate session with the Executive Members and briefing for the majority group, at the time. A five-week public consultation on the agreed saving proposals from this process took place between 20 December 2022 and 25 January 2023, with staff consultation closing at a later date of 15 February 2023.

The key changes from the report presented to the Executive Board in December 2022 and February 2023 in relation to the General Fund budget was the inclusion of the provisional financial settlement, updated saving proposals and internal borrowing of c£20m of reserves to supplement the Financial Resilience Reserve with these to be paid back at the earliest opportunity in the MTFP period. The present and permanent Section 151 Officer was employed from 3 January 2023 and took assurances from the interim Corporate Director of Finance and Resources (Section 151 Officer) and interim Deputy Section 151 Officer of the robustness of the process and estimates and that the appropriate challenge had been undertaken.

The balanced Housing Revenue Account (HRA) budget for 2023/24 was also approved by Executive Board on 21 February 2023.

Subsequent to the Council achieving this IAB instruction by deadline of 6 March 2023, it has since seen in-year pressures which led to the Section 151 Officer issuing a S114(3) report on 29 November 2023 and making a request to Department of Levelling Up Housing and Communities (DLUHC) for Exceptional Financial Support (EFS) to balance its budget in-year (2023/24) and for 2024/25.

2.3.2 2023/24 Financial Position

At the end of Period 2 the net forecast General Fund position showed an overspend of £25.9m against the approved net budget for the General Fund in 2023/24 of £261.8m (9%)

In June 2023 the Council mobilised a Financial Intervention Strategy to address the in-year pressures which realised £5.048m of in year reductions. During the subsequent months, the operating environment and wider economic context continued to be highly volatile with small changes in demand disproportionately materialising in large financial pressures, particularly in social care and homelessness.

As these further pressures began to emerge, the Council developed corrective actions up to the end of October 2023, in response to the issuance of a formal notice of concern by the Chief Finance Officer (Section 151 Officer) to the Head of Paid Service which yielded an additional £13.251m of in year reductions.

In addition to the above, Council considered the appropriateness of the deployment of service held reserves alongside the release of technical and treasury items. This resulted in the application of £9.492m, and £5.758m respectively, reducing the gross pressure by £15.250m.

At the end of Period 6, the Council was forecasting a gross General Fund pressure of £56.899m with over 80% of the forecasted pressures being in People's services. This was partly mitigated with one-off in-year management and corrective actions (including the use of reserves set out above) and the

deployment of technical options resulted in a net forecasted General Fund pressure for the year of £23.351m.

As part of the Chief Finance Officer's (Section 151 Officer) assessment of the Council's ability to deliver a balanced budget in year, as required under part VIII of the Local Government Finance Act 1988, the Section 151 Officer considered the suitability of deploying further reserves in year. The assessment was undertaken on a multi-year basis (4-year MTFP), considered the overall adequacy of reserves, considered all relevant CIPFA guidance, and an assessment of risk exposure, concluding that it would not be prudent for the Council to act in this way.

2.3.3 Issuance of S114(3) Report

On 29 November 2023, the Section 151 Officer issued a report to all councillors under section 114(3) of the Local Government Finance Act 1988 (the Act). The purpose of the report was for the Section 151 Officer to formally notify the Council that in his professional opinion, the Council is unable to meet its statutory requirement to deliver a balanced budget for 2023/24, as the expenditure of the Council incurred (including expenditure it proposes to incur) in the 2023/24 financial year is likely to exceed resources (including sums borrowed) available to it to meet that expenditure.

A legal Prohibition Period came into force from 29 November 2023 and was in place until day after the City Council meeting on 18 December 2023. During this period:

- Delegations authorising the incurring of spend were suspended – Officers and Members
- Daily Spend Control Board meeting chaired by the Section 151 Officer was put in place to advise on spend request decisions.
- No new agreements were permitted to be entered into by the Council that might incur expenditure without explicit authority of the Section 151 Officer.
- Section 151 Officer provided authority only if the agreement concerned was likely to:
 - prevent the financial situation from getting worse
 - improve the situation, or
 - prevent the situation from recurring.
- Allowable Spending over this period required explicit approval of the Section 151 officer and was only approved where it comprised of:
 - essential spending to meet the Council's legal duties (to the minimum levels required) or meet existing legal commitments
 - externally funded spending, where the Council would lose external funding if approval were not given
 - spending where a robust business case has been considered and agreed by the Spend Control Board.

City councillors met on Monday 18 December and unanimously agreed all the recommendations in the Chief Executive report to Full Council, including for the Spend Control process to continue until 31 March 2025.

The impact of the S114(3) will not be fully known until the final outturn, but the view is that spend forecast in some areas should see a benefit.

2.3.4 Exceptional Financial Support

The Corporate Director of Finance and Resources (Section 151 officer) has been in continuous dialogue with IAB members and DLUHC officials throughout last year on the Council's financial position, especially with regards to the 2023/24 financial year pre and post issuance of the S114(3) report.

Further dialogue has taken place with DLUHC since issuance of the S114(3) report on the need for the Council to request EFS for both 2023/24 and 2024/25.

As set out above following the review of the Council's financial pressures in July 2023 and again in September 2023, an assessment was made by the Section 151 Officer following assurances sought by respective CLT leads that the Council will be unable to balance its budget in-year for 2023/24 as well as be unable to set a balanced budget for 2024/25. This led to the submission of an EFS on 12 January 2024 in accordance with DLUHC deadline, for up to c£65m, of which up to £25m was for 2023/24 and up to £40m was for 2024/25.

In practical terms EFS is usually transacted in form of a capitalisation direction which permits the Council to capitalise revenue expenditure so that it is treated as capital expenditure and be funded from either capital receipts or prudential borrowing, which normally is not the case. Due to the Council's current Voluntary Debt Reduction Policy (a voluntary freeze on undertaking new borrowing), any capitalisation direction will need to be met from asset sales. This is likely to require a greater quantum of asset sales to be identified and progressed by the Council's usual processes. Due to the timing of realising the additional capital receipts the Council is seeking to temporarily fund any capitalisation direction from borrowing. To facilitate this the Council is proposing an amendment to its Voluntary Debt Reduction Policy with regard to any EFS granted.

DLUHC practice suggest that any EFS is only normally offered "for the residual funding amount" once a council has demonstrated that all potential options have been explored and there is a plan in place to reduce the amount required through savings proposals, asset sales and other activities.

DLUHC decision on the EFS is still pending.

2.3.5 2024/25 Budget and MTFP Process

The Executive Board have been provided with three updates on the budget process and strategy in July 2023, December 2023 and finally in February 2024. All of which incrementally set out an increasing budget gap for 2024/25.

In recognition of the financial challenge, the Council adopted the Duties and Powers framework (equivalent to legal minimum) to develop saving proposals and maximise opportunities that will aid the Council towards setting a balanced budget for 2024/25.

Whilst an additional c£36m over the MTFP has been identified through Duties and Powers process, this is not sufficient to fund the budget requirement for 2024/25 which has been driven by inflation, demographic and service pressures relating to pressures seen in 2023/24 and new estimated spend pressures relating to 2024/25, in particular adults, children's, SEND transport homelessness.

A budget gap of c£172m is forecasted over the MTFP period to 2027/28 of which c£41m relates to 2024/25 and is assumed to be funded by EFS. The table below summarises the MTFP forecast.

Table 3 – Medium term Financial Plan (Draft) 2024/25 - 2027/28 as presented to Executive Board 2024

Draft Medium Term Financial Plan as reported to Executive Board February 2024	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	cumulative £m
Net Budget Requirement before savings	98.653	56.289	60.630	64.200	279.771
Previously Approved Savings	(11.149)	(12.416)	(12.672)	(0.278)	(36.515)
New Officer Developed Proposals	(22.009)	(13.568)	(0.519)	(0.313)	(36.409)
Subtotal: Saving & Income	(33.158)	(25.984)	(13.191)	(0.591)	(72.924)
Net Budget Requirement including savings	65.495	30.305	47.439	63.609	206.847
Core Funding	(24.352)	(2.738)	(4.009)	(4.079)	(35.179)
Budget Gap required to be funded from Exceptional Financial Support	41.143	27.567	43.429	59.530	171.669
Exceptional Financial Support (subject to DLUHC approval)	(41.143)	41.143	0.000	0.000	0.000
Net Budget Gap (+) / Surplus (-) after applying Exceptional Financial Support	0.000	68.710	43.429	59.530	171.669

The draft 2024/25 budget and MTFP report and associated appendices setting out proposals were presented to the Executive Board on 13 February 2024, with a separate report on the HRA budget presented at the same meeting.

Further work is being undertaken to review the proposed officer developed savings which may look to reduce these further for the final report to City Council meeting scheduled for 4 March 2024.

2.4 Instruction 2. Establish and maintain a sound and prudent reserves policy and practice

2.4.1 Progress Update

The Reserves Policy that applied to financial year 2023/24 was included at Annex 3 within the budget pack agreed at Executive Board on 21 February 2023.

The Section 151 Officer recommended that the Financial Resilience Reserve (FRR) be strengthened through the temporary repurposing of £20m of other earmarked reserves given the demands identified upon the FRR in 2022/23 and to provide a level of resilience to address financial challenges that may arise in 2023/24. This will be repayable within the period of the MTFP as a first call upon forecast surpluses in the MTFP. The Reserves Policy was updated to introduce more robust arrangements for managing applications to and drawdowns from the FRR.

Subsequent to the Council achieving this IAB instruction by deadline of 6 March 2023, the policy has been further reviewed and the financial resilience assessed as part of the Council's annual budget process and Section 151 Officer's assurance statement on the robustness of estimates and reserves.

2.4.2 2024/25 Reserves Review

An updated Reserves policy and the principles governing their use were included within Appendix 9 of the 2024/25 Budget and MTFP report presented to the Executive Board on 13 February 2024.

In light of a nil balance being left on the FRR as at 31 March 2024, a c£10m one-off contribution has been recommended through the General Fund budget to allow for this to be deployable in-year to provide financial resilience to manage in-year pressures.

In accordance with recommended guidelines, the Section 151 Officer has recommended for a one-off contribution to be made into the General Fund balance, so to transit the Council towards establishing a prudent balance of 7.5%, commensurate to the revenue budget increase. To transition the Council towards establishing a 7.50% level of General Fund balance, in 2024/25 the General Fund level will equate to approximately 7.34%.

2.5 Instruction 3. Deliver a fully resourced Capital Investment Plan

2.5.1 Progress Update

The Capital Programme for 2023/24 to 2026/27 was included as Annex 7 within the budget pack agreed by City Council on 6 March 2023 for General Fund and HRA.

A total of £22.8m of planned capital expenditure was temporarily decommissioned from the General Fund Capital Programme until a sufficient pipeline of new capital receipts has been realised.

Although the Council achieved in completing this IAB instruction by the deadline of 6 March 2023, it has continued with assessing capital investment cases against principles set-out with the approved Capital Strategy and in accordance with the Voluntary Debt Reduction Policy.

Following the issuance of the S114(3) report on 29 November 2023 and the Council requesting for EFS from DLUHC to balance the Council's budget in-year (2023/24) and for 2024/25, a revised Capital Strategy, Voluntary Debt Reduction policy and capital receipts prioritisation has been put forward for recommendation to City Council meeting on 4 March 2024.

2.5.2 Capital Programme Review

As part of the 2024/25 budget process and the Finance Recovery Plan the Council has reviewed all General Fund Capital Programme projects funded by either Prudential Borrowing, Capital Receipts or Revenue Funding. The outcome of these have been accounted for and reflected within the updated capital programme set out below.

2.5.3 2024/25 Budget Process

An updated Capital Programme and Capital Strategy were presented to the Executive Board on 13 February 2024 and will go to City Council for approval on 4 March 2024. The table below summarises the capital programme going to City Council for approval.

Table 4 – Capital Programme 2024/25 to 2027/28 as presented to the Executive Board February 2024

Capital Programme Summary	2023/24 £m	Capital Programme 2024/25 – 2027/28				Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
General Fund	251.678	193.484	39.565	17.335	0.000	502.062
HRA	74.721	65.622	40.043	36.220	0.000	216.606
Approved Capital Budget	326.399	259.106	79.608	53.555	0.000	718.668
Project Slippage / Over & Underspends	(89.518)	48.344	12.554	4.594	21.106	(2.920)
Outcome of Finance Recovery Plan Review						
Deferral	(0.646)	1.297	(0.741)	0.114	(0.024)	(0.000)
Decommissions	(0.075)	(1.081)	(1.083)	0.500	0.250	(1.489)
Other - Technical Adjustment	0.000	(0.515)	0.000	0.000	0.000	(0.515)
Additions	0.000	11.073	6.800	6.800	29.115	53.788
Revised Programme Budget	236.160	318.224	97.138	65.563	50.447	767.532
Exceptional Financial Support	25.000	40.000	0.000	0.000	0.000	65.000
Total Capital Requirement	261.160	358.224	97.138	65.563	50.447	832.532
External Grants & S106	(164.636)	(232.333)	(38.503)	(11.568)	0.000	(447.040)
Capital Receipts - General Fund	(16.707)	(10.431)	(2.682)	(1.750)	(0.251)	(31.821)
Capital Receipts - Exceptional Financial Support	(21.300)	(25.200)	0.000	0.000	0.000	(46.500)

Capital Programme Summary	2023/24 £m	Capital Programme 2024/25 – 2027/28				Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Capital Receipts - HRA	(1.217)	(3.551)	(0.035)	(0.035)	(1.910)	(6.748)
Capital Receipts - RtB	(7.892)	(9.919)	(2.756)	(1.720)	(1.720)	(24.007)
Revenue Reserves - General Fund	(3.847)	(6.278)	(2.768)	(3.297)	(2.074)	(18.264)
Major Repairs Reserve	(26.723)	(38.138)	(44.116)	(43.863)	(41.201)	(194.041)
Revenue Contribution - General Fund	(0.239)	(0.670)	(0.150)	(0.150)	(0.111)	(1.320)
Revenue Contribution - HRA	(0.617)	(7.423)	(4.734)	(3.180)	(3.180)	(19.134)
Borrowing	(14.282)	(9.481)	(1.394)	0.000	0.000	(25.157)
Borrowing - Exceptional Financial Support	(3.700)	(14.800)	0.000	0.000	0.000	(18.500)
Total Programme Funding	(261.160)	(358.224)	(97.138)	(65.563)	(50.447)	(832.532)

2.5.4 2024/25 Capital Strategy Review

The Capital Strategy provides the Council with a framework in which capital investment and financing decisions can be aligned with the Council's corporate priorities over the medium term and includes the Voluntary Debt Reduction Policy Statement. This strategy has been reviewed and updated to ensure compliance with the latest Prudential Code and budget strategy and was included as Appendix 6 within the main budget pack to Executive Board on 13 February 2024 and is a separate report at the same Audit Committee as this report before it goes to City Council for approval on 4 March 2024.

A key change to the Capital Strategy is the impact of the EFS on the use of capital receipts and the Voluntary Debt Reduction Policy. The changes are set out below:

- The Council's available capital resources are heavily reliant on the level of capital receipts available. This is due to the low level of non-ringfenced Government funding and the Council's strategy to reduce its level of debt through its Voluntary Debt Reduction Policy.
- The Section 151 Officer's professional opinion is that priority order in the application of available capital receipts should ensure the financial sustainability and mitigate tangible risks of the Council.
- The capital receipts from the High Value Investment Properties have historically been used to reduce the Capital Financing Requirement (CFR) in accordance with the Council's approved Capital Strategy, due to these assets having underlying debt (i.e., purchase funded from Prudential Borrowing). This approach will continue in 2024/25.

The priority order of application for capital receipts, after the repayment of the CFR and debt from capital receipts arising from high value investment properties, is as follows:

- Financing of Exceptional Financial Support
- Transformation (Flexible Use of Capital Receipt)

- Capital Schemes classed as Health and Safety, Statutory or Legally required,
- Reduction of the Council's CFR through repayment of external or internal borrowing.
- Other capital investment schemes

For clarity, the priority order set out above is relating to the prioritisation for the utilisation of capital receipts only. It is not a prioritisation methodology for capital schemes which should follow the existing process as set in the 2024/25 Capital Strategy.

The Voluntary Debt Reduction Policy scope is being broadened to allow for borrowing in exceptional financial circumstances for a short-term period.

The Together for Nottingham plan acknowledges that a well-managed capital programme is a critical contributor to the overall financial recovery of the City Council and the Capital Programme has been reviewed to ensure it is in a fully funded and on a sustainable footing for the longer term. Development of an effective Capital Strategy and a strengthened governance and control framework supports the Council in achieving this. Implementation of the Plan is a key priority of the Council, and the Capital Strategy forms a key component part.

2.6 **Instruction 4. Early resolution of all outstanding matters relating to 2019/20, 2020/21 and 2021/22 audit of accounts**

2.6.1 **Progress Update**

Officers have responded to all outstanding audit queries for 2019/20 and a revised draft 2019/20 accounts provided to Grant Thornton (GT) on 8 November 2023. GT undertaking their internal review and assurance processes.

The Council has produced draft accounts for 2020/21 and made significant progress with draft accounts for 2021/22 and 2022/23. It should be noted that these accounts are awaiting confirmation that there are no further changes from 2019/20, which could impact on subsequent years accounts, before they can be finalised.

To resolve the delays in local audits being completed, a cross-system joint statement has been published setting out proposals to reset, restore and reform the local audit system. The proposals include a 'backstop' date of 30 September 2024 by which all outstanding accounts for period up to and including 2022/23 will need to be issued with an audit opinion.

Details of the accounts progress are set out in a separate report which is being presented to Audit Committee at the same meeting. The table below provides a summary overview of the position, as reported to Audit Committee, to end of February 2024 in resolving audit queries with regards to accounting years 2019/20 to 2022/23.

Table 5 - Statutory Accounts Update

Financial Year	Audit Queries	Progress as at 2 February 2024	Expected Progress to end of February 2024
2019/20	All requests received have been responded to by the Council. Revised draft accounts submitted to Grant Thornton on 8 November 2023 incorporating all identified changes at that time. Grant Thornton are progressing the Accounts through their Quality Assurance processes.	100%	100%
2020/21	Audit not yet commenced. Revised draft accounts were completed in December 2023.	100%	100%
2021/22	Audit not yet commenced. Draft accounts are expected to be ready for publication by mid-March 2024.	80%	90%
2022/23	Audit not yet commenced. Draft accounts are expected to be ready for publication by end May 2024.	50%	60%

2.7 Instruction 5. Complete the financing of the £17m misappropriation of funds relating to the HRA

2.7.1 Progress Update

The outstanding debt is owed by Nottingham City Homes (NCH) Limited company to the Council and in particular to the HRA. The IAB instructions requires the HRA to be made good for the debt owed by the General Fund until the matter is resolved with the NCH.

The Council has received additional counsel advice to provide additional options which have been discussed with the IAB (August 2023, last update) and provide scope to reprofile the General Fund funding to minimise the impact on the Council's existing financial resilience and facilitate the required formal decision pathways.

To meet the requirement of the IAB for the Council to ensure the HRA has been "made good", a budget provision has been set aside in the General Fund and a credit in the HRA from 2024/25 profiled over 8 years, this is in accordance with the option agreed with IAB. Initial calculations on revised figures, assuming opportunity costs continue to accrue on the reducing balance at a similar rate to 2022/23, indicate that a sum of c£2m carried each year from the General Fund to the HRA would correct the position by the 2032/33 financial year. The annual sum has been reflected in 2024/25 HRA and General Fund budget and MTFP with the Council now in the process of seeking an item 9 determination (if required) from the Secretary of State.

2.8 **Instruction 6. Deliver the Financial Improvement Plan covering the key elements identified by the IAB to provide assurance in respect of finance and accounting**

2.8.1 **Progress Update**

A comprehensive progress update report has been prepared on the finance improvement plan (FIP) which provides a self-assessment update on the financial control environment for NCC mapped against the CIPFA FM code. The FIP is an agile document, which has been updated to ensure the response to the EY Management Override of Controls report has been mapped to existing activity and additional support commissioned to address the urgent gaps in the control environment.

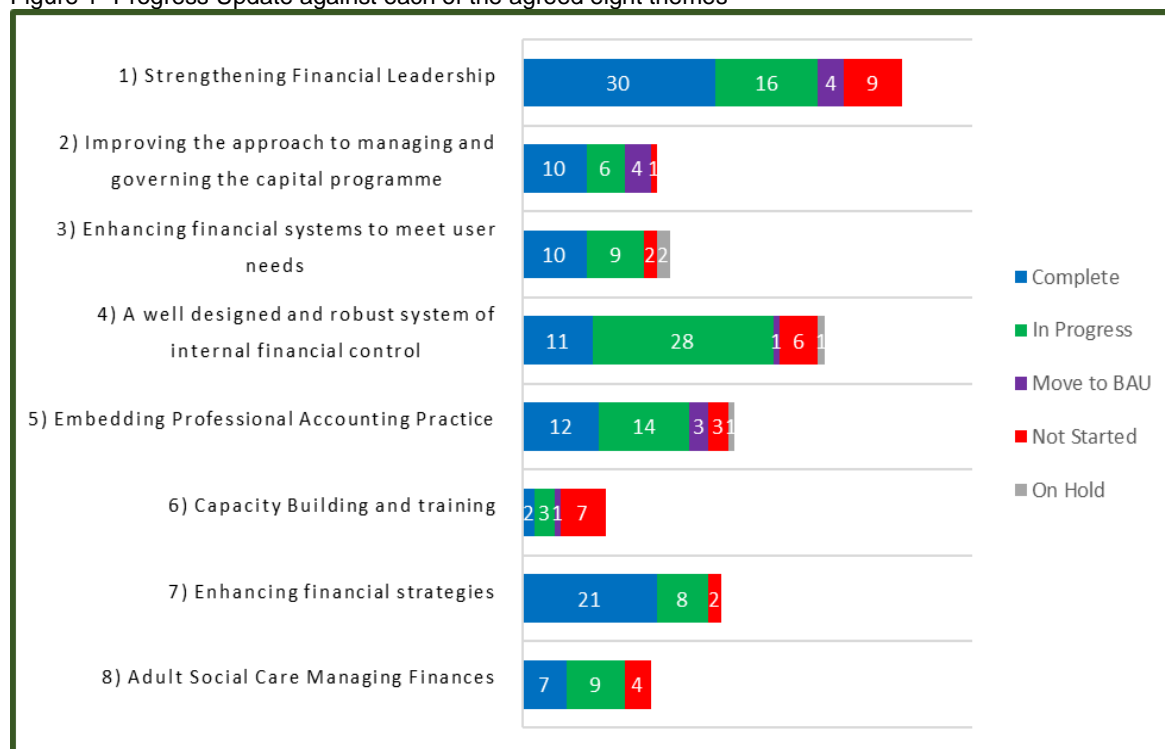
The improvement actions within the FIP are being tackled comprehensively and in a co-ordinated way with the focus on ensuring absolute organisational confidence in the Council's financial management.

The FIP is a live plan with 247 deliverables/improvement actions (as at January 2024) that are being delivered through the following agreed eight themes:

- 1) Strengthening financial leadership.
- 2) Improving the approach to managing and governing the capital programme.
- 3) Enhancing financial systems to meet user needs.
- 4) A well designed and robust system of internal financial control.
- 5) Embedding professional accounting practice.
- 6) Capacity building and training.
- 7) Enhancing financial strategies.
- 8) Understanding and effectively managing its finances (social care).

The FIP has delivered several substantial achievements over the last 12 months. Of the 247 deliverables within the FIP 47% have been adopted, implemented and/or embedded into business as usual (BAU). The Figure below provides a progress update against the agreed eight themes.

Figure 1- Progress Update against each of the agreed eight themes



The committee has been provided with regular FIP progress update report throughout financial year 2023/24, details of the progress update report to the end of January 2024 are set out in a separate report which is being presented to Audit Committee at the same meeting.

2.9 Instruction 7. Reinforce financial stewardship in providing resilience and sustainability through 2023/27

2.9.1 Progress Update

The 2023/24 budget and MTFP, capital programme and reserves policy were approved by Full Council on 6 March 2023.

Preparations have been made in recent months to implement a firmer grip upon the financial management, monitoring and reporting arrangements to achieve more robust and transparent financial management and forecasting arrangements and strengthen accountability of budget holders in order to deliver in line with the MTFP.

CLT are proactively receiving and taking decisions in relation to financial governance. Examples include papers relating to social care pressures, budget strategy including duties and powers framework, and consideration of spending controls to mitigate the emerging 2023/24 pressures pre and post issuance of S114(3) report.

2.9.2 2023/24 Financial Position and Issuance of S114(3) Report

As set out in 2.3.2 and 2.3.3 above at the end of Period 6, the Council was forecasting a gross General Fund pressure of £56.899m with over 80% of the forecasted pressures being in People's services. This was partly mitigated with one-off in-year management and corrective actions (including the use of reserves set out above) and the deployment of technical options which resulted in a net forecasted General Fund pressure for the year of £23.351m.

On 29 November 2023, the Section 151 Officer issued a report to all councillors under section 114(3) of the Local Government Finance Act 1988 (the Act), to formally notify the Council that in his professional opinion, the Council is unable to meet its statutory requirement to deliver a balanced budget for 2023/24. The recommendations set out with the S114(3) report and the subsequent report by the Chief Executive in response to the S114(3) report to the City Council meeting on 18 December 2023 were unanimously accepted by all councillors.

2.9.3 Exceptional Financial Support

As set out above in 2.3.4 following the review of the Council's financial pressures in July 2023 and again in September 2023, an assessment was made by the Section 151 Officer following assurances sought by respective CLT leads that the Council will be unable to balance its budget in-year for 2023/24 as well as be unable to set a balanced budget for 2024/25. This led to the submission of an EFS on 12 January 2024 in accordance with DLUHC deadline, for up to c£65m, of which up to £25m was for 2023/24 and up to £40m was for 2024/25.

2.9.4 2024/25 Budget and MTFP Process

As set out above in 2.3.5 a budget gap of c£172m is forecasted over the MTFP period to 2027/28 of which c£41m relates to 2024/25 and is assumed to be funded by EFS. The draft 2024/25 budget and MTFP report and associated appendices setting out proposals were presented to the Executive Board on 13 February 2024, with a separate report on the HRA budget presented at the same meeting. Further work is being undertaken to review the proposed officer developed savings which may look to reduce these further for the final report to City Council meeting scheduled for 4 March 2024.

2.10 Instruction 8. Bring forward a credible and risk assessed plan for additional pipeline of capital receipts linked to the implementation of the corporate landlord model

2.10.1 Progress Update

Following the restructuring of functions in November 2023, the Property and Facilities Management functions have been operating towards the Corporate Landlord model, taking an increasingly strategic overview of the council's property assets.

Since then, further work has been undertaken to confirm the scope of the Corporate Landlord model and the assets to transfer into corporate management from individual services. Work is now underway to transfer assets from services into the centralised model.

A full review of all assets within the portfolio has been undertaken to identify assets that no longer meet the Best Value requirements of the council. This review has been broken down into several themes/asset classes, with specialist expertise commissioned to undertake the reviews to provide a credible market assessment. The reviews are as follows:

- 1) Investment Properties: review concluded in 2022, and properties for sale with an indicative value of £44.4m agreed in Jan 2023, over a phased period of three years. First sale completed in November 2023 and the remaining properties are now being revisited to determine whether the original conclusions still stand and whether further properties can be identified for disposal.
- 2) High Value Asset Review (properties valued at over £750k): concluded in autumn 2023 and 39 properties were identified for potential sale.
- 3) Agricultural Assets (Farms): the review concluded in the autumn, and reviewed nine assets, with recommendations to sell seven.
- 4) Operational Estate: review of 93 operational currently concluding. The initial report has now been received and is being analysed before working with services to align with/inform implementation of budget proposals.
- 5) Ongoing portfolio review: internal review of smaller commercial assets to consider ongoing performance.

Since February 2023 when the IAB Instructions were set, the capital receipt pipeline has increased by £66m delivering a forecast for the period 2023/24 to 2027/28 totalling £177.6m, risk adjusted to £150.6m.

A detailed decision framework has now been developed, which takes into consideration the following:

- Income/income stability
- Capital works requirements
- EPC works requirements
- Income requirements
- Capital requirements

Work will continue to review all portfolios on an ongoing basis in line with the objectives set out by the Corporate Landlord.

2.11 Improvement and Assurance Board Additional Finance Instruction

At the IAB meeting on 25 January 2024, the IAB issued a further two Finance Instructions effective from 25 January 2024.

Flowing directly from the existing IAB Finance instructions 1 and 2 listed above which are “Approval of wholly realistic plans and budgets” and “Establish and Maintain a sound and prudent reserves policy and practice’ respectively.

The additional finance instructions are as follows:

1. The Section 151 Officer, after consultation with the Chief Executive and fellow Corporate Directors, shall present his best professional view on a draft budget for 2024/25 in line with normally expected professional standards but which in particular maximises the level of savings options that Corporate Directors believe can be delivered and thus quantifies the minimum budget imbalance relying on the bid to Government for ‘Exceptional Financial Support’
2. Subject only to any professionally required changes determined by the Section 151 Officer, the draft budget for 2024/25 as defined in 1 above, shall be presented and recommended to the Full budget setting Council meeting for its approval.

As set out above in 2.3.5 and 2.9.4 draft 2024/25 budget and MTFP report and associated appendices setting out proposals were presented to the Executive Board on 13 February 2024. Further work is being undertaken to review the proposed officer developed savings which may look to reduce these further for the final report to City Council meeting scheduled for 4 March 2024.

3 Background papers other than published works or those disclosing exempt or confidential information

3.1 None

4 Published documents referred to in compiling this report

4.1 Table below sets out all reports that have been referred within this report.

City Council Extraordinary Meeting	
Response to Section 114 Report – Financial Recovery Plan	18 December 2023
City Council	
Budget 2023/24	6 March 2023
Treasury Management Strategy and Capital Strategy 2023/24	6 March 2023
Executive Board	
2024/25 Budget and Medium-Term Financial Plan	13 February 2024

Housing Revenue Account (HRA) Business Plan 2024-2053, Medium Term Financial Plan (MTFP) 2024 – 2028, HRA Budget 2024/25 including Rent Setting Public Sector Housing Capital Programme 2024/25 to 2028/29	13 February 2024
Budget Strategy and Medium Term Financial Plan (MTFP) 2024/25 to 2027/28	19 December 2023
Period 6 2023/24 Budget Monitoring	21 November 2023
Budget Strategy and Medium Term Financial Plan (MTFP) Refresh 2024/25 to 2027/28	18 July 2023
Period 2 2023/24 Budget Monitoring	18 July 2023
Provisional Financial Outturn 2022/23	18 July 2023
Medium Term Financial Plan 2023/24 to 2026/27	21 February 2023
Treasury Management Strategy and Capital Strategy 2023/24	21 February 2023
Medium Term Financial Plan 2023/24 to 2026/27	20 December 2022
Audit Committee	
Finance Improvement Plan Update	23 February 2024
Statement of Accounts Progress Update	23 February 2024
Financial Improvement Plan Update	24 November 2023
Statement of Accounts Progress Update	24 November 2023
Financial Improvement Plan Update	29 September 2023
Statement of Accounts Progress Update	29 September 2023
Financial Improvement Plan Update	28 July 2023
Statement of Accounts Progress Update	28 July 2023
Verbal Update: <ul style="list-style-type: none"> Regular monitoring of previous years' statement of accounts Finance Improvement Plan 	30 June 2023
Other	
Section 114 Report	29 November 2023

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Audit Committee – 23 February 2024

Title of paper:	Finance Improvement Plan Update	
Corporate Director(s) / Director(s):	Ross Brown – Corporate Director of Finance and Resources (S151 Officer) Shabana Kausar - Director of Finance and Deputy S151 Officer	Wards affected: All
Author:	Toyin Bamidele (Finance Improvement Programme Lead)	
Other Colleagues who have provided input:	Glenn Hammons (Technical Finance Team Leader)	
Does this report contain any information that is exempt from publication? No		
Recommendation(s):		
1.	To note the progress to date on the Finance Improvement Plan and remediation controls project	
2.	To note the progress in achieving the City Council’s Finance Improvement Plan (FIP).	
3.	To note the specific improvements delivered since the last 12 months to January 2024.	
4.	To note the planned activities within the FIP to the end of February 2024.	
5.	To note the progress update on the Financial Controls Remediation Project carried out by Ernest Young	

1 Purpose

- 1.1 To present Audit Committee with an update on the Council’s Finance Improvement Plan and provide a progress update on the finance improvement programme.

2 Background

- 2.1 The Council’s financial management improvement independent review focused on ensuring excellent financial management at Nottingham City Council (NCC) was commissioned in January 2023.
- 2.2 The Finance Improvement Plan (FIP) is being delivered within eight themes and each theme has a number of comprehensive deliverables/actions.
- 2.3 To establish how the financial control environment develops through the life of the FIP and to ensure the outcomes from the FIP deliverables provides the professional standards expected of a council, each of the improvement

deliverables/actions have been mapped to the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code (FM Code).

- 2.4 The deliverables within the FIP have been designed to ensure the necessary foundations for effective financial controls, data integrity, ownership and accountability framework are in place.
- 2.5 Appendix 1 provides an insight into the specific improvements delivered in the last 12 months to January 2024, whilst Appendix 2 provides key activities planned to be undertaken to the end of February 2024.

3 Improvement and Assurance Board Additional Instruction

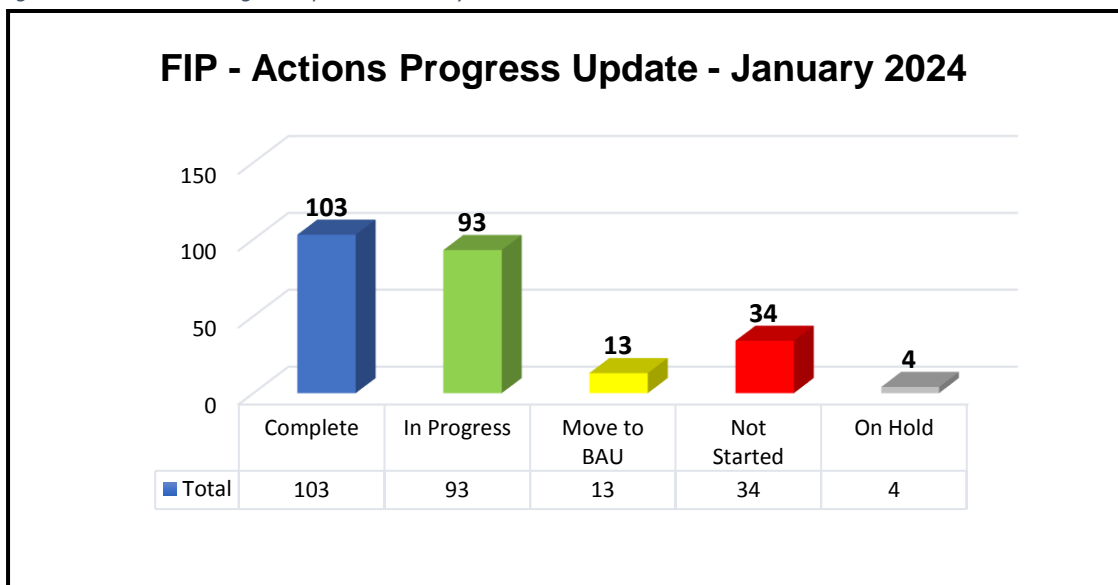
- 3.1 At the formal Improvement and Assurance Board (IAB) meeting on 25 January, the IAB issued a further two Finance Instructions effective from 25 January 2024.
- 3.2 Flowing directly from the existing IAB instructions – namely, ‘2.1, Approval of wholly realistic plans and budgets’ and ‘2.2, Establish and Maintain a sound and prudent reserves policy and practice’ – the IAB further instructions are as follows:
 - 1. The Section 151 Officer, after consultation with the Chief Executive and fellow Corporate Directors, shall present his best professional view on a draft budget for 2024/25 in line with normally expected professional standards but which in particular maximises the level of savings options that Corporate Directors believe can be delivered and thus quantifies the minimum budget imbalance relying on the bid to Government for ‘Exceptional Financial Support’
 - 2. Subject only to any professionally required changes determined by the Section 151 Officer, the draft budget for 2024/25 as defined in 1 above, shall be presented and recommended to the Full budget setting Council meeting for its approval.
- 3.3 A separate report providing an update on IAB finance instructions is being presented at the same Audit Committee meeting as this report.

4 Finance Improvement Plan (FIP) Update – Plan and Delivery

- 4.1 The issuing of a Section 114 notice in November 2023 and priority of setting a balanced budget for 2024/25 has resulted in the need to revisit and reprioritise the Council’s approach to sustain sound financial stewardship of the Council’s resources and safeguard financial resilience across NCC.
- 4.2 Good financial management is a pre-requisite of any successful organisation therefore, the improvements within the FIP continue to be tackled comprehensively and in a co-ordinated way with the focus on ensuring absolute organisational confidence in the Council’s financial management.

- 4.3 The FIP continues to deliver good progress despite the capacity issues within the team particularly as the Council embraces a spend control policy and a culture of living within its means whilst focusing on its priorities.
- 4.4 The FIP has delivered several substantial achievements over the last 12 months. Details of actions delivered to January 2024 is provided as Appendix 1. There are currently 247 deliverables within the FIP of which 47% have been adopted, implemented and/or embedded into business as usual (BAU).
- 4.5 As illustrated in figure 1 below, of the 247 clearly defined financial improvement deliverables/actions identified as of January 2024, 42% are completed, 38% are in progress, 14% are not started due to dependencies on other actions which are currently in progress, 1% is on hold due to dependences on other activities and 5% have been reclassified as business as usual (BAU). The actions labelled as BAU are being embedded and will be refreshed on a cyclical basis.

Figure 1 - FIP Actions Progress Update – January 2024



- 4.6 As expected from an organisation with significant financial challenges, staffing, management and leadership capacity as well as staff retention are the key risks of not delivering the FIP activities particularly as the same limited resources are required to support the Council’s spend control exercise, business as usual activities and the Council’s journey to Financial Resilience and Sustainability.
- 4.7 The Corporate Director of Finance and Resources (Section 151 Officer) and Director of Finance and Deputy Section 151 Officer working with the Corporate Leadership Team will continue to review the available resources alongside the Council’s target operating model to ensure the relevant capacity and capabilities required for delivering great financial management are in place and maintained.

5 Finalising the statutory accounts for 2019/20 – 2022/23

- 5.1 As reported to the Audit Committee in November 2023, the Council has four sets of accounts that should have already been published with audit opinions however, due to issues with property valuations for specialist assets and with subsidiary company figures required for group accounts these accounts are yet to be published
- 5.2 Since the last update to the Board in November, the Council has received further clarification questions from Grant Thornton on the 2019/20 draft accounts. All of these have been responded to. None of these questions has resulted in any further changes to the updated draft 2019/20 Statement of Accounts provided to Grant Thornton on 8 November reflecting all known agreed changes. However, these still need to be considered by Grant Thornton’s internal review and assurance processes before an audit opinion can be provided. There is a risk further queries maybe raised during the review and assurance process.
- 5.3 Details of the accounts progress are set out in a separate report which is being presented to Audit Committee at the same meeting. The table below provides a summary overview of the position, as reported to Audit Committee, to end of February 2024 in resolving audit queries with regards to accounting years 2019/20 to 2022/23.

Table 1- Statutory Accounts Update

Financial Year	Audit Queries	Progress as at 2 February 2024	Expected Progress to end of February 2024
2019/20	<ul style="list-style-type: none"> All requests received have been responded to by the Council. Revised draft accounts submitted to Grant Thornton on 8 November 2023 incorporating all identified changes at that time. Grant Thornton are progressing the Accounts through their Quality Assurance processes. 	100%	100%
2020/21	<ul style="list-style-type: none"> Audit not yet commenced. Revised draft accounts were completed in December 2023. 	100%	100%
2021/22	<ul style="list-style-type: none"> Audit not yet commenced. Draft accounts are expected to be ready for publication by mid-March 2024. 	80%	90%
2022/23	<ul style="list-style-type: none"> Audit not yet commenced. Draft accounts are expected to be ready for publication by end May 2024. 	50%	60%

6 Financial Controls Remediation Project

6.1 Background

- 6.1.1 In June 2023, this committee was presented with the outcomes of the Council's Control Environment review specifically the findings of the Controls Assessment undertaken by Ernst & Young (EY), which reinforces a conclusion that the Council was operating with a considerably weakened control environment which is not fit for purpose in allowing a Local Authority to enact effective financial stewardship.
- 6.1.2 EY observed a weak control environment, ineffective systems, associated management information and a culture which was not focused upon compliance. Specific areas of concern detailed within the 'Financial Controls Assessment' report to Audit Committee meeting in June 2023 included:
- a) Issues with ineffective audit trail
 - b) A high incidence of issues across the sample such as transaction classification and approvals
 - c) Limited preventative and detective controls
 - d) A culture where policy adherence and knowledge is weak
 - e) A high risk of controls being circumnavigated through management override
- 6.1.3 As set out in the Local Government Act 1972, councils are required to ensure that they have in place arrangements for the proper administration of their financial affairs. EY's findings of the financial controls assessment underpinned a conclusion that the Council was operating with a considerably weakened control environment which was not fit for purpose in allowing a Local Authority to enact effective financial stewardship. The EY report highlighted these weaknesses have both historically existed and are currently present in the financial control environment, infrastructure, and culture of the organisation, which limit the Council's ability to effectively discharge its legislative responsibilities.
- 6.1.4 The Council recognised the fundamental weakness in the control environment the EY report set out and accepted that a significant amount of work was required, over a prolonged period, to address the shortcomings highlighted explicitly in the findings.
- 6.1.5 As much as the findings quite rightly focus on the system and process failings, the cultural and organisational limitations should not be lost as it is a significant contributing factor in the matters raised. Rectification of the issues is much more than simply putting in new procedures, it is about re-establishing and reinforcing a culture of financial accountability and compliance across all areas of the Council's decision making and processes.
- 6.1.6 As set out in the Financial Controls Assessment report to Audit Committee meeting in June 2023, to mitigate the risks caused by the weakened control environment, immediate interventions were required. The first step involves the rapid assessment and remediation of ten specific control issue areas. Phase 1 of the remediation work is to ensure the Council has the essential basics in place, although it is anticipated that further work will be required

including investment in finance systems to provide the most effective control environment.

6.2 Financial Controls Remediation Project

6.2.1 As previously reported to the Audit Committee, EY were commissioned to undertake a 12-week focused controls remediation project in July 2023 seeking to ensure the Council has the essential basics controls in place. Throughout this period EY worked collaboratively with officers to investigate each control weakness across the process areas and to develop remediation procedures.

6.2.2 The control remediation project was focused on three themes:

- The establishment of interim controls to establish grip in relation to identified control weaknesses
- A Council wide review to determine the prevalence of identified issues across the Council and the group structure; and,
- Alignment of control remediation activities into the FIP and ensuring transition of ownership and knowledge to officers.

6.2.3 The control remediation project was completed by EY in September 2023 and 38 remediation activities were identified. The Finance team have worked collaboratively with EY to map the 38 identified remediation control project actions to the FIP to ensure improved control and accountability.

6.2.4 All 38 remediation activities have agreed controls in place and as at January 2024, 27 (71%) of the 38 remediation activities have been implemented and the remaining 11 (29%) are in progress. Table 2 below provides a summary of the progress against each control theme.

Table 2 - Remediation Controls Progress

Remediation Control Themes and specific areas		Controls Agreed and Implemented	Remediations designed, implementation in progress	Total
Core Financial Process	1. Grant Receive to Record	4	0	4
	2. Purchase to Pay	2	2	4
	3. Record to Report	3	3	6
	4. Goods Receipting	4	0	4
Organisational Wide Process	5. Procurement Process	4	0	4
	6. Service Recharges	6	0	6
	7. HR and Expenses Process	0	1	1
Financial Systems	8. System Reporting	2	0	2
	9. Segregation of Certain Financial Activities	1	4	5

Remediation Control Themes and specific areas		Controls Agreed and Implemented	Remediations designed, implementation in progress	Total
	10. Systems Access	1	1	2
Total	No	27	11	38
	%	71%	29%	100%

6.2.5 As previously reported, some of the remediation actions have a longer lead in time for implementation which has been agreed with EY. Summarised below are the 11 remediation actions that are in progress:

- 1) Purchase to Pay – 2 actions linked to enforcing the ‘No PO No Pay’ policy compliance with a view to completing the necessary actions by the end of this financial year to embed the policy from 1 April 2024.
- 2) Record to Report – 3 actions in relation to Oracle Fusion System improvements with regards to the Capital Module currently expected to be completed in by April 2024. The activities include system changes, updating processes and general communications which will enhance current process.
- 3) HR and Expenses Process - training for budget managers to be rolled by end of the financial year.
- 4) Segregation of Certain Financial Activities – 4 actions on coding structure improvement for ring-fenced account, associated monitoring process, training and communication to be completed by end of the financial year all of which are an improvement to the current process.
- 5) System Access – the action outstanding is dependent on EMSS creating a job on Oracle Fusion which will allow the Finance team to run and review temporary approval delegations on a regular basis. This is currently expected to be fully completed in April 2024.

6.2.6 The majority of the remediation actions identified are directly or indirectly linked to the closure of accounts process therefore, officers have been in discussions with EY for a health check during 2024/25. This will enable the Council to learn lessons from this activity and both reflect and incorporate these within the FIP and BAU activities.

6.2.7 Although good progress has been achieved on our journey in improving and establishing the financial control environment, it is important that we do not consider this to be the end of the process. We will have put in place the essential basic interim financial controls that allows the Council to discharge its financial duty as set out under Local Government Act 1972.

7 Financial Implications

7.1 The Local Government Act 1972 requires the Council to make arrangements for the proper administration of their financial affairs and shall secure one of their officers with the responsibility for the administration of those affairs.

7.2 The S151 officer has a Financial Improvement Plan in place which has been refreshed to demonstrate how CIPFA's Excellence in Finance model will be implemented over the lifetime of the plan, giving the Council the assurance, it requires in relation to this statutory duty.

7.3 It is important to note that the FIP is an evolving document and will be continuously updated and expanded to reflect outcome of particular pieces of work such as the remediation control project, establishment control, which may require additional resources.

8 Legal Comments

8.1 There are no legal implications to be noted at this stage.

9 Commercial and Procurement Comments

9.1 There are no implications with regards to procurement contained within this report.

10 HR and EDI Considerations:

10.1 There are no implications with regards to HR and EDI contained within this report.

11 Risk Management Considerations

11.1 As set out in the report above staffing capacity and retention remains a key risk for the service in not just delivering the FIP activities but also managing key business as usual (BAU) activities such as the budget process and budget monitoring. This is being reviewed continuously and activities and deliverables being reviewed and reprioritised accordingly.

11.2 Published documents referred to in compiling this report

- Audit Committee 24 February 2024 - Statement of Accounts Progress Update
- Audit Committee 30 June 2023 - Financial Controls Assessment

FIP Theme	Action - UID	Action	Impact on control environment
1) Strengthening Financial Leadership	A1.2	Produced Accountability Agreements for Corporate Directors	Accountability Agreement is in place clearly articulating management expectations of good financial management
1) Strengthening Financial Leadership	A1.4	Establish clear guidance on the financial roles and responsibilities of Corporate Directors, Budget Managers and Finance.	Guidance is followed leading to improvement financial management
1) Strengthening Financial Leadership	A1.5	Establish clear guidance on the financial roles and responsibilities of Corporate Directors, Budget Managers and Finance.	Guidance is followed leading to improvement financial management
1) Strengthening Financial Leadership	A2.8	Provided annual training (could also be refresher if no change in membership) to Audit Committee members	Audit Committee have suitable mechanisms in place to oversee and monitor value for money (VfM) and risks
1) Strengthening Financial Leadership	A2.9	Establish a framework and process for timely response, action to respond to and compliance with audit recommendations and oversight of compliance via CLT. This will assist with the development of a mature relationship with both Internal Audit and External Audit and the rest of NCC.	Audit recommendations are actively managed and implemented by lead officer
1) Strengthening Financial Leadership	A3.1	Finance to effectively work alongside the Transformation Programme to put in place and integrate the financial management and control required to provide senior leadership with a timely insight into the critical financials, both investment and savings being delivered needed	The authority undertakes a programme of transformation projects supported with financials that enable costs to be controlled, savings to be delivered and return on investment achieved

FIP Theme	Action - UID	Action	Impact on control environment
1) Strengthening Financial Leadership	A3.2	Finance to effectively support the completion of the 5 prioritised best value reviews by providing timely insight, financial data analysis and challenge	The authority undertakes a programme of best value reviews designed to assess the extent to which its principle services are operating effectively and making recommendations for improvement
1) Strengthening Financial Leadership	B1.1	The authority's CFO is a key member of the leadership team, involved in and able to bring influence to bear on all material business decisions	The authority's CFO is a key member of the leadership team, involved in and able to bring influence to bear on all material business decisions
1) Strengthening Financial Leadership	B3.1	The Chief Finance Officer (CFO) is suitably qualified	The CFO is suitably qualified
1) Strengthening Financial Leadership	B4.3	New Finance Target Operating Model Re-alignment of finance functions Re-define roles and responsibilities in managing finances Implement Accountability and Competency Agreements Re-define / re-establish the role of finance business partners within the Finance TOM	The finance TOM has been implemented and demonstrates an effective and efficient finance function in its core service delivery and supporting delivery of the authority's service and corporate plan
1) Strengthening Financial Leadership	C4.1a	Deliver induction training for all Councillors in respect of Local Government Finance	The leadership team espouses high standards of governance and internal control through an effective Constitution and effective decision making

FIP Theme	Action - UID	Action	Impact on control environment
1) Strengthening Financial Leadership	E1.1	Map the 'as is' financial relationship between NCC / NCH (HRA and non HRA). Map to include partnership / contractual arrangements and over of roles and responsibilities	The authority has in place an effective framework of financial accountability evidenced by an understanding of roles and responsibilities for partnerships / contractual arrangements
1) Strengthening Financial Leadership	E1.3	Develop and implementation a package of spending controls to demonstrate that the authority is gaining a tighter grip on how its finances are being managed and reported.	The financial management style of the authority supports financial sustainability.
1) Strengthening Financial Leadership	E1.4	Presentation to senior leadership management group (SLMG/DLT) and guidance issued to all staff on spending controls and how they are to be monitored and reported	The financial management style of the authority supports financial sustainability.
1) Strengthening Financial Leadership	E2.2	Review the long-standing partnership agreement with LCC for the provision of certain financial / HR systems as part of the EMSS, to identify whether it is realising the expected financial and business benefits in the original business case.	The authority is committed to continuous improvement in terms of the economy, efficiency and effectiveness
1) Strengthening Financial Leadership	F1.5	Establish close working relationships with Transformation Finance to understand and align investment costs profiling to secured capital receipts. Identify and report any risks/issues as part of the in-year reporting	The financial management style of the authority supports financial sustainability.
1) Strengthening Financial Leadership	F2.1	Review and update the reserves policy, identifying any risks as part of the medium term financial plan (MTFP) refresh	The authority manages its reserves well

FIP Theme	Action - UID	Action	Impact on control environment
1) Strengthening Financial Leadership	F3.1	Post financial resilience statement, consider the risks and mitigating actions as required. Link into MTFP July Exec report	Financial resilience statement - risk assessment
1) Strengthening Financial Leadership	J1.1	The authority is aware of its obligations in respect of budget setting and has put forward for approval to Council a budget set in accordance with its statutory obligations	The authority complies with its statutory obligations in respect of the budget setting process
1) Strengthening Financial Leadership	J2.1	2023/24 Budget prepared and includes a statement by the CFO on the robustness of estimates	The authority has set a balanced budget
1) Strengthening Financial Leadership	K1.1	2024/25 Budget prepared and includes a statement by the CFO on the robustness of estimates	Approved budget incorporating a statement by the CFO on the robustness of estimates
1) Strengthening Financial Leadership	K2.1	Budget 2023/24 to include narrative on significant estimates and their impact	Approved budget incorporating narrative on significant estimates and their impact
1) Strengthening Financial Leadership	K3.1	Budget 2023/24 to include an assessment on the adequacy of reserves held by the authority	Approved budget incorporating an assessment of the current level of reserves and their sufficiency across the life of the MTFP
1) Strengthening Financial Leadership	K4.1	Budget 2023/24 to include an assessment on the adequacy of reserves held by the authority	Approved budget incorporating an assessment of the current level of reserves and their sufficiency across the life of the MTFP
1) Strengthening Financial Leadership	N1.5	Produce savings delivery tracker into financial reporting.	To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making

FIP Theme	Action - UID	Action	Impact on control environment
1) Strengthening Financial Leadership	N1.6	Roll out in consultation with the Corporate Finance Business Partners (CFBPs) the Tracker as part of the period end finance performance reporting	To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making
1) Strengthening Financial Leadership	N1.8	Consult with the Capital Board and Project Managers on the proposed timetable for in year capital performance reporting	To manage the expectations and deadlines for financial reporting
1) Strengthening Financial Leadership	N1.9	Roll out the agreed budget monitoring timetable	To manage the expectations and deadlines for financial reporting
1) Strengthening Financial Leadership	N1.11	Develop a new template and appendices for in year and outturn capital reporting that provides more insightful information enabling all relevant stakeholders to fully understand the programme (what is being delivered), the progress in delivering it relative to expectations (on time and to budget) and any significant emerging issues and risks and how these are being mitigated/managed.	To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making
1) Strengthening Financial Leadership	N3.1	Review the long-standing partnership agreement with LCC for the provision of certain financial / HR systems as part of the EMSS, to identify whether it is realising the expected financial and business benefits in the original business case.	Development of action plan
2) Improving the approach to managing and governing the capital programme	C5.4	Develop a comprehensive training programme for developing skills and competencies in asset management, capital planning, project/risk and financial management	Comprehensive training on developing skills and competencies in asset management, capital planning, project/risk and financial management is delivered, embedded in operational delivery going forward with an annual refresh programme

FIP Theme	Action - UID	Action	Impact on control environment
2) Improving the approach to managing and governing the capital programme	C5.5	Rollout training programme for developing skills and competencies in asset management, capital planning, project/risk and financial management and embed in operational BAU going forward to ensure regular training is provided and annual refresh	Comprehensive training on developing skills and competencies in asset management, capital planning, project/risk and financial management is delivered, embedded in operational delivery going forward with an annual refresh programme
2) Improving the approach to managing and governing the capital programme	E1.5	Develop a standardised approach to storing and retaining both project and financial information in Oracle Fusion / SharePoint aligned to information governance standards	The authority operates financial information systems that enable the consistent production of comprehensive, accrual-based and up to date data that fully meets the users' needs
2) Improving the approach to managing and governing the capital programme	H1.1	Review of underlying base budget assumptions that underpin the capital programme and capital strategy with the look to adopt a revised approach to prioritising how capital spend is financed.	The authority has a capital strategy approved by Council that is underpinned by sound assumptions, policy and guidance
2) Improving the approach to managing and governing the capital programme	H1.4a	Review of underlying base budget assumptions that underpin the capital programme and related ongoing developments as part of the July 23 MTFP Refresh	The authority has a capital strategy approved by Council that is underpinned by sound assumptions, policy and guidance
2) Improving the approach to managing and governing the capital programme	H1.5a	Prepare a draft Capital Financial Management Handbook that provides Project Managers / Finance Business Partners with a clear understanding of their financial role and responsibilities in managing and reporting a capital project	The authority has a capital strategy approved by Council that is underpinned by sound assumptions, policy and guidance
2) Improving the approach to managing and governing the capital programme	H1.6	Develop and roll out a mandatory capital training module for completion by all PMs / Project Support Officers and all Finance Officers	The authority has a capital strategy approved by Council that is underpinned by sound assumptions, policy and guidance

FIP Theme	Action - UID	Action	Impact on control environment
2) Improving the approach to managing and governing the capital programme	I2.2	Carry out a quarterly review of unsecured/secured capital receipts as part of and aligned to capital in year reporting.	The medium-term financial plan is consistent and integrated into relevant service plans and its capital strategy and can be demonstrated by the in year reporting cycle
2) Improving the approach to managing and governing the capital programme	N1.7	Develop a draft timetable alongside that for Revenue (once agreed) for agreement with the Director of Finance	To manage the expectations and deadlines for financial reporting
2) Improving the approach to managing and governing the capital programme	N1.10	Develop a new template and appendices for in year and outturn capital reporting that provides more insightful information enabling all relevant stakeholders to fully understand the programme (what is being delivered), the progress in delivering it relative to expectations (on time and to budget) and any significant emerging issues & risks and how these are being mitigated/managed.	To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making
3) Enhancing financial systems to meet user needs	C5.3	Complete annual PCI compliance check, implementing any recommendations made	Annual report provided by Internal Audit
3) Enhancing financial systems to meet user needs	C5.6	Work with internal audit to develop the robustness of the control environment for Payment card industry (PCI)	PCI compliance

FIP Theme	Action - UID	Action	Impact on control environment
3) Enhancing financial systems to meet user needs	N3.3	Establish and implement appropriate client contract management arrangements including Subscription Management for Oracle Fusion licensing and the new Managed Service Provider. These arrangements will be informed by a review of the Finance Service Centre (EMSS - FSC) SLAs and KPI metrics	The authority is committed to continuous improvement in terms of the economy, efficiency and effectiveness
3) Enhancing financial systems to meet user needs	N4.1	Establish a unified Financial Systems Reporting Strategy and toolkit based on Microsoft Power BI that looks to provide: an insightful, intuitive and intelligent approach to data analysis; "one version of the truth"; capability to meet the multi-dimensional financial and management information needs of different stakeholders; and a proactive, agile and responsive resource to design and meet changing reporting needs	Reporting and insight analysis is used to inform decision making and improve accuracy of forecasting
3) Enhancing financial systems to meet user needs	N5.1	Work with internal audit to develop / commission a comprehensive multi-year programme of Financial / IT audit / external reviews that provides assurance to the CFO as to the robustness of the control environment including full compliance with PCI surrounding Oracle Fusion (all relevant modules but particularly GL, AP, AR, HCM/P, Project) / other financial systems e.g., Icon and originating business feeder systems	The leadership and stakeholders (users) are satisfied with the timeliness and accuracy of financial information provided
3) Enhancing financial systems to meet user needs	N5.2	Develop an initial suite of prototype finance dashboards for demonstration these being: Accounts Receivable, Revenue Budget, Accounts Payable, Journal management).	There is a demonstratable robust internal financial control framework that meets CFO and audit expectations

FIP Theme	Action - UID	Action	Impact on control environment
3) Enhancing financial systems to meet user needs	N5.3	Aligned to FIP 3.9, introduce compliance, control and escalation reporting on system users adherence and compliance with financial systems policies, procedures, processes and rules to CLT, DMTs as part of the drive towards a more financially compliant culture	Routine compliance and adherence to policies, processes and procedures
3) Enhancing financial systems to meet user needs	N5.4	Working with key stakeholders, create a Finance MI Reporting Annual Plan that specifically identifies the financial reports to be prioritised for development to meet business needs	Reporting and insight analysis is used to inform decision making and improve accuracy of forecasting
3) Enhancing financial systems to meet user needs	Q1.1	Establish a unified Financial Systems Reporting Strategy and toolkit based on Microsoft Power BI that looks to provide: an insightful, intuitive and intelligent approach to data analysis; "one version of the truth"; capability to meet the multi-dimensional financial and management information needs of different stakeholders; and a proactive, agile and responsive resource to design and meet changing reporting needs	Accurate, timely and accessible financial dashboards that meet business need of all stakeholders
3) Enhancing financial systems to meet user needs	Q1.2	Develop an initial suite of prototype finance dashboards for demonstration these being: AR, Revenue Budget, AP, Journal management).	There is a demonstratable robust internal financial control framework that meets CFO and audit expectations
4) A well designed and robust system of internal financial control	C2.1	Review the current payroll controls in place over the monthly payroll submissions including control account reconciliations	Appropriate system of internal financial control designed

FIP Theme	Action - UID	Action	Impact on control environment
4) A well designed and robust system of internal financial control	C2.2	Carry out an evaluation of the robustness of the internal controls within Oracle Fusion	There is a clear framework for governance and internal control for processes within the finance system and that these are adhered to fully. Monthly system control reconciliations are complete and approved. Internal and External Audit identify no significant weaknesses
4) A well designed and robust system of internal financial control	C2.7	Commission an internal audit review to supplement and test compliance with payroll submission and control account reconciliations	Audit Assurance on the operational robustness of internal financial control framework
4) A well designed and robust system of internal financial control	C2.10	Complementing internal audit work, identify and document the internal control procedures designed and operating within the Oracle Fusion systems map. - Carry out an evaluation as to the robustness of those controls and whether they are operating effectively and there is an appropriate level of management oversight - Implement a standardised template and process with suitable supporting documentation for completing and approving reconciliations for feeder systems, bank and other control accounts, holding accounts and error suspense accounts	There is a clear framework for governance and internal control for processes within the finance system and that these are adhered to fully. Monthly system control reconciliations are complete and approved. Internal and External Audit identify no significant weaknesses
4) A well designed and robust system of internal financial control	C2.11	Implement a standardised template and process with suitable supporting documentation for completing and approving reconciliations for feeder systems, bank and other control accounts, holding accounts and error suspense accounts	There is a clear framework for governance and internal control for processes within the finance system and that these are adhered to fully. Monthly system control reconciliations are complete and approved. Internal and External Audit identify no significant weaknesses

FIP Theme	Action - UID	Action	Impact on control environment
4) A well designed and robust system of internal financial control	C2.15	Assess the likely risk of making a duplicate payment in the AP system and the underlying arrangements in place for mitigating those risks. Subject to the conclusion of that assessment, carry out /commission a duplicate payment review potentially covering multiple financial years	The finance system has internal controls to ensure that no duplicate payments are made to suppliers. No adverse opinion from Internal and External Audit
4) A well designed and robust system of internal financial control	E1.8	Review of control accounts, holding accounts, suspense account, and bank reconciliations including the development of a standardised approach	Robust internal control framework
4) A well designed and robust system of internal financial control	N2.1	Assess the likely risk of making a duplicate payment in the AP system and the underlying arrangements in place for mitigating those risks. Subject to the conclusion of that assessment, carry out /commission a duplicate payment review potentially covering multiple Financial Years	
4) A well designed and robust system of internal financial control	N2.4	Determine a proof of concept approach to determine the extent of the likelihood of duplicate payments for the FY 2022/23	
4) A well designed and robust system of internal financial control	N2.5	Consider whether to carry out a duplicate recovery audit across multiple years	Well managed system of internal control - risk of duplicate payments mitigated
4) A well designed and robust system of internal financial control	O1.6	Payroll Control workstream - Payroll overpayments	Robust internal control

FIP Theme	Action - UID	Action	Impact on control environment
5) Embedding Professional Accounting Practice	B2.1	The CFO leads and champion the promotion and delivery of good financial management across the authority. Per implementation of all FIP planned actions and finance target operating model (TOM) actions in this plan	The CFO including through their finance team lead and champion the promotion of good financial management across the authority. This is demonstrated by full implementation of the FIP and finance TOM
5) Embedding Professional Accounting Practice	B4.5	Provide additional expert capacity to address backlogs in the achievement of statutory financial reporting and audit requirements	The finance TOM has been implemented and demonstrates an effective and efficient finance function in its core service delivery and supporting delivery of the authority's service and corporate plan
5) Embedding Professional Accounting Practice	E1.2	Review and establish a relevant charging methodology to services NCC, NCH (HRA and non HRA) Link to recharges review	The authority has in place an effective framework of financial accountability evidenced by an understanding of roles and responsibilities for partnerships / contractual arrangements
5) Embedding Professional Accounting Practice	E2.3	Significant Accounting Review - Capital recharges - Potential negative adjustment to revenue	The authority's financial accounting and reporting are accrual based; comply with the Code of Practice on Local Authority Accounting in the united Kingdom, and meet the relevant professional and regulatory standards
5) Embedding Professional Accounting Practice	E2.10	Significant Accounting Review - MRP transformation savings	The authority's financial accounting and reporting are accrual based; comply with the Code of Practice on Local Authority Accounting in the united Kingdom, and meet the relevant professional and regulatory standards

FIP Theme	Action - UID	Action	Impact on control environment
5) Embedding Professional Accounting Practice	E5.1	Ernest Young (EY) to report on its review of Management of Override Controls to provide an independent review	The authority has sought an external view on its Management of Override controls as part of its FIP
5) Embedding Professional Accounting Practice	P3.1	Journal Processing Issue preliminary guidance including moving Finance Division Staff to input directly and leaving intranet form submissions to be used for requests from wider organisation. All intranet forms to be authorised by Finance - changes required to Firmstep forms. All input by Finance Staff to be reviewed and signed off before input.	Journal Control improvements - A clean audit opinion
5) Embedding Professional Accounting Practice	P3.2	Control of recharging processes improvement	A clean audit opinion
5) Embedding Professional Accounting Practice	P3.3	Journal Processing Review compliance with new guidance, develop and deliver support to areas struggling with changes.	Journal Control improvements - A clean audit opinion
5) Embedding Professional Accounting Practice	P3.4	Journal Processing - Introduce formal authorisation of all journals over £20k within Fusion. Develop reporting for transactions under £20k to enable review and challenge of low level journals.	A clean audit opinion
5) Embedding Professional Accounting Practice	P3.5	Accounts Catch-up - 2019-20 Accounts Clear all outstanding queries received from Grant Thornton up to mid-April. Deal promptly with any new queries raised by Grant Thornton once they recommence audit work in June 2023	A clean audit opinion

FIP Theme	Action - UID	Action	Impact on control environment
5) Embedding Professional Accounting Practice	P3.7	Grants management - building on work done by PwC	A clean audit opinion
6) Capacity Building and training	A2.14	Establish principles of Value for money (VFM) within structure of decision reports, financial implications-standard structure. Provide training in principles of value for money to finance.	Improve the financial competencies of finance staff to support the wider authority in effective decision making within their delegated authorities
6) Capacity Building and training	E6.1	Procure (with LCC) the Oracle Guided Learning Module for the agreed discounted price as part of the re-licensing agreement	Improve the financial competencies of finance staff to support the wider authority in effective decision making within their delegated authorities
7) Enhancing financial strategies	A2.1	Implementation of the cross-council Commercial Oversight Group model (scoped to include Commissioning), distribution of the relevant procurement and commissioning handbooks and roll out of training.	Compliance with the Commercial Oversight Group model which demonstrates effective compliance, decision making and value for money
7) Enhancing financial strategies	A2.12	Rolled out of relevant procurement and commissioning handbooks including guidance	Compliance with the Commercial Oversight Group model which demonstrates effective compliance, decision making and value for money
7) Enhancing financial strategies	A2.13	Post implementation review of relevant procurement and commissioning handbooks to ensure embedding of the Commercial Oversight Group model	Compliance with the Commercial Oversight Group model which demonstrates effective compliance, decision making and value for money
7) Enhancing financial strategies	F1.1	Review MTFP 2023/24 working papers approved at budget based on information known April 2023. (As part of MTFP 2024/25)	To put in place the foundations for a financial resilience assessment

FIP Theme	Action - UID	Action	Impact on control environment
7) Enhancing financial strategies	F1.2	Refresh of the MTFP for July Exec. Prepare and agree an annual budget that breaks down income and expenditure targets to the level of individual services and budget holders	To put in place the foundations for a financial resilience assessment
7) Enhancing financial strategies	F1.3	Provide budget holders with regular reports on their performance against their budget allocations, identify any significant variations from the agreed budget, and take prompt action to address them. Link to new monitoring timetable	To put in place the foundations for a financial resilience assessment
7) Enhancing financial strategies	G2.1	Review the information available and issues regarding the transformation programme including identifying current issues to brief Corporate Leadership Team (CLT) on current status	The authority has a clear and achievable transformation programme in place that delivers the savings within the MTFP
7) Enhancing financial strategies	G2.2	Reconcile the MTFP to the transformation savings monitoring report, savings tracker and original business case's (OBC) to baseline the savings	The authority has a clear and achievable transformation programme in place that delivers the savings within the MTFP
7) Enhancing financial strategies	G2.3	Review the assumptions within the OBC's and current status of projects to assess savings targets and confirm alignment to MTFP or taken corrective action as necessary	The authority has a clear and achievable transformation programme in place that delivers the savings within the MTFP
7) Enhancing financial strategies	G4.1	Carry out an early development and refresh of its approach to setting the 2024/25 Budget and rolling forward its MTFP	A robust and timely approach to managing finances and understanding the prospects for long term financial sustainability
7) Enhancing financial strategies	H2.1	Medium term financial plan (MTFP) report Mar 23	The authority has set prudential indicators in line with the Prudential Code

FIP Theme	Action - UID	Action	Impact on control environment
7) Enhancing financial strategies	H3.1	Treasury management Panel reviewed and reporting template refreshed/implemented	The authority has in place suitable mechanisms for monitoring its performance against the prudential indicators that has been set
7) Enhancing financial strategies	I1.1	Approved the Medium term financial plan (MTFP) 2023/24	The authority has in place and agreed financial plan
7) Enhancing financial strategies	L1.1	Undertake budget consultation as part of MTFP 2023/24	The budget has been consulted upon with key stakeholders with the outcome reported back prior to Council approval of the budget
7) Enhancing financial strategies	L3.1	Review the current budget consultation and engagement plan to ensure all relevant stakeholders are engaged in the 24/25 MTFP process	To provide leadership with assurance that appropriate consultation and engagement will be carried out as part of the 24/25 budget
7) Enhancing financial strategies	L3.2	Draft new budget consultation and engagement plan for 24/25	To provide leadership with assurance that appropriate consultation and engagement will be carried out as part of the 24/25 budget
7) Enhancing financial strategies	N1.4	Develop a Savings Tracker - Produce savings delivery tracker into financial reporting.	To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making
7) Enhancing financial strategies	N2.2	Incorporate into budget monitoring timetable. Review all plans relating to divisional transformation, delivery of savings, management of risks, service delivery and budget management are reviewed and managed at the monthly divisional performance clinics. This enables directors to have oversight of interdependency and resource conflicts for resolution.	The leadership team have oversight of interdependencies and resource conflicts can be addressed.
7) Enhancing financial strategies	N2.3	Develop a suite of Power BI dashboards for analysing the revenue budget position (including reserves, savings tracker) in real time / for each period end and at all levels within the management hierarchy	To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making

FIP Theme	Action - UID	Action	Impact on control environment
7) Enhancing financial strategies	N3.5	Review all plans relating to divisional transformation, delivery of savings, management of risks, service delivery and budget management are reviewed and managed at the monthly divisional performance clinics. This enables directors to have oversight of interdependency and resource conflicts for resolution.	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.
7) Enhancing financial strategies	O4.1	Review of reserves to identify level and planned use of reserves - Introduce a bi-annual review of reserves.	Outcome of bi annual reserves reviews are reported leadership team who are able to make informed decisions on use of reserves.
8) Adult Social Care Managing Finances	E2.12	Finalisation of the Budget Review for 22/23 and 23/24 complete.	Improved budget holder accountability, budgets are now up to date with all high level rebase adjustments removed.
8) Adult Social Care Managing Finances	E2.13	Oracle coding structure and hierarchy revised and updated budgets to be in place by P2 23/24.	Supports improved budget holder accountability, more accurate in year forecasting and development of medium term forecasts linking budget, activity and cost data.
8) Adult Social Care Managing Finances	E2.14	Budget Monitoring process updated to replace single line forecasting with detailed forecasts at code level.	Improved accountability and system reporting with removal of "off ledger" spreadsheet workarounds to support one version of the truth within Oracle.
8) Adult Social Care Managing Finances	E2.15	Complete a 4 year reconciliation of care systems (ContrOCC) to Oracle agreeing the proposed approach with Grant Thornton including the need for prior year accrual adjustments.	Provides clarity re: prior year accruals brought forward and a robust basis for monthly control reconciliations of care system commitments to the ledger.

FIP Theme	Action - UID	Action	Impact on control environment
8) Adult Social Care Managing Finances	E2.16	Hold a series of Workshops with finance and care practitioners to establish process and internal control maps and assess the controls strength linked to Controcc and its interface with Oracle.	Oversight Board will drive the production of an appropriately resourced and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.
8) Adult Social Care Managing Finances	E2.24	Review existing financial forecasting requirements and links and dependencies upon the current process by which packages are ended, authorised and new/revised packages added	Enhance the financial resilience and forecasting process of Adult Social Care
8) Adult Social Care Managing Finances	E2.27	Consult on the current financial forecasting/reporting needs to Illustrate the interdependencies with the ongoing process of terminating packages, authorising packages, and introducing or modifying new packages. A data quality report for users to understand	Enhance the financial resilience and forecasting process of Adult Social Care

Appendix 2 - FIP Activities to end of February 2024

FIP Theme	FM Code Ref	FM Code: Assessment Questions	Action - UID	Characteristics & Measures of Success	Action	Start Date	Expected Completion date	Current Status
2) Improving the approach to managing and governing the capital programme	I2	Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	I2.1	The medium-term financial plan is consistent and integrated into relevant service plans and its capital strategy and can be demonstrated by the in year reporting cycle	Review of underlying base budget assumptions that underpin the capital programme and related ongoing developments e.g. Broadmarsh deficit funding as part of the MTFP Refresh	May-23	Feb-24	Move to BAU
3) Enhancing financial systems to meet user needs	C5	Does the leadership team nurture a culture of effective governance and robust internal control across the authority?	C5.2	Comprehensive training and development including 'how to guides' available to all those using Oracle Fusion to provide effective governance and internal controls. Reported through the Annual Governance Reporting statements	Roll out the training and improvement programme including 'how to guides' for all those using Oracle Fusion. Roll out knowledge base	Oct-23	Feb-24	In Progress
7) Enhancing financial strategies	E1	Does the authority have in place an effective framework of financial accountability?	E1.10	Forecasting processes and reporting are well developed and supported by accountable operational management. Forecasting is insightful and leads to optimal decision making	Develop an integrated approach to business, risk and financial planning.	May-23	Feb-24	In Progress

Appendix 2 - FIP Activities to end of February 2024

FIP Theme	FM Code Ref	FM Code: Assessment Questions	Action - UID	Characteristics & Measures of Success	Action	Start Date	Expected Completion date	Current Status
7) Enhancing financial strategies	G4	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?	G4.2	Corporate approach to setting the budget	2024/25 Budget and rolling forward its MTFP - Establish a formal timetable and framework for managing Growth / Savings with clear lines of accountability with DMTs and FBPs	May-23	Feb-24	In Progress
7) Enhancing financial strategies	L2	How effective has this engagement been?	L2.1	Lessons learnt from 23/24 budget consultation incorporated in 24/25 budget consultation	Seek feedback on the budget consultation undertaken in 23/24	Jul-23	Feb-24	In Progress
8) Adult Social Care Managing Finances	E2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	E2.17	Oversight Board will drive the production of an appropriately resources and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.	Arrange workshop for all parties to understand current forecasting process and issues and define future monitoring process	Nov-23	Feb-24	In Progress

Appendix 2 - FIP Activities to end of February 2024

FIP Theme	FM Code Ref	FM Code: Assessment Questions	Action - UID	Characteristics & Measures of Success	Action	Start Date	Expected Completion date	Current Status
8) Adult Social Care Managing Finances	E2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	E2.18	Oversight Board will drive the production of an appropriately resources and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.	Review budget and establish clear accountability for each budget and for the data that supports this. This needs to include current revenue budgets but also future MTFP assumptions re growth and fee increases and external funding/grants	Nov-23	Feb-24	In Progress
8) Adult Social Care Managing Finances	E2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	E2.19	Oversight Board will drive the production of an appropriately resources and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.	Define manager and support service roles in forecast process	Feb-24	Feb-24	In Progress

Appendix 2 - FIP Activities to end of February 2024

FIP Theme	FM Code Ref	FM Code: Assessment Questions	Action - UID	Characteristics & Measures of Success	Action	Start Date	Expected Completion date	Current Status
8) Adult Social Care Managing Finances	E2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	E2.20	Oversight Board will drive the production of an appropriately resources and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.	Identify specific process issues and action to correct or mitigate	Dec-23	Feb-24	In Progress
8) Adult Social Care Managing Finances	E2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	E2.23	Oversight Board will drive the production of an appropriately resources and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.	Establish future finance/management information reporting	Dec-23	Feb-24	In Progress