

## Cheshire East Council: CIPFA Financial Management Code - Action Plan (Draft)

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Timeframe Target Date	Outcome/Update
A - The leadership team can demonstrate that the services provided by the authority provide value for money	Amber	<ul style="list-style-type: none"> <li>○ Vacancies/Act up arrangements CLT – currently interim arrangements in place to cover roles with the corporate leadership team including the S151 Officer</li> <li>○ New Corporate Plan (CP) to be aligned to Committees with performance Framework for Corporate Plan Actions / Measures aligned to service plans</li> <li>○ Atamis roll-out (including dashboards and procurement pipeline)</li> <li>○ Strategic Risk Registers to be reported to Service Committees</li> <li>○ Review of scheme of delegation and finance procedure rules</li> <li>○ Evidence of benchmarking for Committees to demonstrate value for money</li> <li>○ Review adequacy and extent of external assessments to be able to demonstrate VFM compliance.</li> </ul>	<p>A1-1 Urgent recruitment to interim senior vacancies to support pace of change is complete (Director of Finance/S151, Director of Policy &amp; Change, Director of Transformation, Director of Commissioning)</p> <p>Consultation on restructure commenced August 2024 with recommendations due at Corporate Policy Committee and then full Council in October 2024. Recruitment to any vacant posts expected to be concluded by March 2025</p> <p>A1-2 2024/25 corporate plan agreed at full council in July 2024. Timetable to be agreed for development of a new corporate plan prior to new plan aligned to MTFS by March 2025</p> <p>A1-3 Review procurement information used by organisation to manage procurement pipeline</p> <p>A1-4 Strategic Risk Register reports to be brought to the attention of Service Committee Chair/VC – (Head of Audit &amp; Risk).</p> <p>A1-5 Updating scheme of delegation to be approved by full council</p> <p>A2-1 Decision making reports to include relevant benchmarking and performance information</p> <p>A2-2 Peer Review undertaken March 2024 (following report to Corporate Policy Committee 13 Feb 2024). Report published July 2024 and Council have published comprehensive action plan</p>	<p>May 2024 (Complete)</p> <p>March 2025</p> <p>March 2025</p> <p>From September 2024</p> <p>November 2024</p> <p>October 2024</p> <p>From September 2024</p> <p>Aug 2024 (Complete)</p>	<p>Senior Management Structure appointments to be in place by March 2025 (Peer Review action 2)</p> <p>Aligned Corporate Plan and MTFS able to demonstrate VFM. 2024/25 Corporate Plan aligned to Committees</p> <p>Monthly procurement group initiated as part of Strategic Finance Management Board</p> <p>Link between finance, performance and risk information provides overall strategic management</p> <p>Complete and published. Updates on progress to be considered by Corporate Policy Committee</p>
B - The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	Green	<ul style="list-style-type: none"> <li>○ The S151 Officer is a member of CLT and leads on development of financial strategy</li> <li>○ Improved clarity in FPRs over financial limits and decision making to avoid risks that not all ODRs reviewed by all necessary parties. Follow-up analysis of decisions not sufficient</li> </ul>	<p>B-1 Management Boards to be established with wider engagement of Directors and Heads of Service - Management Boards established and CEBERT to continue (now SFMB). (Chief Executive / Executive Directors)</p> <p>B-2 Included in scheme of delegation review</p>	<p>April 2024 + Ongoing</p> <p>October 2024</p>	<p>New cross-council officer boards established for Performance and Improvement, Strategy, Policy and Legislation, Risk and Assurance with Executive Director chairs/sponsors and highlight reports to CLT</p>

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		<ul style="list-style-type: none"> <li>Improvements in financial monitoring required</li> </ul>	B-3 Updated reporting on a monthly basis with formal committee reporting through financial reviews using one single finance report for all committees	From September 2024	Approved MTFS items (Feb24) monitored monthly and reported on at each Committee meeting during 2024/25 Committee Work Programme
O - The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	Red	<ul style="list-style-type: none"> <li>Balance sheet review is not part of the financial monitoring process / Monitoring of entire balance sheet risk is not systematic.</li> <li>Need to make better use of external financial advisors that we subscribe to – ensure implications are reviewed and utilised in in year monitoring and MTFS documents.</li> <li>Insufficient clarity on potential financial liability arising from risks recognised across registers being realised and impact.</li> <li>Capital receipts strategy needs development to align with MTFS (Disposal programme – Assets Board)</li> </ul>	<p>O-1 Enhance quarterly reporting to include balance sheet management - Specifically, debt / borrowing / assets / pension fund valuation (as appropriate) (Interim DoF/S151)</p> <p>O-2 a Review CIPFA Balance Sheet Management publication alongside LG Improve Balance Sheet reporting information and determine links with CIPFA Balance Sheet Management and/or appropriate level of engagement compared to current reporting (Interim DoF/S151)</p> <p>O-2 b Balance Sheet Review/benchmarking to be undertaken by LG Improve (Interim DoF/S151)</p> <p>O3 – review of financial implications from risk registers to be included in management team meetings at Directorate and Corporate level</p> <p>O4 – Strategic Asset management group to report through to Strategic Finance Management Board on potential capital receipts. In depth review of capital strategy to be completed alongside the MTFS</p>	<p>From September 2024</p> <p>From June 2024</p> <p>September 2024</p> <p>March 2025</p> <p>From September 2024</p>	Understand the whole financial sustainability of the Council and recognise the medium to long term implications of decision that are made
D - The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	Green	<ul style="list-style-type: none"> <li>Council has a Code of Corporate Governance and adopted the model principles in the Delivering Good Governance Framework in full. An annual review is carried out against this. Much of the assessment against the Code for the AGS is carried out by Internal Audit, greater involvement by CLT in the production of the Annual Governance Statement via a Corporate Assurance Group</li> </ul>	<p>D-1 Establish Governance Workstream ensuring allocation of responsibilities is wider than IA (DoG&amp;C)</p> <p>D-2 CLT to review progress against the AGS action plan on a regular basis</p> <p>D-3 Update COCG with appropriate consultation and approval - Organisational review of the Code of Corporate Governance,</p>	<p>March 2025</p> <p>March 2025</p>	<p>Risk &amp; Assurance Management Board established - Work Programme and timeline to be developed</p> <p>Needs to align with AGS timetable</p>

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		<ul style="list-style-type: none"> <li>The Code of Corporate Governance (COCG) needs to be updated to reflect Council governance in Committee System model.</li> <li>Bring the AGS monitoring and reporting in line with quarterly risk review by CLT; draw out clearly where those AGS issues relate to the strategic risk registers.</li> </ul>	<p>including identifying amendments as needed (Risk &amp; Assurance Management Board)</p> <p>D-4 Include AGS monitoring as part of Performance Framework (Head of Audit &amp; Risk / Risk &amp; Assurance Board)</p> <p>D-5 Include AGS monitoring of risk &amp; performance to committees (Head of Audit &amp; Risk)</p>	<p>timeline to be developed.</p> <p>March 2025</p>	Progress on AGS Items reported to A&GC - providing assurance/escalation
P - The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom	Green	<ul style="list-style-type: none"> <li>The Accounts closure is not part of performance review</li> <li>The DFCS (S151) role has management responsibility through the Head of Finance (Deputy S151) and FMT for the Finance Team.</li> <li>Finance Team – maintain appropriate staffing levels to ensure that the CFO is provided with sufficient resources, including a suitably-resourced finance team, to fulfil their personal and statutory responsibilities under this element of the FM Code.</li> </ul>	<p>P-1 Include SOA in performance framework (targets dates and qualification) (Interim DoF/S151 )</p> <p>P-2 Quarterly liaison with external auditors to maintain quality of reporting (Interim DoF/S151)</p> <p>P3 – CFO needs to ensure that the team is appropriately staffed with skilled, capable resources to be able to comply with codes of practice. This needs to include appropriate workforce development to ensure that there is succession planning in place for key roles where there are national skills shortages in technical finance</p>	<p>By March 2025</p> <p>From April 2024</p> <p>March 2025</p>	<p>New performance management framework aligned to Corporate Plan 2025+ Note: Ernst &amp; Young – new audit team</p> <p>Workforce plan in place for finance including recruitment, retention and talent management</p>
Q - The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	Green	<ul style="list-style-type: none"> <li>Outturn reporting includes assessment of financial performance across all services and central budgets, including narrative to explain variances. Given the variations between FR3 and Out-turn 2023/24 for some Directorates – detailed review and analysis on a Line by Line basis is required to establish the ongoing nature of favourable/adverse movements on the base budget 2024/25 and future MTFS 2025/26+.</li> <li>Capital performance is not strongly correlated with MTFS process</li> </ul>	<p>Q-1 Reporting out-turn forecast/variations to budget to allow strategic financial decisions – FMT/Finance Business Partners to provide insight to CFO for discussion with Directorates with CFO present.</p> <p>Q-2 Enhance capital performance monitoring and correlations to the MTFS process. The MTFS Consultation must include Capital and associated headlines / charts, this needs to include the impacts the capital programme has on the capital financing budget which has a direct link to the Revenue Outturn (Interim DoF/S151)</p>	<p>July 2024</p> <p>Sept 2024</p>	<p>Line by Line Review of 2022/23 and 2023/24 Out-turn</p> <p>2024/25 In year reporting to include additional detail on capital monitoring and the ongoing capital review and funding.</p>
L - The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Green	<ul style="list-style-type: none"> <li>MTFS consultation with all stakeholders/partners needs to be re-instated. Consultation has previously (last 2 years) been condensed into the protracted engagement period</li> </ul>	<p>L-1 Events to discuss the MTFS with partners need to be re-instated (Interim DoF/S151 / Consultation Team)</p> <p>L-2 Provide earlier public consultation with wider options contained within published HLBCs and Transformation proposals (Interim DoF/S151 / CLT)</p>	<p>Oct–Nov 2024</p> <p>Oct-Nov 2024</p>	Per Combined MTFS & Transformation timetable – Budget Consultation period

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			L-3 MTFS timeline for 2025/26 sets out earlier engagement with key stakeholders and partners for example earlier sight of the Budget Consultation material before public launch. The Communications Team maintain a detailed stakeholder engagement list and sessions with each are to be run during the consultation period (Oct-Dec) so allow adequate engagement. (Interim DoF/S151)	Oct-Nov 2024	
M - The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	Amber	<ul style="list-style-type: none"> <li>○ The approach taken by the authority to option appraisal should comply with the guidance set out in the IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal (2013) - The IFAC/PAIB publication has not been used as a guide so should be reviewed.</li> </ul> <p>The authority might prefer to record simply that any option appraisals that it undertakes should comply with the guidance set out in the IFAC/PAIB publication, or in CIPFA's own guide to undertaking an option appraisal: Option Appraisal: A Practical Guide for Public Service Organisations (2017 Edition).</p> <ul style="list-style-type: none"> <li>○ Options appraisals/High Level Business Cases (HLBC's) are generally inadequately articulated</li> <li>○ Future options appraisals should reflect priorities within the Corporate Plan / Cheshire East Council Plan</li> <li>○ Reporting on considered options should be enhanced as frequently only one option is articulated in reports.</li> <li>○ The quality of risk management arrangement proposals could be better aligned to risk appetite and tolerance, and support options appraisal .</li> </ul>	<p>M-1 Consider training / presentation on IFAC/PAIB and/or CIPFA's own guide to undertaking an option appraisal: Option Appraisal: A Practical Guide for Public Service Organisations (2017 Edition) for FMG at least (Interim DoF/S151 / PMO)</p> <p>M-2 Risks need to be aligned (Cheshire East Plan / MTFS / HLBC / Strategic Risk Register) to enhance transparency (Interim DoF/S151 / Risk &amp; Assurance Management Board)</p> <p>M-3 Amend HLBC template to require at least 3 Options (do nothing / do this / do something else) (Interim DoF/S151 / PMO) [see also G-1]</p> <p>M-4 Risks mitigation (considered options) needs to be articulated as part of Finance / Performance Framework (Interim DoF/S151 / Risk &amp; Assurance Management Board)</p>	In line with MTFS development timetable	Fully aligned MTFS and Corporate Plan will provide stronger value for money evidence, based on consistent options appraisal methodology
H - The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	Red	<p>In March 2024 this standard initially RAG rated Amber however the ongoing Capital Review and affordability of the Capital Programme indicates that the capital programme needs to come in line with the Prudential Code, in that it needs to be prudent, affordable and sustainable within the current budget envelopes, it is therefore reassessed as Red.</p> <ul style="list-style-type: none"> <li>○ The impact of the MTFS proposals should be more clearly articulated in the Treasury Management Strategy (TMS).</li> </ul>	H-1 Align MTFS to cashflow, remove assumptions on slippage moving to risk assumptions instead.( Interim DoF/S151)	Oct 2024 – Feb 2024	Per Combined MTFS & Transformation timetable – Budget Consultation period

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		<ul style="list-style-type: none"> <li>○ Reporting against funding targets should be enhanced and assessed against risk.</li> <li>○ Reporting to CLT should be simplified to enhance engagement with TMS</li> <li>○ The Capital Programme Board needs resurrecting but in a different format/membership.</li> <li>○ Capital Strategy Review to be undertaken to make the Capital Programme affordable for 2024/25 and beyond – See Capital Strategy – MTFS starting Page 361</li> <li>○ Capital HLBC's to include whole life costs</li> </ul>	<p>H-2 Focus Treasury Management Strategy reporting on MTFS and high level borrowing / investment targets and actions to change them if necessary (Interim DoF/S151)</p> <p>H-3 Whole organisation 'benefit' approach to strategic capital investment and prioritisation (following an effective review of current programme and its unaffordability against the available financing envelope). (Interim DoF/S151)</p> <p>H-4 Capital Strategy Review Process – Refer to MTFS Page 361, Capital Strategy Review Interim DoF/S151 ). [See also Q-3]</p> <p>H-5 Widen HLBCs to cover whole life costs and cashflow implications (such as PMO dashboard) (Interim DoF/S151 / PMO)</p>	<p>Oct 2024 – Feb 2024</p> <p>March 2025</p> <p>March 2025</p> <p>March 2025</p>	
J - The authority complies with its statutory obligations in respect of the budget setting process	Green	<ul style="list-style-type: none"> <li>○ In year reporting 2023/24 recognised the scale of the in- year financial challenges, in line with many councils in England and has highlighted the risk associated with this and that the Council could act illegally, triggering the requirement for a Section 114 report from the Chief Financial Officer. The sources that could trigger a S114 have been set out and the consequences of issuing a S114 are also clearly stated. The Council set a one year budget for 2024/25 in Feb 2024. Based on the S151 Officer assessment (S25 Statement) of the risks that the Council can currently value, the S151 Officer is not satisfied that the Reserves Strategy presents an adequate level of reserves to support the MTFS. Action required to identify solutions with Government to the exceptional financial challenges.</li> <li>○ MTFS decisions are supported by HLBCs, including EIAs and proposals are subject to Consultation – there is significant information within HLBCs and EIAs and these should be capable of publication (and be published)</li> <li>○ Scenario Planning – stress test assumptions around funding, cost pressures, savings planning and delivery and the impact of any changes and identify a range of mitigation/additional savings required set against levels of risk and reserve levels.</li> </ul>	<p>J-1 Identify solutions – with Government – to the exceptional financial challenges of:</p> <ul style="list-style-type: none"> <li>• Abortive costs of HS2 and potentially other capital projects (post-review)</li> <li>• The High Needs/ DSG deficit, per se, and the directly related cashflow effects of interest costs, need to follow up with</li> <li>• Government if there are alternative ways to account for the impact of the interest payable on the DSG deficit, as we do with the deficit itself.</li> <li>• Underlying operational deficits on our revenue account in 2024/25 (Interim DoF/S151 / Chief Executive / CLT)</li> </ul> <p>J-2 Publish HLBCs, embed EIAs within HLBC template (Interim DoF/S151 / PMO)</p> <p>J-3 MTFS Assumptions / scenario plan demand led spending requirements (SFMB / CLT / FSC Working Group).</p> <p>J-4 Develop Service Plans to address a profile aligned to affordable MTFS, to move away from central bidding process. (SFMB / CLT)</p>	<p>Ongoing</p> <p>Done/Ongoing</p> <p>MTFS &amp; Transformation Timetable</p> <p>MTFS &amp; Transformation Timetable</p>	<p>Exceptional Financial Support (EFS) Report taken to Corporate Policy Committee 13.02.2024</p> <p>EFS request approved by Government 29.02.2024.</p> <p>Follow on impacts</p> <ul style="list-style-type: none"> <li>• Peer Review – March 2024 Action Plan – CPC Aug24</li> <li>• DMA Review – March 2024 Appointments in place by Mar 2025</li> <li>• Transformation Programme Plan in place/submitted – Aug 2024</li> <li>• CIPFA Review (EFS) - ongoing</li> </ul> <p>FSC Jun24 MTFS Assumptions All Member briefing – Aug24</p> <p>FSC Workshop MTFS Assumptions – Aug24</p>



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			J-5 Budget setting to be improved by greater focus of senior management in understanding and engagement on whole-Council strategies and need for transformation, and supporting processes, as well as Service-level focus and support for financial risk management, recognising the Council's low levels of reserves, and need to build greater resilience. (SFMB / CLT)	MTFS & Transformation Timetable	Dependant on Revised Cheshire East Plan / Transformation Plan / Peer Review / DMA Review outcomes, actions and timelines.
K - The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	Green	<ul style="list-style-type: none"> <li>○ S.25 Statement in 2024/25 MTFS identifies inadequate level of reserves to support the MTFS 2024/25+ - action needed to mitigate financial failure and the consequential impact on local services. Following reports to Corporate Policy Committee 13.02.2024 the following were taken and approved: <ul style="list-style-type: none"> <li>• Exceptional Financial Support Report</li> <li>• Local Government Association – Transformation Capability Framework (DMA Review)</li> <li>• LGA Peer Review which will input into the Council's transformation ambitions.</li> <li>• Whole Organisation Transformation Plan</li> </ul> </li> <li>○ The 2024/25 budget presents a robust set of forecasts, but that the Council must address the current trend of overspending. This requires further engagement of the Committees alongside enhanced controls associated with adherence to the CIPFA Financial Management Code.</li> </ul>	<p>K-1 Enhance CFO communications with planned conversations, BLOG, DMT attendance, Management &amp; Support briefings (Interim DoF/S151)</p> <p>K-2 Use CIPFA FM Code review to report problem areas - FM Code Action Plan (Interim DoF/S151)</p> <p>K-3 Exceptional Financial Support (DLUHC) – Report to Corporate Policy Committee (approved). Transformation Plan required by August 2024 (Chief Executive)</p> <p>K-4 Continue to explore options with DLUHC, DfE and DfT to resolve material issues regarding HS2 and High Needs (SEND) education expenditure. (Interim DoF/S151 / CLT)</p> <p>K-5 Budget delivery 2024/25</p> <ul style="list-style-type: none"> <li>• monitor progress and performance against MTFS proposals delivery and developing MTFS 25 – 29 to CLT/SFMB/Committees</li> <li>• monthly financial forecasting to CLT/SFMB</li> <li>• In year reporting to Committees</li> <li>• MTFS tracking to each Committee cycle</li> </ul> <p>K-6 Adequacy of reserves – 2024/25 and MTFS 2025 – 2029</p> <ul style="list-style-type: none"> <li>• Out-turn 2023/24 report</li> <li>• In year monitoring 2024/25 – delivery of proposals</li> <li>• MTFS Assumptions - Funding, income, expenditure</li> <li>• MTFS Development</li> </ul>	<p>From April 2024</p> <p>September 2024</p> <p>Complete August 2024</p> <p>Ongoing</p> <p>Ongoing since Apr 24</p>	<p>EFS request approved in principle by Government 29.02.2024.</p> <p>Next steps - dependant on 2024/25 in year reporting and deliverability of approved 24/25 MTFS proposals / Transformation Programme / Peer Review action plan / DMA Review outcome and their impact on 2024/25 and MTFS cycle 2025/26 to 2028/29.</p> <p>MTFS Tracker</p> <p>Commenced June 2024</p>

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C - The leadership team demonstrates in its actions and behaviours, responsibility for governance and internal control.	Green	<ul style="list-style-type: none"> <li>○ Adherence to Nolan Principles is not frequently assessed by CLT / WLT / WLC</li> <li>○ There is evidence of confusion over some decision making - ODR/FPR/Delegations</li> <li>○ Publication of spend analysis is not reviewed or promoted</li> </ul>	<p>C-1 Add recognition of Nolan principles to AGS. (Head of Audit &amp; Risk) –</p> <p>C-2 Develop accountability statement for Service Plans (including links to supporting policies and guidance) and require positive acknowledgement of agreement. [see D-2] (Head of Audit &amp; Risk)</p> <p>C-3 Adequate review of Internal Audit action completion as part of internal control framework. (Head of Audit &amp; Risk)</p> <p>C-5 Ensure oversight and spot-check reviews of spend (SFMB – Spend Control Panel)</p>	March 2025	Demonstrable adherence to control framework
F - The authority has carried out a credible and transparent financial resilience assessment	Amber	<p>Consider / Review the CIPFA resilience assessment tool as there is no specific format to the testing of resilience</p> <p>Publish financial resilience assessment information This covers ctax/business rates, core spending power, capital/borrowing and reserves.</p> <p>CIPFA Resilience Index is not specifically shared with the Audit &amp; Governance Committee</p> <p>Alongside Oflog (Office for Local Government), DLUHC is publishing performance data on a new statistical tool – the Local Authority Data Explorer – there are 4 initial areas of performance – Adult Social Care, Waste Management, Adult Skills, Local Authority Finance</p> <p><b>This area is subject to changes depending on government policy on data publications</b></p>	<p>F-1 Review CIPFA assessment tool (Interim DoF/S151)</p> <p>F-2 Review the inclusion of relevant data and benchmarking information around financial resilience in all relevant finance reporting</p>	Complete (but reviewed as part of MTFS development)	Review as part of financial monitoring report development and MTFS development
N - The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Amber	<ul style="list-style-type: none"> <li>○ Starting monthly reporting of financial activity to help support early identification that the authority is deviating from its approved budget and take prompt action from the start of financial year 2024/25</li> <li>○ Revenue / Capital reporting is not entirely inter-linked</li> </ul>	<p>N-1 Develop Unit4 enquiries to provide up to date monthly info (Interim DoF/S151 / FLST)</p> <p>N-2 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFS process (Interim DoF/S151 / FLST / BI)</p> <p>N-3 Enabling of Services and service management to meet their financial management responsibilities through technology and training (including FP&amp;A for budget management and forecasting) (Interim DoF/S151 / FLST)</p>	Subject to Unit 4 review timetable	Improvements in use of technology, systems and data capture will improve decision making

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		<ul style="list-style-type: none"> <li>○ Whilst there are examples of sound integration of monitoring and forecasting within projects and recognition of wider effects on service/organisational reporting, there is room for improvement to ensure necessary quality is realised across all areas.</li> <li>○ Individual transaction processes and approval limits are built into systems</li> </ul>	<p>N-4 Improve the quality of spend control and financial information and intelligence. (CLT / Interim DoF/S151 / SFMB / Performance Management Board)</p> <p>N-5 Oversight of Wholly Owned Company In-year performance (ASDV Review / FSC)</p> <p>N-6 Governance Workstream to establish review of decisions as part of scheme of delegation work</p>	<p>July 2024 / Ongoing</p> <p>Ongoing</p> <p>October 2024</p>	<p>Monthly monitoring implemented until FP&amp;A forecasting can be launched across the authority</p> <p>Weekly officer CEBERT (Cheshire East Budget Emergency Recovery Team) replaced by Strategic Finance Management Board + Task &amp; Finish Groups (Peer Review Action 1)</p>
E - The financial management style of the authority supports financial sustainability	Amber	<ul style="list-style-type: none"> <li>○ Achieving financial sustainability requires the authority to have the capacity, the capability and the confidence to plan for the long term and to focus on the achievement of longer-term objectives, rather than to exist simply from year to year.</li> <li>○ The MTFS is supported by HLBC's and the MTFS should cover a 4 year period. HLBCs tend to focus on proposals in year 1 with less planning for new proposals in yrs 2 – 4.</li> <li>○ Beneficial impacts of capital investment are not always clearly linked with revenue implications</li> <li>○ There has been inconsistent forecasting of some income and expenditure in terms of recognising financial risks and opportunities, for both revenue and capital</li> <li>○ Pricing Strategies are not consistent or published</li> <li>○ Not all investment/savings are led by the Corporate Plan / Cheshire East Plan</li> </ul>	<p>E-1 Peer Review - March 2024. [See A2-2] (Chief Executive)</p> <p>E-2 Corporate financial challenge – a need for a whole-Council response; and the committee system and the wider engagement of elected Members (Interim DoF/S151)</p> <p>E-3 Whole organisation transformation programme to change service budget envelopes and re-establish corporate financial resilience and sustainability, including adequate reserves</p> <p>E-4 All HLBCs to consider whole life impact to support decision (Interim DoF/S151 / PMO / CLT)</p> <p>E-5 Continue to develop the financial literacy of managers/budget holders to ensure that they have access to the performance and financial information needed to plan and deliver their services effectively. Consider mandatory training (Interim DoF/S151 / FLST)</p> <p>E-6 Update Council charging strategy (Interim DoF/S151 / CLT / SFMB)</p>	<p>Aug 2024 MTFS Timetable</p> <p>Aug 2024 / MTFS Timetable</p> <p>MTFS timetable</p> <p>Sept 2024</p> <p>MTFS Timetable and corporate plan development fully aligned</p>	<p>Action Plan August 2024 Corporate Policy Committee to lead on Financial Recovery</p> <p>MTFS/Transformation – proposals development</p> <p>Needs to be a recognition that finance is everyone's business by ensuring that our budget mangers have the right tools and training to do their jobs and make appropriate decisions</p>



FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Timeframe Target Date	Outcome/Update
G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	Green	<ul style="list-style-type: none"> <li>○ Scenario planning is not currently a specific exercise within financial planning or the MTFS</li> <li>○ Financial Reports include responses to mitigate adverse forecasts and need to include information on actions that are being taken to address financial sustainability</li> <li>○ MTFS clearly articulated the need to address the medium term gap but that plan needs to be agreed alongside the transformation delivery plan</li> </ul>	<p>G-1 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFS process (Interim DoF/S151) [See N-2]</p> <p>G-2 Financial reporting to all committees to include mitigating actions</p> <p>G-3 MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy</p>	MTFS Timeline	MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy that aligns with the corporate plan
I - The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Amber	<ul style="list-style-type: none"> <li>○ The FM Code requires that the authority prepares a multi year financial plan – the Annual budget is approved and the MTFS additional years should support/evidence the robustness and whole life impact of year 1 proposals.</li> <li>○ The current MTFS does not compare scenarios, such as High/Medium/Low but is presented as a single plan.</li> <li>○ Lifetime costs of assets does not systematically feature within the MTFS.</li> <li>○ 2024/25 – 2027/28 MTFS – balanced for 2024/25 only, future years as yet to be balanced – See also Standard K re S25 Statement re robustness of estimates and adequacy of reserves and proposed actions.</li> <li>○ The Asset Management Plan (AMP) is not suitably aligned to the MTFS.</li> </ul>	<p>I-1 MTFS is being refreshed during 2024/25 including the alignment of the Council’s published transformation plan and to align with the Council’s Target Operating Model.</p> <p>I-2 The refreshed MTFS will include sensitivity analysis and will include risk</p> <p>I-3 Transformation Plan / Corporate Plan / balance MTFS in the medium term and increase GF reserves to sustainable level</p> <p>I-5 Align Capital Strategy to AMP (Strategic Asset Board)</p> <p>I-2 Review Capital Strategy for 2024/25 re affordability</p>	<p>February 2025</p> <p>October 2024</p> <p>Aug 2024 / MTFS Timetable</p> <p>Oct 2024 Ongoing</p>	<p>MTFS &amp; Transformation timetable – Development/Decision Making stage</p> <p>MTFS &amp; Transformation timetable –</p>