

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

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
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> </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) (Completed). Permanent Monitoring Officer to be appointed (early 2025/26).</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 <b>(Completed and Ongoing)</b></p>	Head of HR	<p>May 2024 (Complete)</p> <p>March 2025</p> <p>Early 2025/26</p>	<p>Rob Polkinghorne – Chief Executive Dami Awobajo – Assistant Chief Executive Janet Witowski – Acting Adele Taylor – Interim ED Resources(S151) Ashley Hughes - Permanent ED Resources S151 – Appt Feb2025 - due to start 1.6.25) Theresa Leavy – Interim ED Children’s Services (Sept 24 – 2 May 2025) Dawn Godfrey – ED Childrens Services (start end of May 25) (Claire Williamson – Acting up in interim) Helen Charlesworth May – ED Adults &amp; Public Health Phil Cresswell – ED Place</p> <p>Senior Management Structure appointments to be in place by March 2025 (Peer Review action 2). Completed (March 2025) - Permanent posts filled for:</p> <ul style="list-style-type: none"> <li>Assistant CEX (DA)</li> <li>Director of Childrens (DG)</li> <li>Director of Place (PC)</li> <li>S151 (AH)</li> </ul> <p><b>Ongoing</b></p> <p>CLT Appointment for Monitoring Officer to be completed early 2025/26</p>
		<ul style="list-style-type: none"> <li>New Corporate Plan (CP) to be aligned to Committees with performance Framework for Corporate Plan Actions / Measures aligned to service plans</li> </ul>	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 <b>(Completed)</b>	Assistant Chief Executive	March 2025	<p>The new Cheshire East Plan 2025–29, approved by Full Council in February 2025, is aligned to the MTFS and the committee structure. <b>Done</b></p> <p>The new performance management framework emphasises the golden thread through service planning and reporting, supporting demonstrable value for money. The associated Delivery Plan is scheduled for Corporate Policy Committee in <b>June 2025</b>, and the organisation-wide performance and programme management framework will be launched in May 2025 to support implementation and oversight.</p>
		<ul style="list-style-type: none"> <li>Atamis roll-out (including dashboards and procurement pipeline)</li> </ul>	A1-3 Review procurement information used by organisation to manage procurement pipeline <b>(Completed)</b>	Head of Procurement	From September 2024	<p>The pipeline is managed by the procurement team using Atamis. Dashboards have been created for Heads of Service so they can review their pipelines.</p> <p>The procurement team actively chase contract managers using reports created by</p>

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						Atamis to submit procurement engagement forms so this can be reviewed by the Expenditure Control Panel.  Quarterly reports are also presented to Finance Sub Committee. Pipeline reports will be published on the central digital platform for procurements above £2m in spend. <b>Done</b>
		<ul style="list-style-type: none"> <li>Strategic Risk Registers to be reported to Service Committees</li> </ul>	A1-4 Strategic Risk Register reports to be brought to the attention of Service Committee Chair/VC – (Head of Audit & Risk). <b>(Ongoing – aiming for June 2025)</b>	Head of Audit Risk and Assurance	November 2024          Revised June 2025	<p>Link between finance, performance and risk information provides overall strategic management.</p> <p>The Strategic Risk Register is reported upon quarterly to the Corporate Policy Committee and will be circulated to service committees for information.</p> <p>This change will be implemented after the June 2025 report to the Corporate Policy Committee with an updated and revised Strategic risk register.</p>
		<ul style="list-style-type: none"> <li>Review of scheme of delegation and finance procedure rules</li> </ul>	A1-5 Updating scheme of delegation to be approved by full council <b>(July 2025)</b>	Executive Director of Resources (£151 Officer)  Governance, Compliance and Monitoring Officer	October 2024 Revised July 2025	<p>(See B-2 also) - Revised Schemes of Delegation &amp; FPR's to go to</p> <ul style="list-style-type: none"> <li>Constitution Working Group 9/5/25,</li> <li>Corporate Policy Committee 12/6/25 and</li> <li>Full Council 16/7/25</li> </ul>
		<ul style="list-style-type: none"> <li>Streamlining of the council's decision making framework</li> </ul>	A1-6 Task and finish group to look into streamlining. <b>(June 2025)</b>	Assistant Chief Executive	June 2025	Task and Finish group to report back in June 2025 re streamlining of committee system
		<ul style="list-style-type: none"> <li>Evidence of benchmarking for Committees to demonstrate value for money</li> </ul>	A2-1 Decision making reports to include relevant benchmarking and performance information <b>(Ongoing)</b>	Assistant Chief Executive	From September 2024  Ongoing monitoring / ownership	This is a general expectation of report quality and not something that can reasonably be tracked or enforced by any one team. Officers preparing reports should include relevant benchmarking and performance information as a matter of course, and this is best reinforced through line management and quality control processes. Governance colleagues have recently reviewed the decision-making process to ensure reports pass through appropriate stages before sign-off, and this may provide a route to strengthen expectations on report content where needed. However, this remains a corporate standard rather than an issue requiring ongoing monitoring or ownership.

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		<ul style="list-style-type: none"> <li>Review adequacy and extent of external assessments to be able to demonstrate VFM compliance.</li> </ul>	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 <b>(Ongoing)</b>	Assistant Chief Executive  Executive Director of Resources (\$151 Officer)	Aug 2024 (Complete)  Ongoing	The Peer Review took place in March 2024 and a formal action plan was published in July 2024.  Progress against the agreed actions is currently reported to the Assurance Panel as part of the council's improvement oversight. These actions will also be incorporated into the council's Improvement Portfolio, which will be tracked internally via the Transformation and Improvement Board, ensuring internal rigour (T&I Board) and external scrutiny (Assurance Panel). Ongoing
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> </ul>	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 – as at Sept 2024). (Chief Executive / Executive Directors)	Assistant Chief Executive  Governance, Compliance and Monitoring Officer  Executive Director of Resources (\$151 Officer)	April 2024 + Ongoing	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
		<ul style="list-style-type: none"> <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>	B-2 Included in scheme of delegation review <b>(July 2025)</b>	Governance, Compliance and Monitoring Officer  Executive Director of Resources (\$151 Officer)	October 2024 Revised July 2025	(See also A1-5) Revised Schemes of Delegation & FPR's to go to <ul style="list-style-type: none"> <li>Constitution Working Group 9/5/25,</li> <li>Corporate Policy Committee 12/6/25 and</li> <li>Full Council 16/7/25</li> </ul>
		<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 <b>(Completed and Ongoing)</b>	Executive Director of Resources (\$151 Officer)  Finance Manager – Strategic Financing and Accounting	From September 2024	Monthly Monitoring Reports to CLT/SFMB through 2024/25 plus increased oversight through SFMB, Expenditure Review Board, Assets Board.  Approved MTFS items monitored monthly from the start of 2024/25 and reported on at each Committee cycle during 2024/25 using one single finance report for all committees – this is continuing through 2025/26

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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> </ul>	O-1 Enhance quarterly reporting to include balance sheet management - Specifically, debt / borrowing / assets / pension fund valuation (as appropriate) (Interim DoF/S151) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	From September 2024	Understand the whole financial sustainability of the Council and recognise the medium to long term implications of decision that are made. A review of the Capital Programme was carried out, and where feasible without unduly compromising VFM, some project spending has been deferred. However, the significant growth to the capital financing requirements of the existing programme have been recognised in the updated MTFS.
		<ul style="list-style-type: none"> <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></li> </ul>	<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) <b>(Ongoing)</b></p> <p>O-2 b Balance Sheet Review/benchmarking to be undertaken by LG Improve (Interim DoF/S151) <b>(Completed/Ongoing)</b></p>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	<p>From June 2024</p> <p>September 2024</p>	<p>Advice from the Council's Treasury Management advisors followed with regard to investment and borrowing decisions. Treasury Management advisors commissioned in 2024/25 to carry out a review of our current approach to Minimum Revenue Provision (MRP); change in MRP effected 2024/25 - approved at February Council 2025 as part of the MTFS 25-29 – Reduced MRP charge 2024/25 £3.8m . Ongoing</p> <p>Balance sheet review – initial review by advisors LG Improve in July/Aug 2024, noting limited draft accounts available at that time.</p> <p>Further review by LG Improve - April 2025 – additional attention on Provisions (incl but not limited to Bad Debt Provisions), Business rates appeals, asset management. Further analysis on CEC Balance Sheet by LG improve following publication of 2023/24 audited Accounts by authorities following the 28 Feb 2025 Back stop date – awaiting data Ongoing</p> <p>CIPFA Balance Sheet Management – still to be reviewed – Date??</p>
		<ul style="list-style-type: none"> <li>Insufficient clarity on potential financial liability arising from risks recognised across registers being realised and impact.</li> </ul>	O-3 – review of financial implications from risk registers to be included in management team meetings at Directorate and Corporate level <b>(Ongoing)</b>	Head of Audit Risk and Assurance	March 2025	After CLT strategic risk workshop in April 2025, content from the operational risk registers will be circulated to DMT meetings and oversight information (i.e. number of risks held on registers at operational leave, % reviewed and approved each quarter) will be reported to Governance Risk and Assurance Board and CLT on a regular basis.

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		<ul style="list-style-type: none"> <li>Capital receipts strategy needs development to align with MTFS (Disposal programme – Assets Board)</li> </ul>	<p>O-4 – Strategic Asset management group to report through to Strategic Finance Management Board on potential capital receipts (<b>Ongoing</b>)</p> <p>In depth review of capital strategy to be completed alongside the MTFS (<b>Completed</b>).</p>	<p>Director of Growth and Enterprise</p> <p>Finance Manager – Strategic Financing and Accounting</p>	From September 2024	<p>Assets Board – Capital Receipts Projections – to CLT/SFMB through 2024/25</p> <p>A forecast of prudent future capital receipts reflected in the MTFS narrative 2025/26+ , not reflected in the funding of the MTFS, other than the existing budgeted use of FCR £1m, CFB £1m and associated receipts for specific Capital projects. Strategic use of future disposal receipts (subject to future S151 approval) against (i) reducing cost of financing EFS, (ii) reducing cost of existing capital programme borrowing, (iii) funding transformation costs.</p> <p>Capital Board (established Jan 2025) plus Assets Board – synergy between the two Ongoing programme currently.</p> <p>A dedicated delivery team will be formed to optimise capital receipts, and report appropriately into Capital Programme Board. Asset Board, CLT.</p>
		<ul style="list-style-type: none"> <li>Limited oversight of WOC / SS Investment Strategy impacts on balance sheet</li> </ul>	O-5 Review reporting approach to impact of SS / WOC decisions on overall balance sheet – how does our existing contract management approach achieve this, what needs to change? ( <b>Ongoing</b> )	Executive Director of Resources (\$151 Officer)	Ongoing – TBC re ASDV / SS	Annual review of LEP / WOC balance sheet to CFO via Finance Lead (AT). Ongoing – Insourced ASDV's / Shared Services
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 Internal Audit (DoG&amp;C) (<b>Completed</b>)</p> <p>D-2 CLT to review progress against the AGS action plan on a regular basis (Update)</p>	<p>Governance, Compliance and Monitoring Officer</p> <p>Head of Audit Risk and Assurance</p> <p>Assistant Chief Executive</p>	March 2025	Governance Risk & Assurance Management Board established – Initial Work Programme has been developed – may be subject to further change though, per JW would need Dami to confirm.
		<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> </ul>	D-3 Update COCG with appropriate consultation and approval - Organisational review of the Code of Corporate Governance, including identifying amendments as needed (Risk & Assurance Management Board)m ( <b>Ongoing</b> )	<p>Governance, Compliance and Monitoring Officer</p> <p>Head of Audit Risk and Assurance</p>	July 2025	The Code of corporate Governance is currently being reviewed. Timeline needs to align with AGS timetable
		<ul style="list-style-type: none"> <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>	D-4 Include AGS monitoring as part of Performance Framework (Head of Audit & Risk / Risk & Assurance Board) (Update)	Governance, Compliance and Monitoring Officer	timeline to be developed.	The Audit and Governance Committee received regular risk management updates during 2023/24 and the 2023/24 Annual Risk Management Report was received





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						there are any gaps that require additional resources to support future change.
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> </ul>	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. <b>(Completed/ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Management Team	July 2024  June 2025	<p>Line by Line Review of 2022/23 and 2023/24 Out-turn – completed July 2024.</p> <p>Line by Line reviews to be repeated as part of 2024/25 out-turn?</p> <p>Capital Programme slippage – 2024/25 Out-turn and effects on Capital Financing – oversight by Capital Review Board / CLT</p>
		<ul style="list-style-type: none"> <li>Capital performance is not strongly correlated with MTFS process</li> </ul>	<p>Q-2 Enhance capital performance monitoring and correlations to the MTFS process. The MTFS Consultation to include Capital and associated headlines / charts, plus the impacts the capital programme has on the capital financing budget which has a direct link to the Revenue Outturn (Interim DoF/S151) <b>(Ongoing)</b></p> <p>Consultation to include Capital and associated headlines / charts <b>(Ongoing)</b></p> <p>Enhance HLBC to align with Performance Framework and to other Strategies and Policies <b>(Ongoing)</b></p>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Sept 2024	<p>2024/25 In year reporting included additional detail on capital monitoring and the ongoing capital review and funding. This will continue into 2025/26.</p> <p>Capital Financing budget – detail updated in each Qtr report/MTFS update reports to show the effects of the cap programme, DSG deficit funding and EFS plus given indications on forward/future spend commitment re MRP</p> <p>There was no detailed consultation during 2024/25 on the budget for 2025/26. An engagement survey on key budget principles was launched in its place.</p> <p>Additional scheme by scheme information was provided at the Third Financial Review stage at Members request.</p> <p>New format (ICC) Business Case being implemented in 2025/26 for Revenue and Capital monitoring to improve consistency and provide necessary detail on full implications of proposals across the MTFS/Capital Strategy – still in progress.</p> <p>Capital Forecasting will continue to be improved – oversight by Capital Programme Board</p> <p>Include/capture new capital proposals or changes to existing schemes on a central site with all business cases (Capital and Revenue) to ensure whole life costs/savings are in one place</p>

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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) <b>(Ongoing)</b></p> <p>L-2 Provide earlier public consultation with wider options contained within published HLBCs and Transformation proposals (Interim DoF/S151 / CLT) <b>(Ongoing)</b></p> <p>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) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Assistant Chief Executive</p> <p>Finance Manager – Strategic Financing and Accounting</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Assistant Chief Executive</p> <p>Finance Manager – Strategic Financing and Accounting</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Assistant Chief Executive</p> <p>Finance Manager – Strategic Financing and Accounting</p>	<p>Oct–Jan 2024</p> <p>Oct-Nov 2024</p> <p>Oct-Nov 2024</p>	<p>The timeline for consultation during 2024/25 did not align to the published plan which was shared at FSC in June 2024</p> <p>The communications team, including the consultation service, is ready to support colleagues in finance with any future engagement on the MTFS or budget. Forward planning for the 2025/26 cycle is already underway and reflected under L3.</p> <p>The business planning process consisted of a business community survey, mirroring the main public engagement survey, which opened on 19<sup>th</sup> Dec following the Local Government Provisional Finance settlement announcement on 18<sup>th</sup> Dec and closed on 2 February 2025. Public consultation on the MTFS took place via a resident engagement survey and business community survey between 19 December 2024 and 2 February 2025, following the provisional finance settlement. While the timeline was compressed, the consultation team supported the process. Planning for earlier and broader engagement is in progress for 2025/26.</p> <p>For 2025/26 we are aiming to hit the original planned timetable of public consultation at the beginning of October 2025 with scrutiny through the November Committee suite of meetings and then again to the January meetings to include public feedback to the proposals at that time. The consultation and communications teams are working with finance colleagues to deliver a public consultation on the 2025/26 MTFS in October 2025, in line with the published timetable. Stakeholder engagement sessions will be coordinated during the consultation period to ensure appropriate reach and input.</p>
M - The authority uses an appropriate documented option appraisal methodology	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</li> </ul>	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	Executive Director of	In line with MTFS	Fully aligned MTFS and Corporate Plan will provide stronger value for money evidence,



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to demonstrate the value for money of its decisions.		<p>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.</p> <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>Service Organisations (2017 Edition) for FMG at least (Interim DoF/S151 / PMO) <b>(Ongoing)</b></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) <b>(Ongoing)</b></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] <b>(Ongoing)</b></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) <b>(Ongoing)</b></p>	<p>Resources (S151 Officer)</p> <p>Assistant Chief Executive</p> <p>Head of Audit Risk and Assurance</p> <p>Programme Management Office</p>	development timetable	<p>based on consistent options appraisal methodology.</p> <p>These actions relate to business case design and option appraisal, we recognise the limitations of the current approach. There is a case for reviewing the council's methodology for business case development, including how options, risks and value for money are presented. This will be considered as part of wider governance and transformation activity at an appropriate point.</p>
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> <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> </ul>	H-1 Align MTFS to cashflow, remove assumptions on slippage moving to risk assumptions instead.( Interim DoF/S151) <b>(Ongoing)</b>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Manager – Strategic Financing and Accounting</p>	Oct 2024 – Feb 2025	Per Combined MTFS & Transformation timetable – Budget Consultation period Improvements in forecasting actual capital spending requirements by project managers will be required to bring about improvements in cashflow and financial/borrowing costs planning by Finance. Reintroduction of a Capital Programme Board (see H-3), with streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.

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			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) <b>(Completed)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Oct 2024 – Feb 2025	Treasury Management Strategy and Capital update is included in the quarterly in year monitoring reports to Committee. Includes focus on reducing borrowing – ie capital programme review
		<ul style="list-style-type: none"> <li>The Capital Programme Board needs resurrecting but in a different format/membership.</li> </ul>	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) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	March 2025	Capital Programme Board (CPB) – established in Jan 2025, ToRs being finalised – streamlined senior leadership by the Executive Directors of Place and Resources and the Assistant Chief executive, will further strengthen programme management and the expectation for improved quality project forecasting.
		<ul style="list-style-type: none"> <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> </ul>	H-4 Capital Strategy Review Process – Refer to 2024/25 MTFS Page 361, Capital Strategy Review (Interim DoF/S151 ) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	March 2025	During 2024/25 there has been reviews of the Capital Programme and where feasible some project spend has been deferred (Cross Ref to FR2 report) However, the significant growth to the capital financing requirements of the existing programme and new schemes for 2025/26 have been recognised in the updated MTFS. Further ongoing review needed under the scrutiny of the CPB
		<ul style="list-style-type: none"> <li>Capital HLBC’s to include whole life costs</li> </ul>	H-5 Widen HLBCs to cover whole life costs and cashflow implications (such as PMO dashboard) (Interim DoF/S151 / PMO) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Programme Management Office	March 2025	CEC is adopting the ICC business case template for Rev/Cap projects Methods such as Net Present Value are already used when developing capital schemes, however a formal and consistent approach will be proposed to be agreed at the outset with the newly established Capital Programme Board. Need to ensure Finance (Service FBP) have input to any new proposals at an early stage See also (E-4).
J - The authority complies with its statutory obligations in respect of the budget setting process	Green		J-1 Identify solutions – with Government – to the exceptional financial challenges of: <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> </ul>	Executive Director of Resources (S151 Officer)  Assistant Chief Executive	Ongoing	Exceptional Financial Support (EFS) Report taken to Corporate Policy Committee 13.02.2024. EFS request approved by Government 29.02.2024.  Follow on impacts <ul style="list-style-type: none"> <li>Peer Review – March 2024</li> <li>Action Plan – CPC Aug24</li> </ul>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
			<ul style="list-style-type: none"> <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 ) <b>(Ongoing)</b></li> </ul>			<ul style="list-style-type: none"> <li>DMA Review – March 2024</li> <li>Appointments in place by Mar 2025</li> <li>Transformation Programme Plan in place/submitted – Aug 2024</li> <li>CIPFA Review (EFS) - CIPFA Review (EFS) – published March 2025 - CIPFA review report and an update on our progress at the Finance sub-committee meeting 02 June 2025</li> </ul> <p>Further EFS request, approved via an urgent item at Dec full Council meeting, was submitted to Government in December 2024 to request the following –</p> <ol style="list-style-type: none"> <li>a roll together of the 23/24 and 24/25 amounts to be utilised all during 24/25 of up to £17.6m</li> <li>Up £31.4m for 2025/26,</li> <li>Also noting potential for up to £23.7m for 2026/27,</li> </ol> <p>The MTFS February 2025 then set a balance budget with the use of £25.3m for 2025/26. This was in the form of a capitalisation directive as the request to allow an increase in council tax above the referendum limit of 5% was refused.</p>
			<p>J-2 Publish HLBCs, embed EIAs within HLBC template (Interim DoF/S151 / PMO) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Assistant Chief Executive</p>		<p>HLBCs for the 2025/26 budget were not published, and EIAs are not currently embedded in the business case template. We expect both areas to be revisited as part of future reforms to the business case process, aligned to wider governance and transformation priorities. These reforms will clarify ownership and ensure that decision-making documentation supports transparency and compliance.</p>
			<p>J-3 MTFS Assumptions / scenario plan demand led spending requirements (SFMB / CLT / FSC Working Group). <b>(Completed / Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Finance Sub Committee working group</p>	Done/Ongoing	<p>Report to Finance Sub Committee June24 on MTFS Assumptions including requirement to increase general reserves to more appropriate levels, to support the future financial sustainability of the Council. Including proposals to build general reserves to the required levels plus make provision for Contingency/ Risk budgets. Follow up report to FSC September 2024 – including alternative scenarios around funding. All Member briefing – Aug24</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						FSC Workshop on MTFS Assumptions – Aug24 MTFS Challenge Sessions – S151 by Directorate – October 2024 7 <sup>th</sup> November MTFS update – spending review To be repeated during 2025/26
			J-4 Develop Service Plans to address a profile aligned to affordable MTFS, to move away from central bidding process. (SFMB / CLT) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	MTFS & Transformation Timetable	2025-26 MTFS balanced through use of Exceptional Financial Support. MTFS includes Transformation Plan savings to reduce the budget over the medium term. Budget funding gap 2026-27 onwards. Ongoing delivery of 2025-26 Budget and savings and further reductions to address the future shortfall.
			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) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)	Ongoing	Dependant on Revised Cheshire East Plan / Transformation Plan / Peer Review / DMA Review outcomes, actions and timelines.  One all Council finance report to go to every committee to enhance cross budget oversight. This happened during 2024/25 and will continue into 2025/26. Implementation of Transformation Board from May 2025. Ongoing
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</li> </ul>	K-1 Enhance CFO communications with planned conversations, BLOG, DMT attendance, Management & Support briefings (Interim DoF/S151) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	From April 2024	Manager Share & Support Briefing on the MTFS and in year position 21&23.01.2025 – specific coverage on the robustness of the budget estimates and adequacy of reserves.
			K-2 Use CIPFA FM Code review to report problem areas - FM Code Action Plan (Interim DoF/S151) <b>(Completed/Ongoing)</b>	Executive Director of Resources (S151 Officer)	September 2024  June 2025	Last update via FSC 12 September 2024.  2024/25 update June 2025  Ongoing updates built into the Committee forward plan

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		alongside enhanced controls associated with adherence to the CIPFA Financial Management Code.	K-3 Exceptional Financial Support (MHCLG) – Report to Corporate Policy Committee (approved). Transformation Plan required by August 2024 (Chief Executive) <b>(Completed)</b>	Executive Director of Resources (\$151 Officer)	Complete August 2024	EFS as per section J-1 above Exceptional Financial Support (EFS) Report taken to Corporate Policy Committee 13.02.2024. EFS request approved by Government 29.02.2024. <ul style="list-style-type: none"> <li>Transformation Programme Plan in place/submitted – Aug 2024</li> <li>CIPFA Review (EFS) – published March 2025 - CIPFA review report and an update on our progress at the Finance sub-committee meeting 02 June 2025</li> </ul>
			K-4 Continue to explore options with MHCLG, DfE and DfT to resolve material issues regarding HS2 and High Needs (SEND) education expenditure. (Interim DoF/\$151 / CLT) <b>(Completed/Ongoing)</b>	Executive Director of Resources (\$151 Officer)	Ongoing	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.
			K-5 Budget delivery 2024/25 <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> <b>(Completed)</b>	Executive Director of Resources (\$151 Officer)	Ongoing since Apr 24	MTFS Tracker ongoing monitoring of proposals. Reporting to all committees on progress across all council areas to every committee cycle.  Monthly reporting to CLT / SFMB in 2024/25 In year reporting to Committees FR1, FR2, FR3 Revenue and Capital Capital Review throughout 2024/25
			K-6 Adequacy of reserves – 2024/25 and MTFS 2025 – 2029 <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> </ul> MTFS Development  <b>(Completed/Ongoing)</b>	Executive Director of Resources (\$151 Officer)	Ongoing	MTFS included the topping up of General Fund reserves to £20m over the life of the MTFS to help restore financial stability. The Public Health reserve was also retained. The following Strategic earmarked reserves were approved within the Reserves Strategy ( <a href="#">Appendix A, Annex 8</a> ), and in some cases, replenished over the four year MTFS as part of the Council's approach to improving the robustness of the MTFS and adequacy of Reserves: <ul style="list-style-type: none"> <li>PFI Equalisation Reserve - Extra Care Housing – to meet future payments on the existing PFI contract.</li> <li>Public Health unallocated ring-fenced grant – to be invested in areas to improve performance against key targets (subject to annual assurance sign off).</li> <li>Insurance Reserve – to settle insurance claims and manage excess costs.</li> </ul>



FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						<ul style="list-style-type: none"> <li>Transformation Reserve – to fund the Council’s transformation programme costs.</li> <li>Collection Fund Reserve - to manage cash flow implications as part of the Business Rates Retention Scheme.</li> <li>Elections Reserve – to provide funds for Election costs every four years.</li> <li>Flood Risk and Adverse Weather Events Reserve - to help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.</li> </ul> <p>Budget provision made in the MTFS for Contingency &amp; Risk budgets to manage in year inflationary impacts and delivery of savings (overseen ./approved by CEX/S151 and any underspend to also replenish reserves)</p>
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> </ul>	C-1 Add recognition of Nolan principles to AGS. (Head of Audit & Risk) <b>(Ongoing)</b>	Head of Audit Risk and Assurance	<del>March 2025</del>  Ongoing - Dec 2025	<p>Demonstrable adherence to control framework</p> <p>The Code of Corporate Governance is currently being reviewed, needs to align to timeline for AGS update</p>
		<ul style="list-style-type: none"> <li>There is evidence of confusion over some decision making - ODR/FPR/Delegations</li> </ul>	<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) <b>(Ongoing)</b></p> <p>C-3 Adequate review of Internal Audit action completion as part of internal control framework. (Head of Audit &amp; Risk) <b>(Ongoing)</b></p>	Head of Audit Risk and Assurance	Ongoing	<p>A new Delivery Plan and performance reporting framework are in development, aligned to the Cheshire East Plan 2025–29. A report is going to Corporate Policy Committee in June 2025 – this may need to be reviewed during 2025 (See also A1-2).</p> <p>The approach to follow up on agreed internal audit recommendations has been reviewed, and a number of changes introduced. This will ensure that progress on implementation is being reviewed by senior management, the Corporate Leadership Team and the Audit and Governance Committee more regularly. Progress updates provided by Internal Audit on the delivery of the 2024/25 internal audit plan will include an indication of whether there is improvement against the previous year’s opinion.</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>Publication of spend analysis is not reviewed or promoted</li> </ul>	C-5 Ensure oversight and spot-check reviews of spend (SFMB – Spend Control Panel) (Completed/Ongoing)	Head of Procurement	Ongoing	<p>All spend (requisitions) for £5k and above is sent to procurement using a workflow in Unit 4. This is reviewed to ensure it has a contract in place and has been approved by the expenditure control panel.</p> <p>All spend is published on the council's transparency pages. There is also a project looking at all spend below £5k and spot checking to ensure compliance.</p>
F - The authority has carried out a credible and transparent financial resilience assessment	Amber	Consider / Review the CIPFA resilience assessment tool as there is no specific format to the testing of resilience	F-1 Review CIPFA assessment tool (Interim DoF/S151) ( <b>Ongoing</b> )	Executive Director of Resources (S151 Officer)  Finance Management Team	Complete (but reviewed as part of MTFS development)	Review as part of financial monitoring report development and MTFS development. Not progressed – to be reviewed in 2025/26
		<p>Publish financial resilience assessment information This covers ctax/business rates, core spending power, capital/borrowing and reserves. 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>	F-2 Review the inclusion of relevant data and benchmarking information around financial resilience in all relevant finance reporting ( <b>Ongoing</b> )	Executive Director of Resources (S151 Officer)  Finance Management Team	March 2026	Not progressed – to be reviewed in 2025/26
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> <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> </ul>	N-1 Develop Unit4 enquiries to provide up to date monthly info (Interim DoF/S151 / FLST) ( <b>Ongoing</b> )	Executive Director of Resources (S151 Officer)  Finance Management Team	Subject to Unit 4 review timetable Ongoing	<p>Improvements in use of technology, systems and data capture will improve decision making. Existing Budget Monitoring reports in Unit4 available for budget managers to Self Serve (R2R200 and R2R217). During 2024 agreement was reached to establish the role of 'Finance super user', facilitating the opportunity for the Finance Team to exploit the standard functionality of the system to optimum effect, as it was designed to be used, and to realise the business benefits envisaged in the original business case. During 2025/26, a small team of super users will be formed, and work will commence on the creation and/ or</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>Individual transaction processes and approval limits are built into systems</li> </ul>				improvement of financial enquiries and reports, to better meet to multiple needs of both internal and external financial reporting.
			N-2 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFs process (Interim DoF/S151 / FLST / BI) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Subject to Unit 4 review timetable Ongoing	As referred to in N-1 above, Unit4 – Super Users to help develop reporting (including Statutory Reports / ad-hoc reports and Enquiries to aid Finance and Budget Managers to Monitor and Forecast budgets and develop scenario planning from Unit4.
			N-3 Enabling of Services and service management to meet their financial management responsibilities through technology and training (including FP&A for budget management and forecasting) (Interim DoF/S151 / FLST) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Subject to Unit 4 review timetable Ongoing	FP&A – There have been significant modifications to FP&A (forecasting tool) throughout 2024/25, testing the stability of the environment early 2025/26, awaiting sign off. Finance will need to review/revise/develop a roll out plan once testing is signed off to ensure all Directorates/Services are full trained and engaged to use FP&A in the future. This could easily be a 12 month programme given other Transformation Work underway. This may include a budget management training course.
			N-4 Improve the quality of spend control and financial information and intelligence. (CLT / Interim DoF/S151 / SFMB / Performance Management Board) <b>(Complete and Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Management Team  Head of Procurement	July 2024 / Ongoing	Monthly monitoring implemented until FP&A forecasting can be launched across the authority Weekly officer CEBERT (Cheshire East Budget Emergency Recovery Team) replaced by Strategic Finance Management Board + Task & Finish Groups (Peer Review Action 1)  Expenditure Control Panel - reviews all requisitions above £5k to ensure they are essential spend.
			N-5 Oversight of Wholly Owned Company In-year performance (ASDV Review / FSC) <b>(Complete and Ongoing)</b>	Finance Manager - Place	Ongoing	Ansa and Orbitas (July2024) decision to bring back in house. Out-turn reporting and Financial Statements for 2024/25 to be produced. Orbitas back in house 1.2.2025,

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
						majority of Ansa wef 1.4.2025, Ansa Transport to follow during 2025/26. Residual Ansa functions – timescale TBC Out-turn report – due to FSC/AGC July2025 Accounts – AGC – Autumn 2025
			N-6 Governance Workstream to establish review of decisions as part of scheme of delegation work <b>(Complete/Ongoing)</b>	Governance, Compliance and Monitoring Officer	October 2024	Governance colleagues have recently reviewed the decision-making process to ensure reports pass through appropriate stages before sign-off.
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) <b>(Completed)</b></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) <b>(Completed/Ongoing)</b></p> <p>E-3 Whole organisation transformation programme to change service budget envelopes and re-establish corporate financial resilience and sustainability, including adequate reserves <b>(Completed/Ongoing)</b></p> <p>E-4 All HLBCs to consider whole life impact to support decision (Interim DoF/S151 / PMO / CLT) <b>(Ongoing)</b></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) <b>(Ongoing)</b></p> <p>E-6 Update Council charging strategy (Interim DoF/S151 / CLT / SFMB) <b>(Ongoing)</b></p>	<p>Executive Director of Resources (S151 Officer)</p> <p>Executive Director of Resources (S151 Officer)</p> <p>Executive Director of Resources (S151 Officer)</p> <p>See H-5</p> <p>Executive Director of Resources (S151 Officer) Finance Management Team</p> <p>Executive Director of</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 approved August 2024 Corporate Policy Committee to lead on Financial Recovery Transformation Plan / MTFS / Council Plan – approved Feb 2025</p> <p>The MTFS for 2025/26-29 established a new format, with a much shorter, clearer MTFS setting out strategic financial management principles and planning assumptions; followed the Budget for 2025/26; then further information in annexes on supporting detail and specific financial strategies</p> <p>Action Plan August 2024 Corporate Policy Committee to lead on Financial Recovery Transformation Plan / MTFS / Council Plan – approved Feb 2025</p> <p>MTFS/Transformation – proposals development 2025/26 – 2028/29 MTFS – 2025/26 Balanced through EFS, future years unbalanced – ongoing Transformation Plan, Budget Delivery 2025/26, Mitigations</p> <p>See update against Standard H-5</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> <p>Ongoing</p>

FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
				Resources (\$151 Officer)		
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>	G-1 Develop Unit4 / MSBI to develop scenario / forecasting data for review as part of MTFS process (Interim DoF/S151) [See N-2] <b>(Ongoing)</b>	Executive Director of Resources (\$151 Officer)	MTFS Timeline	<p>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</p> <p>Second MTFS update report included funding scenario options - FSC report September 2024</p> <p>Transformation targets included in 2025/26 MTFS - Cross cutting Transformation Savings not allocated to Service by 31.03.2025</p> <p>See N-2 above also</p>
			G-2 Financial reporting to all committees to include mitigating actions <b>(Completed)</b>	Executive Director of Resources (\$151 Officer)		In year progress reports on the 2024/25 approved policy proposals undertaken and contained mitigation items and this will continue into 2025/26.
			G-3 MTFS to be clearly linked with transformation plan and identify options to close the financial gap with a clearly articulated financial strategy <b>(Completed/Ongoing)</b>	Executive Director of Resources (\$151 Officer)		<p>MTFS 2025/26 balanced with the use of EFS and transformation targets, both service specific and cross council items and referenced accordingly in the MTFS Approved Feb 2025.</p> <p>Transformation board are monitoring the service specific items and also managing the allocation of the council wide items during early 2025/26.</p>
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> </ul>	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. <b>(Completed)</b>	Executive Director of Resources (\$151 Officer)  Finance Management Team	February 2025	<p>The MTFS was streamlined for 2025-29 to ensure that key messages and direction of travel were articulated much more clearly and succinctly to help with readability and understandability. Risks within the budget were clearly set out.</p> <p>TOM savings included but still remain as single corporate item and work is ongoing to allocate out the savings in line with the TOM</p>
			I-2 The refreshed MTFS will include sensitivity analysis and will include risk <b>(Completed)</b>	Executive Director of Resources (\$151 Officer)  Finance Manager –	October 2024	<p>Sensitivity analysis was included in the FSC reports on budget setting during 2024/25 to help articulate possible scenarios at varying stages of the budget setting process.</p> <p>Alternative Council Tax scenarios also presented in the report to CPC as a means of</p>



FM Standard	2023/24 RAG	Gap / Actions Identified	Recommended Action Plan (Responsible)	Who ED/HoS to provide update	Timeframe Target Date (Set Sept 2024)	Outcome/Update Finance added commentary
		<ul style="list-style-type: none"> <li>The Asset Management Plan (AMP) is not suitably aligned to the MTFS.</li> </ul>		Strategic Financing and Accounting		balancing the budget but subsequently not pursued due to Government not agreeing to The Council increasing above the referendum level.
			I-3 Transformation Plan / Corporate Plan / balance MTFS in the medium term and increase GF reserves to sustainable level <b>(Completed &amp; Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Aug 2024 / MTFS Timetable	The MTFS February 2025 set a balanced budget with the use of £25.3m EFS for 2025/26. This included the topping up of General Reserves to a forecast level of £20m over the medium term and building in Contingency and Risk budgets over the medium term. Future year MTFS remains unbalanced.
			I-5 Align Capital Strategy to AMP (Strategic Asset Board) <b>(Ongoing)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting	Oct 2024 Ongoing	Capital Board re established January 2024 Terms of References still being refined Strategic oversight of Capital Programme and Investments Strategy plus proposed link to Asset Board
			I-6 Review Capital Strategy for 2024/25 re affordability <b>(Completed)</b>	Executive Director of Resources (S151 Officer)  Finance Manager – Strategic Financing and Accounting		<p>Capital Review ongoing through 2024/25, some schemes deferred, reprofiled, none stopped in entirety. Borrowing profile therefore revised but not curtailed. Further “new” schemes added in addition through the development of the MTFS - further increase in the Capital Financing Budget in addition to the effects of financing Exceptional Financial Support for 2024/25 Out-turn and 2025/26 budget.</p> <p>Capital Strategy re-issued during 2024/26 as part of the Capital Review process including Prioritisation of schemes.</p> <p>A further review of forward funded schemes and an updated status on their repayment potential and affect on the overall borrowing demand on the Council is a priority.</p>