

Cabinet

19th May 2021



Title	Action Plan for LGA Finance Peer Review Recommendations
Purpose of the report	To make a decision
Report Author	Terry Collier, Chief Finance Officer
Cabinet Member	Councillor Satvinder Buttar
Confidential	No
Corporate Priority	Financial Sustainability
Recommendations	Cabinet is asked to: 1) To approve the draft Action Plan, which will be maintained as a living document 2) To recommend that regular progress updates are provided to the Corporate Policy and Resources Committee
Reason for Recommendation	Effective management of its finances underpins everything the Council does. Addressing the Peer Review's recommendations will help support effective financial management.

1. Key issues

- 1.1 The Council invited the Local Government Association to undertake a Corporate Peer Challenge review focused on the Council's finances. Peer Reviews involve experienced local government officers, including an experienced chief executive, along with an experienced leader, constructively reviewing opportunities for improvement. This was originally scheduled to take place in spring 2020 but was postponed due to the COVID-19 pandemic. The review was rearranged to be undertaken as the first virtual review of a council in November 2020. The draft report was received in the New Year and the final report issued in late January.
- 1.2 The Peer Review undertook a thorough exercise with the team spending around 300 hours developing its findings and this report. The Review team met a range of officers from across the organisation and at different levels including Chief Finance Officer and Corporate Management Team, Group Heads, Assets Manager, Audit Manager, and a range of councillors including

Leader, Finance Portfolio Holder, Deputy Leaders, Cabinet, Chair of Audit Committee, Chair of Overview and Scrutiny.

- 1.3 The Review team whilst recognising the strong response the Council made to the COVID-19 emergency identified a number of opportunities for improvements which are set out in 26 recommendations, see Appendix A. Some of the recommendations extend beyond purely financial matters, for example the Peer Review team suggested (recommendation 1) that the Council “pause, reflect, align” to refresh its Corporate Strategy and priorities and to become clearer in what it is wishing to prioritise which in turn will drive future budget prioritisation decisions.
- 1.4 The Council is appreciative of the Review and accepts the recommendations. Officers have worked with the Finance Portfolio Holder and Cabinet members to draft an Action Plan addressing each recommendation. For each recommendation responsible lead officers, are identified, along with target implementation timescales, and setting out what success will look like.
- 1.5 Some of the recommendations have already in part been addressed examples being:
 - the Reserves Strategy (part of recommendation 11) was refreshed and considered by both Overview and Scutiny and Cabinet in January 2021 as part of the 2021-22 Budget process.
 - Additional time was built into the Budget process for scrutiny with two sessions at Overview and Scrutiny (recommendations 10, 12. 22)
 - Additional scenario planning built into the Outline Budget process (recommendations 3 and 10)
 - The Medium Term Financial Strategy was refreshed (recommendation 3 and 12) as part of the 2021-22 Budget process
 - Improving the embedding of risk management (recommendation 16) with a refresh of the Corporate Risk Management Policy and Production of an executive summary which will now be rolled out via training across services
 - The reports talks about making clear the Council’s appetite for subsidising social housing, the Administration in January called an Extraordinary Council to set out its aspiration to deliver at least 50% affordable rental units on all the Council’s residential schemes (recommendation 24)
 - Improving the focus on programme management (recommendation 5) with the establishment of the Assets Programme Board which will be a sub-committee of the new Policy and Resources Committee.
- 1.6 Some of the responses to the Review’s recommendations have been aligned with the opportunity created by the move to the new Committee governance system, so for example the associated review of the Council’s Constitution has led to the approval of creating an independent lay member role on the Audit Committee (recommendation 13). Recommendation 15 on the role of the Overview and Scrutiny Committee has to an extent been superseded by the Overview and Scrutiny Committee ceasing to exist under the new Committee system but the issues of engagement of councillors in strategy

and financial decision making and review will be addressed as part of the new committee system.

- 1.7 Some of the budget process related recommendations will necessarily not be fully implemented until the Council next fully goes through a full annual Budget process, so some recommendation responses have a completion target of February 2022. An example is recommendation 22 around consulting with residents on budget options. Officers are working on bringing forward proposals for the 2022-23 Budget process.
- 1.8 On the day the Peer Review completed their initial review work the Council's new Chief Accountant joined the authority. Paul Taylor has an extensive accountancy professional background and will assist the Council in addressing a number of the recommendations particularly around financial reporting. In order to enable the Chief Accountant to effectively contribute towards the development of the Action Plan it was appropriate to allow him some time to settle into his role and gain a better understanding of the challenges and opportunities.
- 1.9 The intention is that the Action Plan will be a living document which will be kept under review and progress will be regularly reported to the Corporate Policy and Resources Committee and to Audit Committee. This will also be aligned with periodical reviews of the Council's CIPFA Financial Management Code Self Assessment document.

2. Options analysis and proposal

- 2.1 The recommended option is for the Cabinet to note the Action Plan and recommend that progress is regularly reported to the future Corporate Policy and Resources Committee.
- 2.2 Alternatively the Cabinet may wish that some of the recommendation responses are further refined.

3. Financial implications

- 3.1 The Action Plan will support the Council's ability to meet the challenges generated by the COVID-19 economic impacts and uncertainties and to ensure that we continue to manage our finances effectively

4. Other considerations

- 4.1 In responding to the recommendations around policy clarity and prioritisation the Council will have regard to Equality impacts and where relevant will undertake Equality Impact Assessments, for example if decisions are made about changing the way services are provided.

5. Sustainability/Climate Change Implications

- 5.1 In addressing recommendations around policy prioritisation, one of the clear priorities will be tackling Climate Change. This was reflected in the 2021-22 Budget with the creation of the £250k Green Initiatives/Climate Change Fund. This fund has subsequently been increased by a further £497k.

6. Timetable for implementation

- 6.1 The Action Plan has a set of target implementation dates.

Background papers:

Appendices:

Appendix A : LGA Peer Review Report

Appendix B : Draft Action Plan