

APPENDIX A

Spelthorne Finance Peer Review Action Plan – [October 2021](#)

[26/10/21](#) ~~6th April 2021~~

Recommendation	Action	Owner	Target for implementation	Progress to date including key documents	Measure of Success
<p>1.Ensure that there is alignment of key strategies and priorities and that they are supported by a clear and sustainable financial strategy. The Council may need to: pause – reflect – realign</p>	<p>Cabinet to approve updated Outline Budget Strategy in January 2021. Outline Budget gap projections supported by modelling of a number of scenarios.</p> <p>Prepare/update Council corporate plan coordinating all other strategies & setting out vision and priorities.</p> <p>Review all future Council sub strategies, activity and services to ensure they align with the corporate plan.</p>	<p>Cabinet (now CPRC)/MAT/Chief Finance Officer</p> <p>Leader</p>	<p>27/1/21 29/11/21</p> <p>29/11/21</p> <p>25/5/21</p>	<p>Outline budget and appendices 2021/22 approved by Council. 22-23 Outline Budget report going to CPRC 29/11/21 following Budget Briefing</p> <p>Leader agreed draft Corporate Plan and circulated to Chairs. Going to CPRC 29/11/21</p> <p>Capital Strategy approved by Council</p>	<p>Ensure that all sub strategies align to the Council approved corporate plan and are both clear and sustainable</p>

	Carry out a financial review of all the sub strategies.			Risk Management Strategy – refreshed strategy and summary approved	
2. Be clear on your priorities, articulate what non-prioritisation means and how resources are aligned within the finite capacity of the organisation.	<p>Cabinet to put forward new priorities and corporate plan to Council, Corporate Plan to be developed and approved.</p> <p>New Corporate Plan and priorities to inform Outline Budget, Detailed Budget and Capital Strategy process for 2022-23 in autumn</p> <p>Follow up on IESE workshop (Prioritisation exercise)</p> <p>Review all service areas to identify work that does not contribute to the delivery of the goals</p>	Cabinet, Corporate Policy and Resources//LO'N	<p>Stage 1 – agree new Corporate Plan</p> <p>Stage 2- new Corporate Plan priorities to feed into Outline Budget, Detailed Budget and Capital Strategy process for 2022-23</p>	<p>Leadership have provided input and comments on the outline of new plan and new priorities. Proposed new priorities have been published, corporate plan being developed'</p> <p>Managers briefed at MAT plus and staff at staff briefing on new corporate priorities and values</p>	<p>All job descriptions are updated and align with the corporate plan.</p> <p>All staff have been fully briefed by the Leader and CEO on the new corporate plan. Yes</p> <p>Full review of every role to ensure focus is on delivering</p>

	<p>of the corporate plan. Stop doing this type of task and focus on those that will deliver the results required.</p> <p>All Group Heads and Service Managers to review individual job descriptions and work carried out to realign with the corporate plan.</p> <p>Reassess staff numbers and future requirements in order to deliver the corporate plan.</p> <p>Have we got the infrastructure to deliver the results of the corporate plan?</p>			<p>Budget Group prioritisation exercise for 22-23 23-24 Budget application of zero based budgeting</p>	<p>the corporate plan and those tasks that don't fit are stopped.</p> <p>Carry out a staff planning exercise to align FTEs with delivering the goals set out.22-23 Budget to include FTE summary</p> <p>Ensuring that we have the IT infrastructure to deliver the plans.</p> <p>Council agrees and signs off</p>
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					Corporate Plan
3. Understand and manage risk and its impact on future financial performance and sustainability. (The tools for this will be a new corporate plan that aligns commercial, affordable housing, climate action and financial planning. This should be married with a refreshed MTFS including detailed scenario planning. The peer team recognise that progress on this is already underway.)	<p>Links to 1 and 2 above Outline Budget gap projections supported by modelling of a number of scenarios.</p> <p>Review and consider the impact of the pandemic and how this will influence financial performance and sustainability & risk management strategy going forward and for future incidents.</p> <p>Weekly monitoring of rent performance and managing financial risk through a 10 year review of the sinking funds, with the administration and Officers.</p> <p>Develop financial models to provide</p>	Chief Finance Officer, Chief Accountant	<p>Ongoing</p> <p>Ongoing</p>	<p>Outline Budget approved</p> <p>Follows on from 2 above.</p> <p>Risk Management Strategy approved 2020</p> <p>Risk Management Policy summary produced and approved by Audit Committee</p> <p>Risk Management Training rolled out across staff. Undertaken by Group Head Corporate Governance and Audit Manager</p> <p>Weekly Rent Collection Meeting</p>	<p>Risk Management Strategy & COVID-19 Risk Assessment & Recovery Plan (TBC).</p> <p>Terms of reference for the Rent Collections meeting.: Terms of Reference for Assets Portfolio Working Group approved</p>

	<p>improved risk management and scenario planning at a variety of levels.</p> <p>Where appropriate utilise Integra (Financial system) to produce dash boards to reflect the above for relevant officers and work with officers to produce automated monthly reports to monitor progress against plan, to avoid data dumping into excel for further manipulation.</p>		<p>Autumn 2021 <u>Spring</u></p>	<p><u>transitioned into fortnightly Assets Portfolio Working Group</u></p> <p><u>Paul Taylor refreshed rental viability models being used to support proposals going to Development Sub-Committee</u></p> <p><u>To be aligned with move to Centros and potentially the partnership with Mole Valley</u></p>	
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4. Improve capital programme scheme implementation performance and be satisfied that delivery vehicles can successfully realise the scale of ambition.	Chief Accountant working with Accountancy team to improve level of support and critical challenge provided to service managers. Chief accountant looking <u>to</u> have monthly summary reporting for our larger projects, say, over £10m in order to keep a closer eye on major projects and manage risk. Will focus on refining phasing of capital	Chief Accountant	Allow time for new Committee system to bed in October 2021	Initial discussions have taken place on improved monthly summary reports Paul has refined the reports further – Deputy Leader and Leader requested a further external review Growth bid approved for additional resource in Assets. Report to MAT in	Improved Capital Monitoring Reporting from Q1 Lewis + fin model

	<p>budget so we can monitor planned expenditure against actuals. This would be one for Lewis to lead with the accountants.</p> <p>An additional resource has been agreed as a growth bid from 2021/22 onward within the Assets team. The postholder will be responsible for detailed budget monitoring and project management reporting for the development programme.</p> <p>Capital programme multi year reporting</p> <p>50 year projections for KGE (Property acquisition or development)</p> <p>KGE & SDS strategic plan, budget and capital</p>		<p>February 2022</p>	<p>April for formal agreement and then out to advert</p> <p>Development Sub-Committee Set up</p> <p>Terms sheets set to ensure clarity at outset of proposals</p>	
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	<p>monitoring to align with Spelthorne BC timetable.</p> <p>Improve Capital Programme Reporting - Lewis</p>				
<p>5. Ensure that effective programme and project management is embedded across the organisation for both capital and revenue spend reflecting internal controls and proportionate risk management.</p>	<p>Asset Projects New Development Sub Committee being set up which will cover Investment and Development projects</p> <p>Other projects Other project capital and revenue projects are overseen by the Project Team and will be reported to the Corporate Policy and Resources Committee</p> <p>PID system to be implemented and followed – refreshed across the council (Route 1 or 2), with</p>	<p>Group Head Regeneration</p> <p>Group Head Transformation</p>	<p>Allow time for new Committee system and sub_committee to bed in October 2021</p>	<p>Terms of reference for new Development Sub Committee to be recommended for approval at ECM on 25th March 2021</p> <p>Sub Committee up and running considering viability proposals. Term Sheets now being used to make clearer at outset the deliverables for development projects</p> <p>[Sandy to update]</p>	<p>Programme Board</p> <p>PID process</p>

	finance involved from Day 1				
6. To continue to promote openness and transparency by ensuring decisions are taken at the most appropriate level in accordance with a practical and proportionate scheme of delegation	<p>Will be achieved with a move to the Committee system</p> <p>Update Scheme of Delegations and implement it</p>	MAT	End May 2021 (assuming committee system is agreed)	<p>Move to Committee system and updated Constitution to be recommended for approval at ECM on 25th March 2021 New Constitution and scheme of delegation approved</p> <p>Detailed Budget for 22-23 to make clear resources supporting assets and KGE</p>	<p>Internal Audit reports</p> <p>CIP (Root and Branch)</p> <p>External audit</p> <p>New Constitution</p>
7. Recognise and articulate the challenges ahead for both capital and revenue in the present	Address in Outline Budget, Capital Strategy, Revenue Budget and Capital Programme reports. Chief Accountant	CFO, Chief Accountant	This will need to feed into next Budget process which Chief Accountant is	Outline Budget, Reserves Policy and Capital Programme and Capital Strategy approved for 2021-22	

<p>day and medium to longer term.</p>	<p>working to start the Budget process earlier which will help provide clarity earlier (with MAT+ for consideration).</p> <p>Need to consider ongoing impact of COVID-19 on next few years.</p>		<p>already working on (with a view to bringing forward earlier most of the process and integrating better with service plan. February 2022</p>	<p>Detailed Budget, Capital Strategy being developed for 2022-23</p>	
<p>8. Continue to recognise the importance of the investment and commercial income stream to the revenue budget in reporting.</p>	<p>Officers in liaison with councillors' feedback to continue to refine the Revenue Monitoring reports. Officers to work with Financial Reporting Task Group</p> <p>Finance and CIP to develop a programme of support to help managers increase frequency of spend and customer numbers.</p> <p>What do we need to continue doing, stop</p>	<p>CFO, Chief Accountant</p>	<p>October 2021</p>	<p>Leader agreed to defer in order to align with move to new Centros platform in April/May 2022</p> <p>2022-23 Detailed Budget will make more transparent the resources underpinning the delivery of investment income</p>	

	<p>doing or start doing in respect of our discretionary spends?</p> <p>Carry out a consultation about what we want to deliver. (put in item 1 and 2 above)</p> <p>Ethical investments?</p>			<p>[Paul/Sandy] any update?</p> <p>Zero based budgeting to be undertaken for 2023-24</p> <p>Budget consultation with residents and businesses being undertaken in November 2021</p>	
<p>9. Consider simplifying financial reporting to members to make it clearer what options the council faces. Within this, model different scenarios and openly consider the impacts of these on financial sustainability.</p>	<p>Links to 5 - 8 above. Chief Accountant to focus on drawing out key issues in executive summary at front of reports.</p> <p>Outline Budget to model more scenarios. Budget process to have more sessions involving councillors</p>	<p>CFO, Chief Accountant</p>	<p>October 2021</p>	<p>Initial meeting of Financial Reporting Task Group taken place</p> <p>Leader agreed to deferred to April 2022 to align with Centros</p> <p>Leader and Deputy requested external perspective to review</p>	<p>PT to populate</p>

<p>. 10. Extend scenario planning for the refreshed Medium-Term Financial Strategy (MTFS) scenarios beyond the existing worst-case approach which is modelled for the sinking fund reserve</p>	<p>Links to 3 above. Outline Budget scenario modelling</p>	<p>CFO, Chief Accountant</p>	<p>Will feed into next Budget process – February 2022</p>	<p>Outline Budget for 21-22 included 7 different scenarios which were discussed with Opposition Groups, O&S as well as Cabinet.</p> <p>Outline Budget scenario model refreshed for 22-23 to make easier to model multiple scenarios</p> <p>Extensive modelling of a number of different permutations on developments with respect to number of storeys to explore impact on viability</p>	<p>KGE 50 years model</p> <p>New budget model</p> <p>Uploaders</p>
<p>11. Ensure you have clear strategies on the core elements of financial planning and bring them together – Reserves Strategy, (including Sinking</p>	<p>Reserves Strategy being refreshed and brought to Cabinet January 2021 Sinking Funds reserves methodology has been reviewed by O&S and</p>	<p>Chief Accountant, Chief Finance Officer, Group Head Regeneration, Joint Group Heads</p>	<p>27/1/21</p>	<p>Reserves Strategy approved, Housing Strategy approved but to be refreshed and updated</p>	<p>Reserves Strategy</p> <p>Fin Man Code Self Assessment.</p>

Fund), Commercial Strategy, Housing Strategy	encompassed in Capital Strategy Housing Strategy approved by Council February 2020 and being updated with increased targets for affordable housing rental units Include a Movement in Reserves Statement (MiRS)	Community Wellbeing			
12. Work collaboratively within a culture of cooperative working between members and officers to continually refresh the MTFS.	LGA Top Team work will focus on this. Support Cabinet members with appropriate briefings and training for example Treasury Management training Do Councillors understand the impact of their decision making Budget setting process understanding	Leader, Cabinet (now CPRC), MAT	December 2021	Refreshed MTFS (Outline Budget approved) following sessions with Cabinet and O&S Budget Briefing Session November 2021 Treasury Management training session for councillors run on 18 th March- highlighted councillors	MTFS

	New titles for the reports under the sub committees - refresh			responsibilities as well as officers' Weekly review with the administration specific on finance and cash flow and general day to day	
13. Consider bringing an independent voice to the Audit Committee to strengthen overall audit resilience	To be considered as part of Governance Review	Monitoring Officer	June 2021	Lay member being recruited November 2021 To be addressed as part of new Committee's governance – Audit Committee will have an independent lay member, officers have started to explore approach to recruiting	
14. Ensure outcomes of budget consultations and engagement with stakeholders are clearly reported to members as part of the budget setting process.	Will raise option of undertaking structured budget consultation to feed into 2022-23 Budget process In hand and expand here	Chief Finance Officer, Chief Accountant	February 2022	To address as part of Budget Plan for 2022-23 November 21 Budget Consultation to feed into the Budget process	

<p>15. Continue to explore further opportunities for Scrutiny Committee to be engaged in strategy development and financial decision-making and review.</p>	<p>The proposed new committee system will have the Overview and Scrutiny function built into to each committee.</p>	<p>Monitoring Officer, Chief Finance Officer, MAT</p>	<p>End May 2021</p>	<p>Move to Committee system to be recommended for approval at ECM <u>approved</u> on 25th March 2021 - part of each committee's responsibility now</p> <p><u>This recommendation no longer applicable</u></p>	
<p>16. Consider how to ensure that co-ordination of risk management activity throughout the organisation is appropriately embedded and resourced with a strong corporate overview.</p>	<p>Executive summary of new Corporate Risk Management Strategy to be produced Risk Management training to be provided to officers and councillors</p>	<p>Monitoring Officer, Chief Finance Officer, Chief Accountant</p>	<p>Ongoing Date for training in here?</p>	<p>Draft Executive Risk Strategy considered <u>approved</u> at Audit Committee on 18th March <u>2021</u></p> <p>Visual rather than narrative- <u>Councillors happy with more visual document</u></p>	
<p>17. Ensure that the council's compliance with the statutory duty to consult representatives of</p>	<p>Addressed through session with Spelthorne Business Forum (SBF) in February</p>	<p>Chief Finance Officer</p>	<p>Ongoing</p>	<p>SBF Budget consultation took place on 15th February 2021 (and is done annually)</p>	

nondomestic ratepayers – section 65 LGFA 1992 is clearly communicated and the results of this are seen to clearly influence decision-making.					
18. Continue to keep the capacity and skills of the finance function under review, and ensure it is fit for purpose.	Chief Finance Officer and Chief Accountant reviewing training requirements. New technical Accountant post commenced November 2020	Chief Accountant, Chief Finance Officer	Ongoing	Chief Accountant reviewing team structure and resources- S151 and Chief Accountant bringing forward partnership proposal with Mole Valley to address resilience and ensure right skills in the team	Internal Audit
19. Continue to regularly review the resourcing of Internal Audit to ensure it is appropriately resourced to reflect the scale of risk the council is managing.	Some additional budget being provided to enable additional buying in of flexible resource	Monitoring Officer, Audit Manager		Monitoring Officer undertaking a review A growth bid has been submitted for an apprentice in Internal Audit.	Audit Committee
20. Consider how to better integrate the key functions of the council		MAT, Policy and Resources, Audit Committee		Corporate Risk Management Policy updated and	

<p>to deliver financial sustainability and build a strong culture of shared risk management that encompasses assets, property, income, and service delivery.</p>				<p>approved by Audit Committee October 2020f</p>	
<p>22. Explore how to maximise all opportunities for community and service improvements, such as more effective use of section 106 agreements.</p>	<p>Recovery Plan will include how the borough will deliver community improvements in light of the changed circumstances brought about by COVID-19.</p> <p>Review s106 agreements and their use for any opportunities for community.</p> <p>Infrastructure Delivery Plan (part of the revised Local Plan) sets out strategic requirements which will inform future Community</p>	<p>MAT, Group Head Regeneration, Group Head Transformation</p>	<p>October 2021 for S106</p> <p>March 2022 for IDP (linked to Local Plan timetable)</p>	<p>Recovery Plan being approved and being regularly reported on with respect to progressdrafted</p> <p>CIL Task Group regularly making recommendations for application of CIL fund</p>	

	Infrastructure Levy (CIL) spend				
22. Consider how to engage staff and stakeholders in the refresh of the council's MTFS and promote a wide understanding of the council's future options	<p>Session for Group Leaders and Group finance leads in December 2020. Outline Budget going to O&S in January 2021</p> <p>Regular updates provided at staff meetings and at Council meetings</p> <p>Consider options for wider stakeholder engagement including with residents on priorities for spend</p> <p>Af</p>	Chief Finance Officer, Chief Accountant	December 2022	<p>Revised outline Budget report approved for 2021 after taking through Overview and Scrutiny in January 2021</p> <p>Budget consultation with residents.</p> <p>Officers engagement with new committee chairs</p>	
23. Have an open dialogue about the financial implications of the council's emerging priorities, including	Part of the discussion at the ECM on 21 January 2021 and through the Capital Strategy	Chief Finance Officer. MAT, Corporate Policy and Resources Committee	Ongoing	<p>Capital Strategy approved for 2021-22</p> <p>Mini TM report around CFR and</p>	

<p>potential impacts on the council's borrowing.</p>	<p>Ongoing series of briefing/training sessions for the new committees once they are up and running and the corporate priorities have been agreed.</p> <p>Quarterly liaison meetings with Arlingclose.</p> <p>Incorporate Movement in Reserves Statement (MiRS) within budget monitoring and Capital Financing Requirement (CFR) requirement</p>			<p>impact on Councils funding.</p> <p>TM reporting being made concise and visual</p> <p>Leader attending quarterly monitoring with ArlingClose</p> <p>Being addressed as part of the 2022-23 Budget process, highlighting the impact on revenue budget of development delays</p> <p>[Paul we have yet to do this]</p>	
<p>24. Consider what does a diverse mix of housing really mean for the borough? How will the council use both Private Rented Sector and Market Sale to</p>	<p>March 2021 Cabinet and KGE Board in parallel discussed viability of housing delivery and potential need for element of private sales as part of</p>	<p>Strategic Housing Group and KGE Board</p>	<p>June 2021</p>	<p>Highlighted as an issue in the Benwell House transfer reports which went to Cabinet and KGE Board in March 2021</p>	<p>Agreed strategy document with full costings and scenario planning</p>

<p>meet local need and to deliver financial returns?</p>	<p>the delivery mix highlight. KGE Integrated Business Plan has been refreshed.</p> <p>Focus on key risks including blended interest rate between Social Housing & Keyworker v private rental.</p> <p>Select balance to fit with Council's Corporate plan in 1 above whilst minimising financial impact on the council</p> <p>Monitor voids on a weekly basis and report monthly with remedial action taken.</p> <p>Recommendations from O&S 7th April accepted by Cabinet also address</p>			<p>Discussed at Extraordinary Overview and Scutiny Committee 7th April</p> <p>Revised steer from January 21 ECM with developments to have at least 50% affordable housing.</p>	
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<p>25. Clarify how the council is going to deal with viability issues for both individual housing schemes and the performance of your housing company.</p>	<p>KGE Business Plan being refreshed over 50 year time frame Cabinet has provided a steer on valuation basis to be used for transferring developments from Council to KGE. New NEDs will provide additional expertise and challenge on KGE Board</p> <p>As 23 above KGE 5 Year integrated business plan refreshed</p> <p>Align KGE with budget monitoring and financial reporting time line for the Council.</p>	<p>Chief Accountant, Chief Finance Officer</p>	<p>June 2021</p>	<p>Budget and 5 year business plan for KGE Being refreshed.</p> <p>50 year KGE viability model covering P&L, Balance Sheet and Cashflow produced</p> <p>2022-23 KGE Budget being produced in parallel to SBC budget and KGE elements highlighted within SBC detailed budget</p>	<p>Set out in strategy document in 23.</p> <p>Quarterly revenue and budget monitoring</p> <p>Annual budget and planning setting.</p> <p>Monthly Board meetings to agree and evaluate information.</p> <p>Raise any issues with Spelthorne BC within 7 days of Board meeting.</p>
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<p>26. Consider what delivery models will be most appropriate and allow the Council to deliver agreed ambitions, and whether existing models are fit for this purpose?</p>	<p>Council in context of the unitary discussion having exploratory discussions with neighbouring Surrey councils about potential for collaborative service delivery</p> <p>Consider transactional services in particular, i.e., Council Tax, NNDR, Benefits, Income, Payments,</p> <p>Are there opportunities for Spelthorne Council to be the main contractor for refuse services in other Districts</p>	<p>MAT, Corporate Policy and Resources Committee</p>	<p>February 2022</p>	<p>Spelthorne Direct Services set up and making good progress.</p> <p>To be reviewed as part of a) Options for closing Outline Budget 22-23 and b) as Working Group on Delivery Options</p>	<p>Review completed and programme developed</p>
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