

Ref	Description	Pages of Code	Detail	CFO assessment and actions required	RAG
Responsibilities of the Chief Finance Officer and Leadership Team					
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	17/18	<p>The authority has a clear and consistent understanding of what value for money means to it and its leadership team.</p> <p>There are suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services.</p> <p>The authority is able to demonstrate the action that it has taken to promote value for money and what it has achieved.</p>	<p>The Council has clear accountability and arrangements to deliver value for money. The Council has a Value for Money Statement that was last refreshed in February 2021. This sets out why VFM is important and what the Council's approach to ensure delivery of VFM is, this includes:</p> <ul style="list-style-type: none"> <li>• VFM is a key part of any business case submitted and all decision-making groups take decisions with a focus on VFM.</li> <li>• Performance Scrutiny Committee reviews service and financial performance (against cost, performance, and satisfaction) on a quarterly basis and uses its remit to periodically review key (off target) services.</li> <li>• Policy Scrutiny ensures that any changes to policy with financial aspects delivers VFM as part of the proposal – e.g. restructures, retention of discretionary services etc.</li> <li>• The Annual Governance Statement focuses on all aspects of governance, including processes around VFM in service provision.</li> </ul>	

				<ul style="list-style-type: none"> <li>• Lincoln Project Management Model – this compulsory method of managing projects within the council contains key templates for financial assessments and risk management</li> <li>• The MTFS delivers a robust financial plan through a rigorous budget setting process. One of the key objectives of the MTFS is to provide cost effective services which demonstrate value for money.</li> <li>• The performance framework includes, regular monitoring of Vision 2025 projects to ensure that the key aims of the council are progressed to budget, timescales, and outcomes.</li> <li>• The performance framework includes regular service monitoring of detailed performance trends covering: <ul style="list-style-type: none"> <li>○ Performance measures – e.g. throughput, time taken and outstanding work</li> <li>○ Volumetric measures to add contextual background data</li> <li>○ Customer satisfaction - feedback through satisfaction monitoring and complaints and compliments monitoring</li> <li>○ Quarterly Dashboard summarising all aspects of performance within the VFM chain</li> </ul> </li> <li>• Communication of VFM to customers and staff through a variety of channels.</li> </ul>	
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				<ul style="list-style-type: none"> <li>Delivering excellent customer service which is a key component of VFM.</li> </ul> <p>The Council has a strong record of identifying and delivering efficiency savings with clarity about any impacts on services. Annual savings of c£10.5m have been delivered over the past decade and a half.</p> <p>In light of the announcement that Councils will be required to publish a Productivity Plan by July 2024, an update of the Value for Money Statement will be undertaken and will be incorporated with these new requirements.</p> <p>External Audit provide a VFM assessment, the Auditors Annual Report 2022/23 stated, "Overall, we have not identified any indicators of a significant weakness in the Council's arrangements relating to the Improving Economy, Efficiency and Effectiveness criteria for the year ended 31 March 2023."</p> <p>The last Peer Challenge review conducted by LGA, including a review of financial processes. The initial review led to a glowing report, with minimal suggested improvements. Monitoring of all aspects, to ensure standards are maintained is undertaken. The next peer review will be undertaken following development of the new Vision 2030.</p> <p><b>ACTION REQUIRED – TO UPDATE VALUE FOR MONEY STATEMENT AND</b></p>	
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				<b>INCORPORATE REQUIREMENTS OF NEW PRODUCTIVITY PLANS – JULY 2024 (CFO/ADSDT)</b>	
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.	18/19	<p>In summary this Statement requires that the CFO:</p> <ul style="list-style-type: none"> <li>• Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.</li> <li>• Must be actively involved in, and able to bring influence to bear on, all material business decisions</li> <li>• Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.</li> <li>• Must lead and direct a finance function that is resourced to be fit for purpose.</li> <li>• Must be professionally qualified and suitably experienced.</li> </ul>	<p>The Chief Finance Officer post is a key member of the Corporate Leadership Team, reporting to the Chief Executive.</p> <p>She is actively involved in, and has influence over, all material business decisions.</p> <p>The CFO personally leads on the MTFS and ensures that all risks are considered and detailed as part of the MTFS, in conjunction with the other members of the senior leadership team (Executive Members and Corporate Leadership Team).</p> <p>She is ACCA qualified with significant experience of local government finance. Continuing professional development is undertaken as required by her accounting body.</p> <p>There are contracts in place for specialist financial advice (technical accounting, treasury management, financial management &amp; planning and taxation)</p> <p>The CFO through the Finance team provides the financial reporting and monitoring to the Corporate Management Team and Members, with the Treasury Management reporting going through Audit Committee and Council as</p>	

				<p>prescribed in the CIPFA Prudential Code and the CIPFA Treasury Management Code.</p> <p>The Finance Team is suitably resourced with appropriately qualified staff, and is fit for purpose. This team includes 1 qualified accountant, 2 part qualified accountants and 9 qualified accounting technicians and 2 part qualified accounting technicians. All officers undertake continuing professional development as required by their accounting bodies. There currently remains 1 vacant qualified accountant role, which is actively being recruited to, with interim support in place.</p> <p><b>ACTION REQUIRED</b></p> <ol style="list-style-type: none"> <li><b>1. TO CONTINUE TO SUPPORT PROFESSIONAL DEVELOPMENT AND THE ACHIEVEMENT OF PROFESSIONAL ACCOUNTACY QUALIFICATIONS – ONGOING (CFO/FSM)</b></li> <li><b>2. TO RECRUIT TO REMAINING FINANCE ROLES TO ENSURE TEAM IS FULLY RESOURCED – APRIL 24 (FSM)</b></li> </ol>	
<b>Governance and Financial Management Style</b>					
C	The leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control.	21	<p>The leadership team espouses the Nolan principles.</p> <p>The authority has a clear framework for governance and internal control.</p>	<p>The leadership exhibit the Nolan principles of public life.</p> <p>There are Financial Procedure Rules which are subject to a full review on a 3-yearly basis, these have been reviewed during the last year, with consideration by Audit Committee and</p>	

			<p>The leadership team has established effective arrangements for assurance, internal audit and internal accountability.</p> <p>The leadership team espouses high standards of governance and internal control.</p> <p>The leadership team nurtures a culture of effective governance and robust internal control across the authority.</p>	<p>then approval by Full Council in January 2023. There are also separate Contract Procedure Rules, also subject to Audit Committee and Full Council approval. Both documents are clear about the respective authorisation limits for authorisation of contracts and the subsequent commitment/incurrence of expenditure. The Following the Procurement Act receiving Royal Assent, and with an implementation date of October 2024, Contract Procedure Rules are now being updated.</p> <p>The Council's Audit Committee has an independent member as well as Councillor representation. The committee considers all aspects of audit activity and the regulatory framework including corporate governance, as part of it's Terms of Reference. Following the publication by CIPFA of an updated Position Statement on Audit Committees, along with additional guidance for local authority audit committees, a review of the Audit Committee's Terms of Reference and work programmes has been undertaken to ensure this reflects the latest guidance and best practice.</p> <p>All Committees have separate Terms of Reference.</p> <p>There is a Code of Conduct for Members which is overseen by the Ethics and Engagement Committee and was last updated in January 2021, with regular reviews undertaken as part of the Constitution as a whole. Training for Members was on the Code was provided in</p>	
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				<p>2023. In addition, there is a Code of Conduct for Officers.</p> <p>The authority has in place a clear framework for governance and internal controls through it's Code of Corporate Governance. The Council's Code of Corporate Governance was comprehensively reviewed in July 2021 and is refreshed annually. The last review took place in February 2024. Subject to updated guidance being from CIPFA during 2024/25, a further, comprehensive review of the Code will be undertaken.</p> <p>There are effective arrangements for assurance, internal audit and internal accountability. Any areas of concern raised through those arrangements are managed robustly and transparently.</p> <p>The leadership team espouses high standards of governance and internal control and communicates these clearly to all staff.</p> <p>There is a culture of effective governance and robust internal control. Internal audit is used to bring focus to any areas of concern and to ensure that standards remain high.</p> <p><b>ACTION REQUIRED: REVIEW OF CONTRACT PROCEDURE RULES – DECEMBER 2024 (PM)</b></p>	
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D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).	22	<p>The authority of aware of the provisions of the CIPFA Delivering Good Governance Framework.</p> <p>The authority has sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements.</p> <p>The authority has in place a suitable code of governance.</p>	<p>There is a strong internal audit function which produces reporting and recommendations across all functions. This is subject to external review every 5 years, with the latest review undertaken in 2022. This concluded that the service fully conformed to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.</p> <p>The Council's Code of Corporate Governance was comprehensively reviewed in July 2021 and is refreshed annually. The last review took place in February 2024. Subject to an updated Framework being published by CIPFA during 2024/25, a further, comprehensive review of the Code will be undertaken.</p> <p>The Framework recommends that a local code of governance is developed and reported against annually. The Council's Annual Governance Statement details how the Council has complied with its own Code of Corporate Governance over the preceding year and meets the statutory requirements with areas of concern reported and monitored.</p> <p>Internal Audit assess their compliance against the Public Sector Internal Audit Standards on a bi-annual basis. This was last undertaken and reported to the Audit Committee December 2023. The next review will be undertaken in 2025.</p> <p>Following the recruitment of a new Internal Audit Manager in 2022, an assessment against</p>	
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				<p>the CIPFA document “The Role of the Head of Internal Audit 2019” has been undertaken. There is a good level of compliance overall and where improvements are required actions have been included within the QAIP which is monitored by the Audit Committee.</p> <p><b>ACTION REQUIRED: NONE</b></p>	
E	The financial management style of the authority supports financial sustainability	22/23	<p>Strong financial management is assessed against a hierarchy of</p> <ol style="list-style-type: none"> <li>1. delivering accountability,</li> <li>2. supporting performance</li> <li>3. enabling transformation.</li> </ol> <p>Need to perform well at each level before moving to the next. This is broadly linked to economy, efficiency and effectiveness.</p>	<p>Achieving stage 1 of the hierarchy. The Council has an effective framework of financial accountability through:</p> <ul style="list-style-type: none"> <li>• Member delegations which include financial responsibilities;</li> <li>• Officer delegations which include financial responsibilities;</li> <li>• Financial Procedure Rules which set out financial responsibilities for Directors, Assistant Directors Budget Managers and all employees of the Council and all Members.</li> </ul> <p>Achieving stage 2 of the hierarchy. The Council has an effective performance management framework in place including, performance measures, volumetric measures, customer satisfaction, monitoring of key strategic projects, quarterly performance reporting, quarterly dashboard across all aspects of performance within the VFM chain.</p> <p>The Finance Team have implemented a Finance Business Partnering approach, although full role out has been delayed due to</p>	

				<p>staff capacity, but this is continuing through 2023/24.</p> <p>Working towards stage 3 of the hierarchy. There are many examples of financial management supporting transformation specifically in relation to key strategic projects, but further work is required towards fully acting as enablers.</p> <p><b>ACTION REQUIRED: REVIEW OF FINANCE BUSINESS PARTNERING APPROACH – MARCH 2025 (FSM)</b></p>	
<b>Long to Medium Term Financial Management</b>					
F	The authority has carried out a credible and transparent financial resilience assessment	26	<p>The authority has undertaken a financial resilience assessment.</p> <p>That assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios.</p> <p>The authority has taken appropriate action to address any risks identified as part of the assessment</p>	<p>The Council has reviewed the CIPFA Financial Resilience index and newly published Oflog financial metrics and assessed whether it is comfortable with the areas that the index/metrics flags as more concerning. This has been supported by an external consultant to provide further analysis and challenge. Reference is made to this in the MTFS, with application of the local context, and clear explanations for the Council's position in comparison to others is provided.</p> <p>The External Auditor's Annual Audit Report 2022/23 stated " there are no indications of a significant weakness in the Council's arrangements for financial sustainability brought forward from 2021/22. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2022/23.</p>	

				<p>There has not been an independent assessment of the local authority's financial resilience other than the CIPFA index, Oflog metrics and the annual external audit. This will however be reviewed and options for an independent assessment will be considered, as part of or separate to the next Corporate Peer Review.</p> <p>The level of prudent minimum balances in the MTFS is based on a financial risk assessment of the key variables in the budget and the probability of variations (the MTFS also contains a full risk register with details of mitigations in place and to be undertaken). This is then further expanded over the period of the MTFS to produced various scenarios as to assess the impact of key assumptions in the budget. This is documented in the MTFS. In addition, the pre-cursor report to the main MTFS sets out more detail on the key variables and the impact of changes in the underlying budget assumptions.</p> <p>This financial planning and risk assessment, over a 5-year period, allows the Council to identify potential funding gaps and ensure action is taken in advance, e.g. through it's TFS Programme.</p> <p><b>ACTION REQUIRED – CONSIDER OPTIONS FOR AN INDEPENDENT FINANCIAL RESILIENCE ASSESSMENT – DECEMBER 2025 (CFO)</b></p>	
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G	<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	26	<p>The authority has a sufficiently robust understanding of the risks to its financial sustainability.</p> <p>The authority has a strategic plan and long-term financial strategy that addresses adequately those risks.</p> <p>The authority reports effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making.</p>	<p>The Council produces a 5-year MTFS and a 30-year Housing Business Plan incorporating revenue and capital models using a range of assumptions for economic factors and service-related factors. The was fundamentally updated in November 2023 and consisted of a number of Member engagement exercises.</p> <p>The current high levels of uncertainty around future funding for local government and the current economic volatility make producing a meaningful long term plan very challenging. This risk to financial planning is clearly set out in the MTFS and has been communicated to the Leadership Team and Members, including full Member workshops and specific briefings to individual political groups as required.</p> <p>The MTFS also includes a risk assessment of the key financial risks the Council faces over the 5-year period. The risks modelled include the level of inflation, the council tax base, the business rates base, pay inflation, interest rates as well as service income, housing rents/voids, and a range of capital implications e.g. cost overruns.</p> <p>The pre-cursor report to the main MTFS sets out in more detail changes in key variables since the development of the previous Strategy and the impact of these on the budget and likely budget gap. Further, more, detailed reports are provided to the Corporate</p>	

				<p>Management Team as part of the budget development.</p> <p>The Council has a robust approach to risk management with Strategic and Directorate Risk Registers, with clear lines of escalation, supported by specific project and programme risk registers.</p> <p>The Council's Vision 2025 contains a range of projects and programmes, not all of which are financially resourced. The MTFS is very clear on this and specifically in relation to the larger scale capital investments emphasises the need to seek external partner contributions or grant support. The MTFS also highlights the financial pressures and the influence of this on the forthcoming Vision 2030. In addition, the MTFS includes a specific earmarked reserve to support the roll out of some of the projects.</p> <p><b>ACTION REQUIRED - NONE</b></p>	
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	26/27	<p>The authority is aware of its obligations under the Prudential Code.</p> <p>The authority has prepared a suitable capital strategy.</p> <p>The authority has a set of prudential indicators in line with the Prudential Code.</p>	<p>The Council is aware of its obligations under the Prudential Code and has assessed itself as compliant with those obligations. Like the Financial Management Code, there are many areas of compliance where the guidance allows for the Council to decide what an appropriate fit is; and there is not a single way to be compliant.</p> <p>An updated Prudential Code was published in December 2021 and applied with immediate effect, except that authorities may defer</p>	

			<p>The authority has suitable mechanisms for monitoring its performance against the prudential indicators that it has set.</p>	<p>introducing the revised reporting requirements until the 2023/24 financial year if they wish. The revised reporting requirements included changes to the capital strategy, prudential indicators and investment reporting. The Council opted to defer full implementation of the revised reporting requirements until the 2023/24 financial year. The Council's Treasury Management Strategy and Capital Strategy for 2023/24 were prepared in accordance with the revised reporting requirements. These were then benchmarked during the year to ensure they demonstrated best practice, with further changes incorporated for the 2024/25 financial year.</p> <p>Previous commercial investments were undertaken in line with the Council's Commercial Property Investment Strategy and funded through prudential borrowing. In line with updated requirements the Council has no plans for further debt for yield schemes.</p> <p>The Council has assessed the implications of the 2021 and 2023 consultations by DHLUC on proposed changes to Minimum Revenue Payment (MRP) requirements and, in advance of any changes being put into operation, it has amended its MRP Policy. This now provides for MRP being set aside on all borrowing.</p> <p>The Council has a 5- year Capital Strategy (The Code suggests up to 20 but the authority has judged that 5 years is a reasonable period over which to have meaningful plans) and</p>	
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				<p>within that prudential indicators are set in line with the Code. The Capital Strategy sets out the high-level plans, with individual decisions made about investments or capital schemes through separate reports to members.</p> <p>The Council also has a 30-year Housing Business Plan which includes a 30-year capital investment programme. This plan was fundamentally reviewed during 2023/24 and published in November 2023.</p> <p>Individual financial modelling of capital schemes covers a longer-term frame, typically over the asset life and is factored into investment decisions.</p> <p>There are effective mechanisms in place to monitor performance against the code, with quarterly reporting to the Performance Scrutiny Committee and the Executive on the performance against the prudential indicators which the Council has set for itself through the strategy.</p> <p><b>ACTION REQUIRED - NONE</b></p>	
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	27	<p>The authority has in place an agreed medium term financial plan.</p> <p>The medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy.</p>	<p>The Council has in place an agreed 5-year MTFs. This plan is consistent with the capital strategy and refreshed annually to reflect relevant strategic priorities, commitments, underlying assumptions and emergent issues and to agree future savings targets. This ensures that the Council always has a 5-year</p>	

			<p>The medium-term financial plan has been prepared on the basis of a robust assessment of the relevant drivers of cost and demand.</p> <p>The medium-term financial plan has been tested for resilience against realistic potential variations in key drivers of cost and demand.</p>	<p>balanced budget, allowing for sufficient time to time to plan and deliver any required savings.</p> <p>The development of service budgets is Directorate led. Cost drivers and demand are considered within each directorate and used to form the basis of pressures identified and mitigations/savings put forward. The detail of the analysis of cost drivers is not contained specifically in the MTFS but forms part of the internal budget setting process, though reference is made to particularly large changes in the narrative and in the financial planning report seen as the pre-cursor to the main MTFS.</p> <p>The MTFS is the best assessment of each Directorate of what their demand pressures will be.</p> <p>Although the plan is set on a rolling 5-year basis, there is the opportunity annually to revisit plans where the latest data indicates that there have been material changes to assumptions, as demonstrated in recent years.</p> <p>The Council undertakes an annual service plan process at an Assistant Director level. These service plans are driven by to both the Council's Vision (Delivery Plans) and the MTFS in terms of the delivery of key projects but also into the MTFS in relation to specific savings programme required to be delivered.</p> <p><b>ACTION REQUIRED - NONE</b></p>	
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<b>The Annual Budget</b>					
J	The authority complies with its statutory obligations in respect of the budget setting process	29	<p>The authority is aware of its statutory obligations in respect of the budget-setting process.</p> <p>The authority has set a balanced budget for the current year.</p> <p>The authority is likely to be able to set a balanced budget for the forthcoming year.</p> <p>The authority is aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so.</p>	<p>The Council understands its obligation in respect of the budget-setting process and has set a balanced budget for the current year, and the four following years. The Council's MTFS process is designed to deliver a full five- year balanced budget each year.</p> <p>The authority is aware of the circumstances under which it should issue a section 114 notice and how it would go about doing so. This includes updated guidance issued by CIPFA in light of COVID-19 and a 2023 briefing on Approaching the Section 25 Statement. The Chief Finance Officer has attended recent update sessions, provided by CIPFA in relation to S114 notices.</p> <p><b>ACTION REQUIRED - NONE</b></p>	
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	29/30	<p>The authority's most recent budget report includes a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.</p> <p>The report accurately identifies and considers the most significant estimates used to prepare the budget, the potential for these estimates to be incorrect and the impact should this be the case.</p>	<p>The most recent 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.</p> <p>The Chief Finance Officer has taken into consideration the recent briefing from CIPFA on Approaching the Section 25 Statement.</p> <p>The budget report sets out the detail of estimates in terms of key estimates e.g. business rates, council tax grants, housing rents, specific grants, fees and charges etc. It</p>	

			<p>The authority has sufficient reserves to ensure its financial sustainability for the foreseeable future.</p> <p>The report sets out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is taking to address any shortfall.</p>	<p>does not set out specific service assumption details and the impact of variations in those.</p> <p>The Council has assessed that it currently has sufficient reserves, which ensures its sustainability for the foreseeable future. This position has though been impacted by COVID-19 and the current economic conditions with the required use of reserves (earmarked and general balances) over the period of the MTFS, whilst a savings programme is delivered. These reserves include general balances as well as specific covid reserves. The authority has a prudent approach to what is needed to manage risks.</p> <p>The report sets out the current level of the authority's reserves, the sufficiency of them and the plans for the use of reserves in the future and a requirement to ensure reserves are replenished over the period of the MTFS through achievement of the savings programme.</p> <p><b>ACTION REQUIRED - NONE</b></p>	
<b>Stakeholder Engagement and Business Plans</b>					
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget.	31	<p>The authority knows who its key stakeholders are.</p> <p>The authority has sought to engage with key stakeholders in developing its long-term financial strategy, its medium term financial plan and its annual budget.</p>	<p>The Council is aware of who its key stakeholders are.</p> <p>The Council's view is that widespread engagement with the public on council spending is still hard for residents to engage with in a meaningful way and is not entirely effective in influencing the budget plans. The</p>	

			<p>The authority has assessed the effectiveness of this engagement.</p> <p>The authority has a plan to improve its engagement with key stakeholders.</p>	<p>Council does though engage with its stakeholders on its medium term financial strategy, annual budget and strategic plan. This is undertaken through an online survey covering; key projects in Vision 2025, savings programme proposals, Council Tax proposals and overall VFM. This survey is specifically sent to the Citizens Panel and is also available to all on the Council's website and is actively promoted through social media.</p> <p>In addition, the most recent budget engagement exercise included a facilitated workshop with individual residents, who maybe under represented or 'hard to reach' along with representative agencies, charities or organisations supporting those with lived experience. This form of engagement will be further developed for the 2025/26 engagement exercise, along with the development of Vision 2030.</p> <p>In addition, engagement with residents/service users is conducted in line with individual service changes proposed within the budget, as part of the development and delivery of those proposals. This allows the engagement to be more targeted to affected groups and ensures that the engagement is meaningful.</p> <p><b>ACTION REQUIRED – FURTHER DEVELOPMENT OF ENGAGEMENT APPROACH FOR BUDGET/STRATEGIC PLAN CONSULTATION – NOVEMBER 2024 (CFO/ADSDT)</b></p>	
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M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	31/32	<p>The authority has a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'.</p> <p>The authority offers guidance to officers as to when an option appraisal should be undertaken.</p> <p>The authority's approach to option appraisal includes appropriate techniques for the qualitative and quantitative assessment of options.</p> <p>The authority's approach to option appraisal includes suitable mechanisms to address risk and uncertainty.</p> <p>The authority reports the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s).</p>	<p>The Council does not currently have a consistent process for undertaking and documenting option appraisals. These are undertaken on a case-by-case basis, influenced by the scale of investment and also the requirements of external funders, e.g. green book requirements. For all projects these covers as a minimum the 5-year MTFS period and for larger scale investment these are usually based on a whole life cycle basis.</p> <p>In considering a number of development projects the Council also undertakes a development appraisal from a commercial developer perspective to assess overall scheme viability, as well as financial modelling from a LA perspective, this is demonstrated in the approach to the delivery of Western Growth Corridor.</p> <p>Senior members of the Finance Team are involved in the preparation of all financial modelling with key input from the service area leading on delivery. Property Services and the Major Developments Team also play a key role in the development of scheme viability assessments and external support is also commissioned as required.</p> <p>The Council's project management framework is clear that that there are no major investments or service changes without developing a business case including an options appraisal and project initiation</p>	

				<p>documents. These are reviewed and managed through DMTs and project/ programme/ visions boards, and ultimately inform decision making reports to members.</p> <p>These contain both quantitative evaluation of costs and benefits and qualitative evaluation of fit to service objectives and outcomes for residents/service users.</p> <p>The project documentation includes an evaluation of risk and uncertainty and the extent that this can be mitigated for given options.</p> <p>Reports for decision set out the outcomes of these business case/option appraisals with clear recommendations and risk. Risks from agreed options are then managed through the corporate risk management approach.</p> <p><b>ACTION REQUIRED – NONE</b></p>	
<b>Monitoring Financial Performance</b>					
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial	33	<p>The authority provides the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability.</p> <p>The reports cover both forward- and backward looking information in respect of financial and operational performance.</p>	Quarterly financial monitoring reports are provided to Directorate Management Teams, Corporate Management Team, Performance Scrutiny and the Executive, which identify significant variances and corrective actions being taken. The reports cover the position to date and the forecast for the remainder of the financial year. It also includes progress against savings targets and planned use of/contributions to earmarked reserves.	

			<p>There are mechanisms in place to report the performance of the authority's significant delivery partnerships.</p> <p>The reports are provided to the leadership team in a timely manner and in a suitable format.</p> <p>The leadership team is happy with the reports that it receives and with its ability to use these reports to take appropriate action</p>	<p>Quarterly reporting is also provided in respect of the Council's basket of key operational performance indicators.</p> <p>Reporting to officers is periodically 1-month after the quarter end with reporting to Members in the following two weeks, which creates a time lag. Financial information, forecasts are available on a more regular basis and accessible by budget managers, this would highlight significant variances earlier. Services will compile performance information on a more regular basis and where relevant highlight the impacts of these.</p> <p>There are mechanisms established to report the performance of the authority's significant delivery Partnerships. Annual assurance assessments for the Council's significant partners are now undertaken and reported to the Audit Committee.</p> <p>The leadership team are happy with the reports it receives and with its ability to use these reports to take appropriate action, this has been particularly evident during the last two years and the significant number of budget variances due to external factors.</p> <p><b>ACTION REQUIRED – NONE</b></p>	
O	The leadership team monitors the elements of its balance sheet that	33	The authority has identified the elements of its balance sheet that are most critical to its financial sustainability.	The Council has historically considered its reserves position, investments and borrowing, and debt levels as most critical and therefore	

	pose a significant risk to its financial sustainability.		<p>The authority has put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet.</p> <p>The authority is taking action to mitigate the risk identified.</p> <p>The authority reports unplanned use of its reserves to the leadership team in a timely manner.</p> <p>The monitoring of balance sheet risks is integrated into the authority's management accounts reporting processes.</p>	<p>regular reporting is currently only made on these elements of the balance sheet.</p> <p>Forecast use/contribution of/to reserves is reported on a quarterly basis to the Corporate Management Team, Performance Scrutiny and the Executive. This highlights any changes to planned use/contribution to balances as well as movements in budgeted contributions to/from earmarked reserves. This then feeds into any MTFS refresh, along with intelligence about key risks.</p> <p>The quarterly financial report also provides details of usable capital resources, e.g. unapplied capital receipts, 1-4-1 receipts etc.</p> <p>Borrowing and investments are reported to Performance Scrutiny Committee and the Executive on a quarterly basis as part of the Treasury Management reporting.</p> <p>The level of arrears for Council Tax, Business Rates, Housing Benefit Overpayments and Former Tennant Arrears are reported to the Performance Scrutiny Committee on an annual basis. In addition, key service areas are provided with arrears information as part of account management meetings.</p> <p>Housing Rent arrears are reported to Performance Scrutiny and the Executive on a quarterly basis.</p>	
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<b>External Financial Reporting</b>					
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom	35	<p>The authority's leadership team is aware of the CFO's responsibilities in terms of the preparation of the annual financial statements.</p> <p>The authority's CFO is aware of their responsibilities in terms of the preparation of the annual financial statements.</p> <p>These responsibilities are included in the CFO's role description, personal objectives and other relevant performance management mechanisms.</p>	<p>The authority's leadership team and the CFO are aware of the CFO's responsibilities in terms of the preparation of the annual financial statements.</p> <p>These responsibilities form part of the CFO's role description and personal objectives.</p> <p>The authority's financial statements have been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom, and have been consistently given an unqualified opinion by external auditors – the latest opinion being based on the 2022/23 Statement of Accounts.</p>	



			<p>The authority's financial statements have hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.</p>	<p><b>ACTION REQUIRED - NONE</b></p>	
Q	<p>The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions</p>		<p>The authority's leadership team is provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget.</p> <p>The information in these reports is presented effectively.</p> <p>These reports are focused on information that is of interest and relevance to the leadership team.</p> <p>The leadership team feels that the reports support it in making strategic financial decisions.</p>	<p>The presentation of the final outturn position to the Corporate Management Team and Executive compares the outturn to the revised budget and explains the reasons for any key variances from budget. The report sets out the impact of these variances on general balances and earmarked reserves and makes proposals for further contributions to/or from these.</p> <p>The report also sets out the impact of key variances on the MTFS/future years budgets and any mitigating action being taken.</p> <p>These reports focus on material issues, which require action or awareness from the leadership team and therefore are appropriately focused.</p> <p>The leadership team agreed that the reports support it in making strategic financial decisions.</p> <p><b>ACTION REQUIRED – NONE</b></p>	