

## CIPFA Financial Management Standards – Review of 2021/22 Planned Developments

| Standard   | 2021/22 Planned Development  | Commentary on Progress   |
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| The leadership team is able to demonstrate that the services provided by the authority provide value for money | Integrated Planning approach for the 2022/23 Council Plan and MTFS refresh to include thematic strategic conversations with members, leadership team | Integrated planning approach implemented during 2021 for the development of the 2022/23 plan. Overseen by three Assistant Directors to cover policy, finance and performance. Full suite of new products including the State of Warwickshire report, Medium Term Financial Strategy (MTFS), Council Plan, Key business framework, performance management framework and the emerging single Delivery plan. (ON-GOING)   |
|  | Strategy toolkit/audit   | New Strategy Framework approved by Corporate Board in December 2021 and socialised with Directorate Leadership Teams, Strategy Network and key stakeholders during January 2022. Framework published in intranet in March 2022 alongside other key business frameworks to support delivery of the Council Plan. New webpage with a strategy master list also published. (COMPLETE)   |
|  | Further develop the use of Power BI  | The Data & Analytics Programme (DAP) delivered a suite of new Power BI reports covering key service areas. These are being extensively used and represent a step-change in the way analytics are delivered to the organisation. Alongside the activity planned through the DAP Programme, Power BI has been instrumental in supporting intelligence requirements throughout the pandemic, serving the Council and partners with timely, interactive reporting. (ON-GOING)  |
|  | Comprehensive approach to the use of benchmarking information  | <p>Members provided with comparative information on the Council’s financial resilience, the social and economic challenges in Warwickshire and the differences between the districts/boroughs in Warwickshire to understand the impact of place on decision-making as background information prior to the detailed discussions on the budget priorities for the 2022/23 MTFS refresh. (COMPLETE)</p> <p>Further work is still required to develop comprehensive benchmarking information below whole Council/major service level. Discussions with CIPFA and other providers of national data sets are still on-going as to how this can be achieved. (ON-GOING)</p> |

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| The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control | Complete the review of the constitution, standing orders, delegations and financial rules and procedures.  | Updated constitution, contracts standing orders and financial regulations approved by Council in December 2021. (COMPLETE)  |
| The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”         | Refreshed Local Code of Corporate Governance approved by the Audit and Standards Committee, with refreshed training and guidance planned for 2021  | <p>The Council’s Code of Corporate Governance has been updated to present how our governance arrangements support each core governance principle and reflect organisational structures and processes. The full details of our current code and how we meet the seven Principles of good governance can be found on our website here: <a href="http://www.warwickshire.gov.uk/corporategovernance">http://www.warwickshire.gov.uk/corporategovernance</a> (COMPLETE)</p> <p>Training on corporate governance is offered to staff through our HROD online learning and development platform. The MO has also commenced a review of governance utilising the Centre for Public Scrutiny governance, risk and resilience framework . This has the support of Corporate Board and will be taken forward in 22/23, engaging DLTs and service managers. (COMPLETE)</p> |
|   | Induction training for all new Members, following the May 2021 elections, includes a focus on governance, code of conduct and officer/member relations.  | Comprehensive induction programme for all new Members delivered between May and September 2021, with governance, code of conduct and officer/member relations covered in a specific session in the first week. We plan to rerun the training during the 22/23 municipal year as a refresher. (COMPLETE)   |
| The financial management style of the authority supports financial sustainability                                 | Complete the development of an overarching financial framework for the organisation that aims to more explicitly embed the principles of the CIPFA Financial Management Code into the culture of the organisation. | This development has been put on hold due to capacity issues, with the development of Integrated Planning, WPDG and WRIF taking priority during 2021. A draft overarching financial framework is now expected to be available for consultation internally by the end of May 2022. (ON-GOING)  |
|   | Continue to develop the financial literacy of managers and ensure that they have access  | A comprehensive finance training offer for managers/senior managers is now in place. In addition there are capital e-learning modules and tutorials on using the accounting system. E-learning courses have to be completed before face-to-face   |

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|  | to the performance and financial information needed to deliver their services effectively. Including the implementation of mandatory training. | training can be accessed and a revised deadline of September 2022 for a decision on mandatory training has been agreed. (ON-GOING)<br>As Power BI continues to be developed the alignment of performance/service information with financial forecasting deadlines will be progressed more widely. (ON-GOING) |
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| The authority has carried out a credible and transparent financial resilience assessment   | Review the approach and content of the financial resilience assessment to reflect the planned major investments in WPDG and WRIF.  | The Council's balance sheet modelling continues to be developed. During 2021/22 has been updated to reflect the WRIF and WPDG developments and is updated quarterly. (ON-GOING)<br><br>A report on the Council's debt capacity provided to the S151 officer as part of assessing the potential impact of WRIF and WPDG on the Council's financial resilience. This will be updated annually. (COMPLETE)   |
| The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members | Embed the new approach to risk management and monitoring the Council's/Services' risk appetite and risk tolerance levels against actual exposure to risk.  | A new Strategic Risk Management Framework was approved by Cabinet in April 2021 and Strategic Risk Appetite levels and statements agreed. These were reviewed and updated in Autumn 2021 as part of the new approach to integrated planning and will be embedded as part of the annual integrated planning refresh. (COMPLETE)<br><br>Monitoring/review arrangements are in place, with a strategic risk update reported to Corporate Board and Cabinet quarterly. (COMPLETE)   |
| The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"                                 | The further integration of revenue, capital and treasury policy and budget setting, together with subsequent monitoring to ensure processes remain robust in light of decisions to create WPDG and the WRIF. | Additional processes have been implemented between Strategic Finance and Treasury teams within the Finance Service to ensure approved Capital Programme and Treasury Management & Investment Strategies are coordinated and internally consistent for budget setting. (COMPLETE)<br><br>Business case appraisal process for both WPDG and WRIF includes the provision of evidence that demonstrates compliance with the Prudential Code. This is reported to the Governance Group/Investment Panel and Cabinet as part of the financial implications of any proposed decision. (COMPLETE) |

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| The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans | The development of an integrated planning approach for 2022-23 is designed to further enhance the golden thread between the Council Plan, MTFs and service delivery plans. | The framework for the development of the Integrated Delivery Plan has been scoped and the development of criteria for the prioritisation of emerging capital/revenue investments, aligned to Integrated Delivery Plan, is underway. (ON-GOING) |
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| The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions.                       | Development of a standardised approach to benefits realisation and post project review and learning.   | Benefits realisation processes and post project lessons learnt are now standard processes within the Council's project management system (Verto) and the methodology used by the Programme Management Office. (COMPLETE)   |
| The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability | Improve the links between performance and financial reporting and between revenue, capital, savings and the balance sheet to ensure financial implications and links to financial sustainability are understood across all elements. | Financial reporting is consolidated covering revenue, capital, savings and balance sheet impacts. This enables the impact on reserves, the MTFs and future financial sustainability to be considered on a quarterly basis. (COMPLETE)<br><br>Where areas of concern have been identified 'deep dives' covering financial and performance information have been considered together and action plans developed. However, this remains resource intensive, and capacity only exists to undertake this work on two or three service areas each year. (ON-GOING) |
|   | Integrated Planning approach for 2022/23 Council Plan update and medium-term planning, includes thematic strategic conversations with members and the Leadership Team.   | See above – Strategic conversations were held at the start of the 2022/23 planning cycle to inform development of priorities and areas of focus. The approach has now been adopted for development of all strategy. (COMPLETE)   |
|   | Continue the development of Power BI to improve the use of data, analysis and dashboards for monitoring and decision making.   | See above - The Data & Analytics Programme (DAP) has delivered a suite of new Power BI reports covering key service areas. These are being extensively used and represent a step-change in the way analytics are delivered to the organisation.  |

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|  |  | Further work around the use of Power BI to support decision-making is expected in 2022/23. (ON-GOING) |
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| The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability | Embed the balance sheet forecasting model as part of day-to-day operations.                   | Balance Sheet model used to great effect as part of 2022/23 budget setting to determine future capital financing and external borrowing requirement and subsequent impact on revenue and capital budgets. It was also used to support the setting of the authorised and operational boundaries within the Treasury Management and Investment Strategies. The model continues to be developed and during 2021/22 has been updated to reflect the WRIF and WPDG developments. (COMPLETE)  |
|   | Implement and monitor the effectiveness of the governance arrangements for WPDG and the WRIF. | Governance arrangements for both WRIF and WPDG have been implemented, as approved during 2020/21. Practical implementation of both projects occurred later in the financial year than anticipated and therefore whilst there has been continued updating of the technical details of the governance approaches during the year (e.g. forward plan of agenda items, advance circulation of papers, introduction of standard agenda items such as the management of risk) a full review of the effectiveness of governance arrangements is now expected during 2022/23 once more activity has been progressed. (ON-GOING) |
|   | Deliver and implement a new Strategic Risk Management Framework (approved April 2021).        | See above – the new Strategic Risk Management Framework was approved by Cabinet in April 2021 and Strategic Risk Appetite levels and statements agreed. These were reviewed and updated in Autumn 2021 as part of the new approach to integrated planning and will be embedded as part of the annual integrated planning refresh. (COMPLETE)<br><br>Monitoring/review arrangements are in place, with a strategic risk update reported to Corporate Board and Cabinet quarterly. (COMPLETE)   |