

**CIPFA Financial Management Standards – Review of 2022/23 Planned Developments**

Standard	2022/23 Planned Development	Commentary on Progress
<p>The Leadership Team is able to demonstrate that the services provided by the authority provide value for money</p>	<p>Refinement of the approach to Integrated Planning using learning and responding to a focus on implementation and delivery.</p>	<p>The Council Plan is now supported by an Integrated Delivery Plan which tracks progress against the Plan’s areas of focus and reports on this on a quarterly basis.</p>
	<p>Further develop the use of Power BI.</p>	<p>A suite of additional Power BI dashboards has been developed during the past twelve months covering a broad range of service areas at both strategic and operational levels. A directory of dashboards has been added to the Council’s intranet pages so that staff can easily see what is available. A further suite of dashboards has been prioritised for development over the next 6-9 months.</p>
	<p>Embedding to process for strategy development.</p>	<p>A toolkit of guidance for strategy development has been developed and shared. This is supported by dedicated, named relationship managers within the Corporate Policy Team, supporting strategy development in each Directorate. A Strategy Network has been established which acts as a sharing and learning network of officers across the Council involved in strategy development and delivery. The network plays an important role in raising awareness/informing participants of developments on strategies, corporate policy developments and connecting across strategies.</p>
	<p>Comprehensive approach to the use of benchmarking information</p>	<p>Comprehensive benchmarking information drawn from external sources (CIPFA VFM model, CFOi Insights, CIPFA Resilience Index and LGA/LGIU Inform) was presented to all political groups and Corporate Board as part of the development of the 2023/24 MTFS refresh. Areas for potential improvement were identified and reviews of the cost effectiveness of the relevant services agreed. The approach will be embedded as part of the annual MTFS refresh with a view to identifying areas of focus and potential opportunities for future budget reductions.</p>

Standard	2022/23 Planned Development	Commentary on Progress
<p>The financial management style of the authority supports financial sustainability</p>	<p>Complete the development of an overarching financial framework for the organisation that aims to embed the principles of the CIPFA Financial Management Code more explicitly into the culture of the organisation.</p>	<p>The MTFs and the associated budget setting strategy provide a high-level financial framework for the organisation, ensuring there is no financial gap across the five years of the MTFs and that the Council is financially sustainable i.e. our expected resource levels match our planned expenditure. The financial rules and regulations, best practice guides, service offer and “how to” intranet guidance provide other key documents as part of a wider framework covering all aspects of financial governance, sustainability and value for money. The consolidation of these into an overarching financial framework has yet to be completed. This work will continue during 2023/24.</p>
	<p>Continue to develop the financial literacy of managers, including the implementation of mandatory training.</p>	<p>A refreshed Finance Workforce and Training Strategy was approved in February 2023 the purpose of which is to ensure that WCC can deliver financial management that is “fit for the future”. In summary, its objectives in support of financial sustainability are to ensure that:</p> <ul style="list-style-type: none"> <li>• all employees understand their joined up and collective responsibility for the sound and effective management of the Council’s financial resources and adherence to the financial governance framework;</li> <li>• all employees understand and proactively make use of the processes, systems and tools available to them;</li> <li>• all employees apply understanding of how performance and financial management are inextricably linked, to take informed decisions; and</li> <li>• Services engage with Finance at the earliest stage to ensure financial risks, opportunities and implications are assessed and managed effectively and transparently.</li> </ul> <p>As the Council makes further developments to its financial system in 2023/24, its supporting training offer will be updated accordingly.</p>

Standard	2022/23 Planned Development	Commentary on Progress
<p>The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans</p>	<p>Implement the Integrated Delivery Plan Framework.</p>	<p>The Council Plan is now supported by an Integrated Delivery Plan which tracks progress against the Plan’s areas of focus and reports on this on a quarterly basis. The first Integrated Delivery Plan was approved by Cabinet in April 2022.</p>
	<p>Deliver a pipeline of future capital and revenue investments.</p>	<p>Draft pipelines for future revenue and capital investment were consolidated as part of the 2023/24 MTFS refresh. These lists of potential future investment ideas materially outstripped the level of resources available. It was agreed a secondary prioritisation process was required, focussed on the Integrated Delivery Plan and the priorities agreed as part of the revenue and capital budget resolutions. This is also reflected in a new Target Operating Model for capital. Potential schemes on the pipeline ‘long list’ have asked to resubmit project outlines for evaluation and approval to create a more realistic pipeline. This work is on-going and will be focussed on the 2023/24 budget resolutions, approved in February 2023, the refreshed Integrated Delivery Plan due to be approved by Cabinet shortly.</p>
	<p>Develop and implement governance arrangements for the Asset Replacement Fund and the Budget Reductions Revolving Fund.</p>	<p>The governance arrangements for the Asset Replacement Fund and the Budget Reductions Revolving Fund were agreed by Corporate Board on 30 March 2022. Both have been operational during 2022/23 and will be relaunched in April 2023 as part of the full suite of investment funds.</p>
<p>The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions.</p>	<p>Further development of benefits realisation processes as part of the integrated planning work.</p>	<p>A Benefits Management Guide, which contains explanations, how the process of benefits management works (from identification and quantifying, through options appraisals and cost benefit analysis to realisation and review), and where responsibility lies has been drafted.</p> <p>The document will be issued to the wider Council as part of the operational redesign of the Programme Management Office and Change Management teams.</p> <p>Prior to the release of the guide, the Teams involved in the coordination and consolidation of benefits activity have worked with project teams to ensure that project benefits are measurable, linked to solving the business problem and understood at all levels. There is also a level of assurance within programme governance, where project closure reports cannot be completed without an agreed benefits realisation statement.</p>

Standard	2022/23 Planned Development	Commentary on Progress
<p>The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability</p>	<p>Further integration of balance sheet monitoring and forecasting with the wider integrated planning approach.</p>	<p>The balance sheet model is now fully operational and has become part of business-as-usual. It is updated at least quarterly to reflect the latest forecast capital spend and the Council’s loan and cash position. Any issues or concerns would be raised as part of the standard financial reporting. Use of the model also forms part of the consideration of the long-term financial implications of major investments through WPDG and WRIF as part of the assessment of the risks and benefits of the investment to the Council.</p> <p>The concept of ‘debt capacity’ (the amount of borrowing can afford and/or that could be incurred before the Council would be an outlier) is becoming embedded, with the limits formally included as part of the Council’s capital strategy approved in February 2023.</p> <p>The Council’s non-treasury loans are monitored on a quarterly basis with any issues or concerns reported through the approved governance arrangements.</p>
	<p>Review of the effectiveness of the governance arrangements for WPDG and the WRIF.</p>	<p>The level of activity through both WRIF and WPDG over the last two years has been lower than anticipated when the review of governance arrangements was included as part of the improvement plan. Therefore, a wholesale review of the governance of both initiatives has been carried forward to the 2023/24 financial year.</p> <p>The approved governance arrangements of both WRIF and WPDG continue to be implemented in full and no areas of concern have arisen to date.</p>