

## Priority Improvement Area D: Strategic & Financial Planning

CMT Sponsor: Strategic Director - Resources

### Improvement Area D: Strategic & Financial planning

**It is essential that financial decisions are undertaken at a whole Council level, providing a more transparent view of the Councils available resources, ensuring the financial impact of decisions across the whole Council are understood and the effective alignment of resources across both Capital and revenue budgets to deliver the Vision 2025 is delivered. The Council needs to strengthen the links between the strategies, policies changes and plans for services, with the medium and long-term financial plan, showing what we want to achieve and how we intend to achieve it, alongside affordability and sustainable benefits.**

**The model for delivering priority services, its infrastructure and resource needs to deliver future priorities are affordable within available finances. Effective strategic planning is crucial to help us develop well-considered and sustainable responses to financial pressures.**

**We must ensure that our medium term financial plan identifies the major financial risks and key assumptions, with senior officers and councillors owning service aspects, from which they should be subject to effective scrutiny and challenge before adopting the plan.**

**Services need to work out the most cost-effective ways of using the resources at their disposal to deliver their goals, and where necessary identify what can be stopped or reduced.**

**The Council needs robust information to support the detailed analysis needed to link the vision and objectives to the delivery of plans.**

**The Council should regularly review the adequacy of the financial assurance arrangements that underpin the delivery of annual savings**

#### Success Criteria

- A comprehensive Medium Term Financial Strategy and 5 year Financial Plan which considers all of the financial requirements of the Council
- Effective planning, based on good information is an efficient and effective way to supporting tough choices and developing clear priorities
- Strengthened financial-planning arrangements which align key strategies such as ICT, workforce and asset management plans with the MTFS for both Revenue and Capital expenditure
- Comprehensive multi-year fully-costed plans which underpin and cover the 5 year period of the MTFS
- Savings proposals that shift from traditional type savings to transformational savings ensuring that the timescales for the delivery of specific savings proposals are realistic and accountability for delivery is properly assigned
- Funding deficits are accurately projected and fully reconciled to detailed savings plans for each year over the life of the medium term financial plan
- A comprehensive reserves strategy which outlines the specific purpose of accumulated useable reserves and the impact and use of these in the MTFS
- An organisation which has appropriate financial skills to plan and manage its resources effectively
- A resilient and modern Financial Services offer that is resourced and fit for purpose, with a depth of financial expertise, skills and ability to support the development agenda and underpinned by effective systems

plans, including the level of scrutiny and challenge provided by councillors.

**We will strengthen budget setting and monitoring arrangements to ensure financial resilience; and review the coverage and effectiveness of our internal and external assurance financial systems and controls to ensure they are fit for purpose and provide early warning of weaknesses in key systems.**

**We must ensure that the whole organisation has the necessary financial skills to undertake their responsibilities.**

**The council will ensure that corporate capacity and capability are at a level that can effectively support the delivery of savings plans in the MTFS at the pace required.**

- Timely and effective financial information to assist the Council in its commissioning role, provide evidence to demonstrate value for money, and provides financial and management accounting information better aligned to activity and performance data
- Appropriate and efficient systems and procedures to facilitate robust and effective financial management and decision making

| Recommendation                                     | Ref | Action   | Lead            | Start Date | Timescale / BRAG | Progress   |
|--|-----|--|-----------------|------------|------------------|--|
| <b>Strengthen Financial Planning Arrangements.</b> | D1  | Medium Term Financial Strategy developed clearly aligned to the 2025 Vision. | Head of Finance | April 2017 | January 2018     | MTFP, MTFS, FRM, Capital programme saving plans and strategies to be reviewed to align with Vision 2025.<br><br>MTFS document must be completed by the end of January to submit to Cabinet. Agreement with DP to refresh current strategy with proviso that strategy will be reviewed to further develop and improve the viability of the strategy to meet the budget. |
|  | D2  | Development of a modern 5 Year Budget Plan for Revenue and Capital.          | Head of Finance | May 2017   | January 2018     | 5 year rolling programme will be in place which will be going to Cabinet in 30 <sup>th</sup> Jan and full council in February.   |

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|----------------|-----|---|---------------------------|---------------|--------------------------------|---|
|                | D3  | Clearly defined Financial Framework and timetable.  |                           | May 2017      | 30 <sup>th</sup> November 17   | Timetable is in place, finance scrutiny panel building scrutiny, financial planning and budget setting into their work programme. Starting to build 19-20 budget timetable.             |
|                | D4  | Development of Directorate FRM's covering the 5 year cycle (link to grid C-Strengthen Organisational Design).   | Finance Business Partners | November 2017 | 31 <sup>st</sup> March 2018    | Directorate FRM's introduced (not sure if aligned to 5 year cycle). 18-19 plans complete, further development of the next 4 years is currently being undertaken.                        |
|                | D5  | Forecast the use of reserves over the MTFP period and update the reserve policy accordingly   | Deputy H of FS            | May 2017      | Jan 2018                       | 5 year forecast of the use of reserves has been created. A holistic approach to budgeting will continue to ensure the forecast is continually reviewed and maintained.                  |
|                | D6  | Undertake a Risk Assessment of the Financial Plan.  | CIPFA / WLGA              | December 2017 | January 2018                   | CIPFA consultant in the middle of the assessment - 15 <sup>th</sup> Jan to conclude   |
|                | D7  | Service savings targets set for income and cost improvement opportunities can be achieved in planned timescales and are sufficiently well developed for inclusion in the annual budget. | Directors and Heads of S  | April 2017    | December 20 <sup>th</sup> 2018 | Income and cost improvement board is in place but as of yet there have been no savings identified or delivered.   |
|                | D8  | Use of ASC budget review to strengthen future needs of the service.   | Marie Jones               | Oct 17        | 31 <sup>st</sup> January 2018  | LD review completed and agreed by service. MH and PD to be completed by 31/1/18. Recommendations that will facilitate efficiencies and remove silos need to be taken forward by service |

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|--|-----|---|----------------|--------------|-----------------------------|---|
| <b>Develop a Resilient and Modern Financial Service.</b> | D9  | <p>Actions identified within the Financial Services Improvement Plan:</p> <ul style="list-style-type: none"> <li>• Fill all new senior posts to provide financial resilience</li> <li>• Further training of qualified staff to upskill in commercial and customer focus need</li> </ul> | Deputy H of FS | September 16 | March 2018                  | <p>Service has appointed to 2 senior posts including a new deputy head of finance, and a finance manager of Place (had two people rescind offers of jobs). Still senior vacancies to fill and maternity cover to plan for.</p> <p>Further training being undertaken for all business partners who are undertaking the business partner qualification. 4 trainees undertaking professional accountancy courses.</p> <p>Adhoc course being completed dependant on need and demand.</p> <p>Finance Business Partner undertaken by 6 qualified staff – broad ranging course covering integrity, emotional awareness, the role, communications etc</p> |
|  | D10 | Customer questionnaire to ensure fully understand the standard of the service and customer satisfaction.  | Deputy H of FS | Feb 2018     | March 31 <sup>st</sup> 2018 | Awaiting post holder to join the council with a start date of February. Once in post they will take this work forward as their first action.  |

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|--|-----|--|------------------|----------------|------------------|---|
| <b>Improve Financial Skills of Whole Organisation.</b> | D11 | <p>Training Plan written, needs to be implemented across the council, includes:</p> <ul style="list-style-type: none"> <li>• Managing revenue and capital budgets</li> <li>• Using the finance system</li> <li>• Commercial accounts</li> <li>• VAT, income</li> <li>• Schools financial management</li> </ul> | Accountants      | September 2017 | December 2018    | Training plan is drafted and has commenced to meet all the needs identified.  |
|  | D12 | Budget Seminars for Wider Council Officers need to equip councillors with the knowledge and skills they need to deliver effective governance and challenge by extending training opportunities and producing high quality management information.  | Heads of Service | May 2017       | Jan 2018         | <p>Seminar completed in January with 2 further seminars to follow with full council.</p> <p>Induction and training have been completed. Workshops and budget seminars held with members. Current round ends January but will continue periodically moving forward, dates are being included in the forward work programme for Cabinet and full council.</p> |
|  | D13 | Series of workshops for Cabinet development across all financial area.   | Head of Finance  | May 2017       | Jan 2018         | This round will end in January but will continue periodically moving forward dates are being included in the forward work programme for cabinet and full council.   |
| <b>Income Generation.</b>                              | D14 | Develop strategic frameworks for introducing and reviewing charges, linking them firmly with the Medium Term Financial Plan and the Corporate Plan.  | Head of Finance  | April 2017     | Jan 2018         | <p>Income policy is now in place.</p> <p>Continued development of pricing and charging strategies which have been signed off by income and cost improvement board.</p>  |

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|----------------|-----|---|--------------|------------|------------------|---|
|                | D15 | Review the unit and total costs of providing discretionary services to clearly identify any deficits and, where needed, set targets to improve the current operating position. Budget debate about savings from ceasing these service areas.  | Deputy H o F | Dec 2017   | March 2018       | <p>Purchased CFO insight through CIPFA which is a benchmarking tool providing information across all service areas and comparison across the UK. This will enable informed decision making with robust data to aid the reduced level of funding being faced by the Council.</p> <p>Finance staff currently being trained to use the system.</p> |
|                | D16 | <p>Improve management of performance, governance and accountability by:</p> <ul style="list-style-type: none"> <li>• Regularly reporting any changes to charges to scrutiny committee(s)</li> <li>• Improving monitoring to better understand the impact of changes to fees and charges on demand, and the achievement of objectives</li> <li>• Benchmarking and comparing performance with others more rigorously</li> <li>• Providing elected members with more comprehensive information to facilitate robust decision-making</li> </ul> | Accountants  | April 2017 | Jan 2018         | <p>This forms part of the income policy. This will ensure that services comply to the policy with regular review of their charging benchmarks compared to other authorities.</p> <p>The fees and charging register will form part of the budget setting process.</p>  |
|                | D17 | Improve the forecasting of income from charges through the use of scenario planning and sensitivity analysis.   | F�Ps         | April 2017 | March 2018       | Limited progress on this, however further development and provision of information which will form part of the monthly budgeting.   |

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|  | D18 | Progress the development of opportunities through the Income and Cost Improvement Board. | Head of Finance | April 2017    | December 2018    | A number of opportunities have been identified and business cases are being developed to take the work forward but progress is slow.<br><br>This wasn't achieved in 17-18 but will continue into the 18-19 budget. A reduction in the target is being considered as part of the budget process. |
| <b>New Finance System.</b>                             | D19 | Financial System procured in collaboration with other Welsh Authorities.                 | Deputy H of F   | April 2017    | December 2018    | 4 authorities currently on board with a further 4 interested in drawing down the framework afterwards.  |
|  | D20 | PQQ phase to short list for Lot 1 – 3.   |                 | April 2017    | November 2018    | Final tender process finishes by 31/1/18  |
|  | D21 | Implement new System and train users.  |                 | April 2017    | December 2018    |   |
| <b>Improve the provision of financial Information.</b> | D22 | Work with BI to provide both financial and activity data for managers.                   | Head of Finance | April 2017    | April 2018       | Some financial dashboards<br>Linking with activity data to be completed by end of April 2018  |
|  | D23 | Annual benchmarking information to facilitate challenge through CFO Insights database.   | FBPs            | December 2017 | November 2018    | Some initial benchmarking work undertaken to support budget setting process but will be built upon with forward planning process.   |
|  | D24 | New Financial system will provide dashboards and online information.                     |                 | April 2017    | 2019             | Dependant on D19  |

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|----------------|-----|---|---------------|------------|------------------|---|
|                | D25 | Training for accountants in report writing and presentations. | Deputy Hof FS | April 2017 | June 2018        | Public speaking course completed. Further courses to be undertaken on report writing and presentations<br>Date extended due to other work commitments |