Financial Strategy 2023/24

Overview

1. The Financial Strategy sets out the approach the Council will take to ensure it is financially sustainable over the medium and long term. It supports the delivery of other corporate strategies, such as the Strategic Plan and the Capital & Investment Strategy as well as the more detailed objectives of service strategies and plans such as the Property Strategy. Integrated and aligned strategies and plans are imperative to financial resilience and stability as the impact of actions or decisions on one or more of these strategies will have an impact on the others.

2. Financial resilience is the ability, from a financial perspective, to respond to changes in delivery or demand without placing the organisation at risk of financial failure. The budget is underpinned by a financial strategy to ensure the financial sustainability of the Council, deliver essential services to residents and achieve our vision making Oxfordshire a greener, fairer and healthier county, within a limited amount of resource. This will be achieved by focusing on continuous improvement, managing demand, driving through efficiencies and increasing income generation.

3. In order to continue to deliver for our residents and thrive in the longer term, financial sustainability and resilience is essential. Without resilience, the essential public services that our communities depend upon would be at risk. This requires successful delivery of three critical elements which reflect the financial planning principles for the budget and medium-term strategy:

    - Managing the impact of rising need, caused by population growth and increased complexity, for adult and children's social care through demand management approaches (including capital investment), more effective pathways and delivering better value for money.
    - Responding to the cost of living crisis and the medium to long term impact of the COVID-19 pandemic on our ways of working, workforce, residents and economy.
    - Ensuring the level of Earmarked Reserves and General Balances are adequate based on the level of risk and financial uncertainty and only using these one-off resources for temporary purposes.

Short Term Funding Context (to 2024/25)

4. It remains difficult to assess and predict the uncertain nature of how COVID-19 and its legacy alongside inflationary pressures will impact local government. There have been significant impacts on individual residents, which are resulting in increased demand for council services. There have also been impacts on the macro economy, both on the UK's fiscal position and on global supply chains, which have materially contributed to unanticipated and significant inflationary pressure. This results in a combination of increased demand and increased cost which represents real risks to future financial sustainability.

5. The pandemic has caused extraordinary financial costs to local government and the effects of inflation on council budgets along with cost pressures have continued to be felt into 2022/23 with little sign that these will ease. Some service demands were suppressed during lockdowns, with pent up demand now surfacing, particularly in adults and children's services. This demand and the expenditure needed to meet it has in many cases been merely delayed, not removed from the system. Councils continue to support local communities through the current cost of living crisis. Whilst the extra government funding and support provided to date has been crucial, sector stakeholders recognise has been short-term in nature. Recent analysis estimates that the dramatic increases in inflation and energy costs during this year has added £2.4bn in extra costs on to the budgets councils set in March 2022 and a funding gap rising to £3.4bn in 2023/24 and £4.5bn in 2024/25[1]. This position and these services are not sustainable without significant additional sources of income for local authorities.

6. The Local Government Finance Policy Statement 2023/24 to 2024/25 published on 12 December 2022, set out the government's intentions for the local government finance settlement for the next two years. For 2023/24, the government recognises that providing councils with greater certainly on key aspects of their funding is important for the budget setting process and the ability to plan for the future. However, the Provisional Local Government Finance Settlement announced on 19 December was only for the 2023/24 financial year.

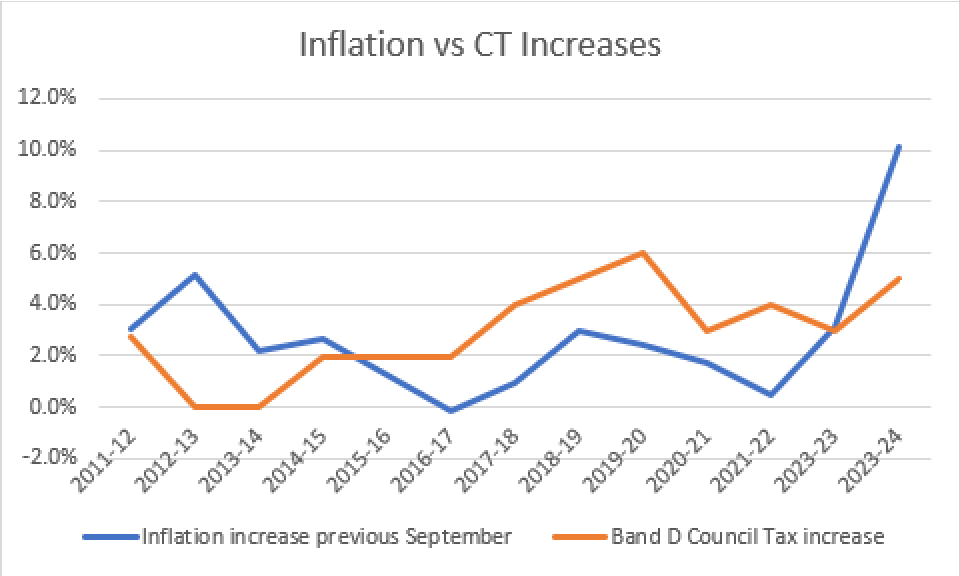
7. The Policy Statement also clarified the position in relation to the local government funding reforms stating 'In the longer-term, our ambitions for Levelling Up the country require us to assess our commitments to update local government funding. The government had previously committed to carry out a Review of Relative Needs and Resources and a reset of accumulated business rates growth. Whilst we can confirm that these will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament.'

8. Whilst there is some certainty in the short term, continuing delays in the implementation of the government's long planned reforms to fair funding, business rates and social care and significant uncertainties about public spending beyond 2025 exacerbate risk and uncertainty over the medium to longer term.

9. The Government uses Core Spending Power as a way of measuring increases in funding year on year. However, this includes both Council Tax increases and some ring-fenced grants so are not a clear measure of how much government funding has been provided for general services. The increase in Core Spending Power for 2023/24 for the Council is 9.1%, or £50.8m. This includes £29.6m for the assumption that the maximum Council Tax increase of 4.99% is taken along with forecast taxbase growth. These increases need to be seen in the context of inflation of 10.7% (at November 2023). And whilst the increase in funding will go a significant way to meeting inflationary and demand pressures, there is still a requirement to make considerable savings and the need to increase council tax by the maximum allowable of 4.99% in order to deliver a balanced budget.

[1] LGA

10. The following table shows how council tax increases have compared with the rate of inflation since 2011/12 and demonstrates clearly for 2023/24, the disparity between inflation and the council tax increase.



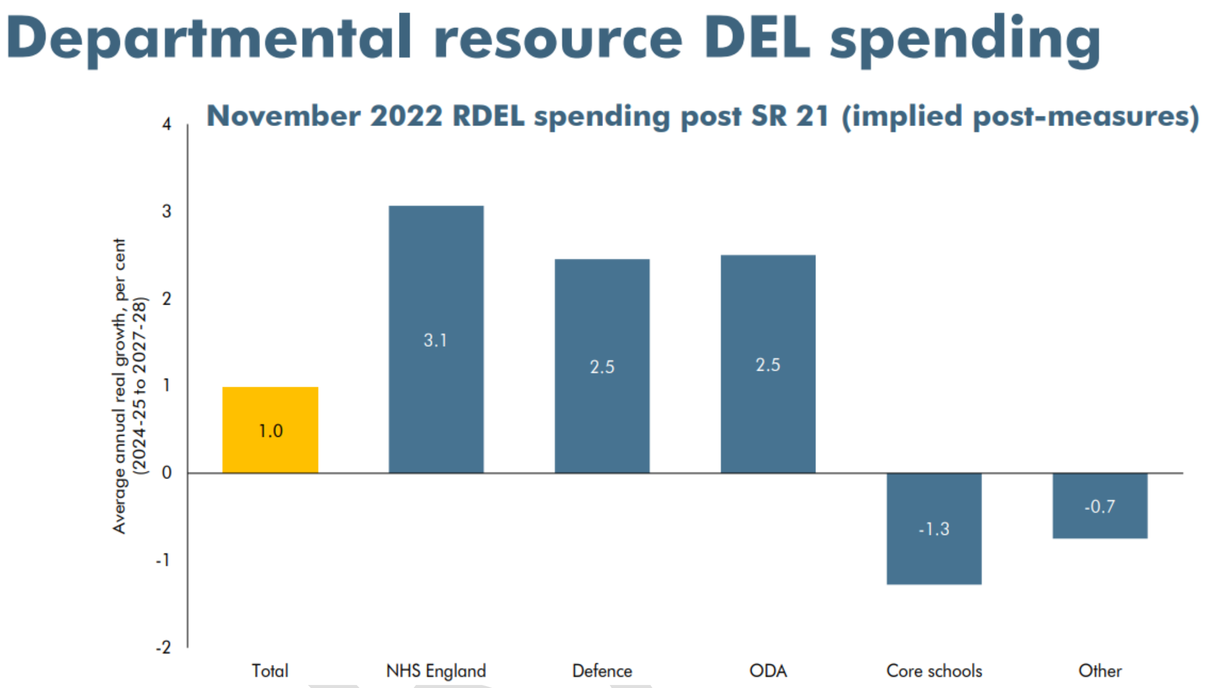
11. Taxbase growth has remained strong in 2022/23 and 2023/24 at 1.75% and 1.99% increases respectively. Future growth is assumed in the proposed MTFS at 1.75% per year which provides additional annual increases in funding of c£7.5m. Maximum council tax increases are also proposed for each year of the MTFS, in line with the assumptions for local government funding in the Autumn Statement.

12. The current MTFS included a contingency budget of £6.6m in 2022/23. This has been used on a permanent basis to meet the cost of the pay award which was significantly higher than expected when the budget was set in 2022/23. This has been re-established as part of the budget proposals for 2023/24 providing some necessary cover to meet any further inflationary or demand pressures given the current volatility. The Earmarked Reserves & General Balances Policy Statement 2023/24 (Section 4.6) sets out both the risk assessment for the level of General Balances taking into account the current financial uncertainty and the continuing higher levels of financial risk.

13. In order to prepare for the challenges over the medium term, and in line with the principles to manage the impact of rising need, caused by population growth and increased complexity, our priority over the next two years will be to make investments that increase our ability to sustain high quality services to the residents of Oxfordshire while maintaining a balanced budget. We will do this though our commitment to make capital investments that reduce future costs such as the supported living investment through Resonance Housing and in children's social care, where we can reduce the ongoing costs of caring for children and young people by providing suitable accommodation in county. We will continue with our programme of service redesign, intended to transform the effectiveness and efficiency of key services. Thirdly, we will take a more proactive approach to the management of the Council's property assets, looking to generate more revenue and capital receipts, while reducing the operating costs of our own estate, to release more funds to support frontline services.

Medium Term Funding Context (2025/26 to 2027/28)

14. The Office for Budget Responsibility forecasts for spending projections arising from Autumn Statement from the period 2025/26 to 2027/28 set out a 0.7% real terms annual cut in funding for 'other services' which includes Local Government (see table below). This means there is the likelihood that beyond the medium term there will be very significant financial challenges for local authorities. It is therefore imperative to plan ahead to ensure a balanced budget is set each year as well as responding to emerging needs and priorities.



<u>Dedicated Schools Grant (DSG) Unusable Reserve</u>

15. As set out in the Earmarked Reserves and General Balances Policy Statement (Section 4.6) it is expected that the deficit on the Dedicated Schools Grant (DSG) Unusable Reserve will increase over the medium term and could reach a deficit balance of £121.5m by the end of the MTFS period. This unsustainable position confronts most authorities with responsibility for schools. The School and Early Years Finance (England) Regulations 2020 stipulate that a deficit on the DSG must be carried forward to be funded from future DSG income unless permission is sought from the Secretary of State for Education to fund the deficit from general resources. However, the DfE has not brought forward a plan to bring levels of funding for High Needs provision up to sustainable levels and a white paper on SEND reforms has been postponed several times and is now expected in 2023. Irrespective of this, it is imperative that the council continues to develop and implement its reforms for High Needs to bring expenditure more in line with grant allocations.

16. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2022 which require the negative balance to be held in an unusable reserve replace the previous regulations which came to an end on 1 April 2023. The

new regulations extend the DSG statutory override for a one-off period of three years up to March 2026.

17. In agreeing an extension to the statutory override, DLUHC stated that this 'short-term financial flexibility is needed for authorities as they implement sustainable change, underpinned and reinforced by the government's longer-term reforms. Local authorities should continue to work with all parts of the SEND system, with each other and the Department for Education (DfE) to put themselves in the best position ahead of the urgent implementation of SEND reform. Such joint working is critical for ensuring a more effective and sustainable high needs system for children and young people now. Alongside the soon-to-be published SEND Improvement Plan, the DfE will support all local authorities look at what positive action can be taken now to bring high needs costs under control, to bring down DSG deficits, and to prepare for wider SEND system reform.'

18. Demand for High Needs continues to outstrip the growth in the grant funding and as set out in the Business Management & Monitoring Report to Cabinet in January 2023 the forecast deficit compared to Dedicated Schools Grant (DSG) funding for High Needs is £17.5m in 2022/23. Action to reduce the expenditure is being taken and is set out in Annex B of this report. Furthermore, Oxfordshire is participating in Phase 1 of the DfE's Delivering Better Value scheme. This is a national programme investing £85m over 3 years for 55 local authorities to help manage High Needs deficits. Despite this, continued increases in demand mean that annual deficits against the grant funding are expected to grow in future years.

19. Beyond the period of the statutory override, the expectation is that the balance on the DSG Unusable Reserve will transfer back to the Council's total Earmarked Reserves. If this happens, it materially impacts on the overall level of reserves and by 1 April 2026, the total earmarked reserves held by the Council would only be £17.6m putting the financial standing of the council at risk. In this scenario, the council would need to take action to address the position. The risk associated with this is considered moderate given the extension of the regulations. Therefore, the position does not currently impact on decisions in the short term.

Long Term Funding Context (to 2033/34)

20. The County is facing significant demographic pressures. Economic prosperity and the quality of the environment make Oxfordshire an attractive place in which to live and work., The February 2022 update of the Oxfordshire County Council housing-led forecasts predict a total population in Oxfordshire of 853,500 by 2030, a growth of 157,600 (+20%). Over the same period, the number of people aged 65 and over is projected to grow by almost 25%. Over the next twenty years the number of people aged over 85 is expected to double with one in four requiring intensive support from the social and health care system. It is expected that there will be an increase in the number of clients with learning disabilities as well as an increase in this client group's life expectancy. In addition, the 0-17 population is expected to rise by 16% leading to an increase in the number of children requiring school places. This will result in an erosion of existing and forecast spare capacity in many primary schools and in time, secondary schools.

21. Long term planning is particularly challenging in the current environment. However, in planning for the long term, it remains important to understand both the context of Oxfordshire as well as the main drivers of change. In this context, we need to ensure that the most fundamental issues facing the organisation which have been identified are responded to.

22. The longer-term trajectory for housing led forecasts indicate that the level of tax base growth is expected to continue to increase broadly at its current rate of c1.75% to 2.00% per year. Assuming interventions over the medium term have an impact on managing demand; that inflation levels are assumed to return to within the Bank of England target of 2% and that council tax increases remain in line with inflation, then the prospect for the Council of meeting its increasing demographic pressures is likely to be achievable. However, this does not take into account significant funding reductions which may arise over the medium term and any potential impact of the High Needs DSG deficit returning to the Council's Balance sheet. These scenarios will need to be modelled as well for alternative possible future economic and political environments.

23. The Capital & Investment Strategy at Section 5.1 sets out the long-term context in which capital expenditure and investment decisions are made and articulates how the Council's capital investment will help achieve the Council's vision and priorities as well as respond to demographic changes.

Measuring Financial Performance

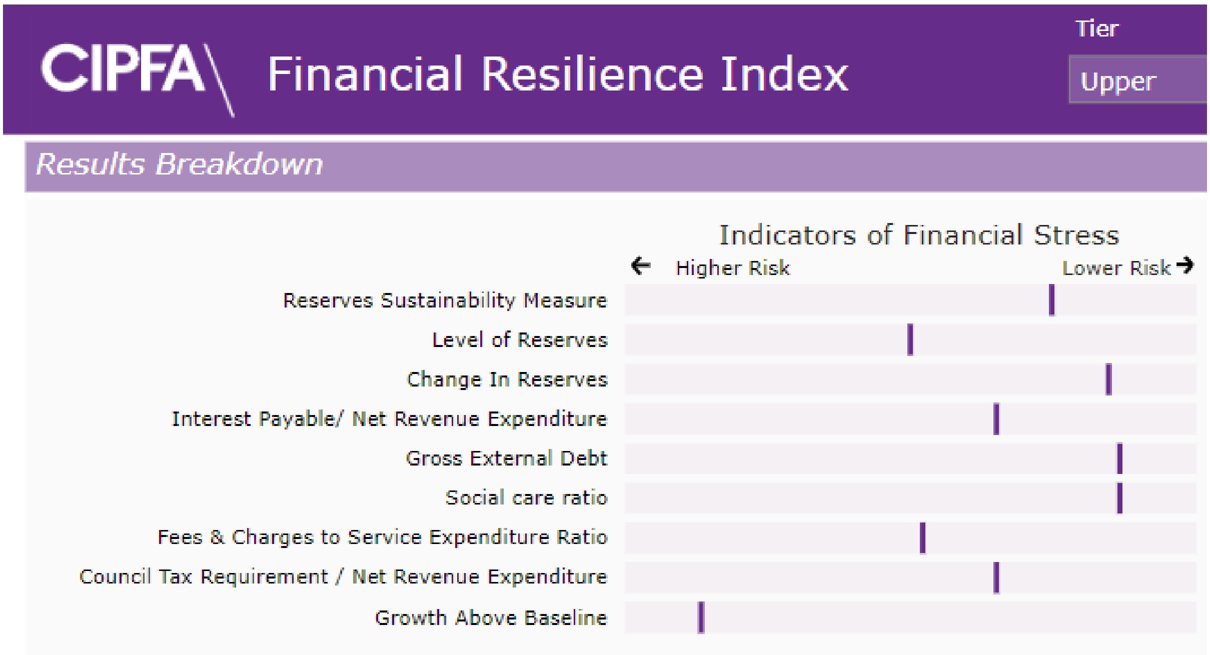
24. Measuring the Council's financial health through a set of targeted measures is a key way of measuring our financial health and resilience in supporting the Council's plans and priorities. The key indicators upon which we will measure ourselves are set out in Annex 1 below.

25. CIPFA's Financial Resilience Index[2] is a comparative analytical tool that supports good financial management and provides a high-level common understanding within a council of its financial position based on a range of measures associated with financial risk.

26. CIPFA's Financial Resilience Index is designed to support and improve discussions surrounding local authority financial resilience. It shows a council's performance against a range of measures associated with financial risk, including the level of earmarked reserves and general balances. The Index is a comparative tool to be used to support good financial management and generate a common understanding of the financial position within authorities.

27. The Index for Oxfordshire compared to the other 23 County Councils is set out below.

[2] The December 2022 Index uses figures from the 2021/2022 DLUHC revenue and expenditure Outturn data return (RO)



28. While all the indicators within the resilience index are measures of financial risk, CIPFA consider three areas which are particularly relevant: reserves, social care ratio, debt and interest payable. In all three areas, Oxfordshire County Council is at the lower end of the risk scale compared to other County Councils.

29. The one area where the Council scores comparatively higher risk than other County Councils is in relation to Growth Above Baseline. This indicator is calculated as the difference between the baseline funding level and retained rates income, over the baseline funding level. This is perceived as a risk because compared with many other counties, Oxfordshire's income from business rates growth is high. However, given the implementation of funding reforms and a business rates reset will now not occur before 2025/26, there is no risk in the short-term. Furthermore, any business rates loss is expected to be phased reducing the impact in anyone year. The potential impact on the MTFS in 2025/26 and 2026/27 will be reviewed next year when further information may be available.

Financial Management

30. Financial indicators alone do not give a complete picture of financial health and sustainability; strengths of financial management and governance are also an essential foundation of any successful organisation.

31. The Code of Practice for Financial Management (the FM Code) was introduced by CIPFA in November 2019. on behalf of the Ministry of Housing, Communities and Local Government (MHCLG) in the context of increasing concerns about the financial resilience and sustainability of local authorities. The FM code is not statutory but compliance with the code is obligatory. It brings together elements that are already part of existing statutory guidance:

- Role of the Chief Financial Officer in Local Government (S151 Officer)
- Prudential Code for Capital Finance

- Code of Practice on Local Authority Accounting in the United Kingdom

32. The FM Code, which includes 19 standards, clarifies how Chief Finance Officers should satisfy their statutory responsibility for good financial administration as required in section 151 of the Local Government Act 1972. Importantly it emphasises the collective financial responsibility of the leadership team, including the relevant elected members, of which the Chief Finance Officer is one member.

33. The first full year of compliance with the FM Code was 2021/22. It is for the individual authority to determine whether it meets the standards and to make any changes that may be required to ensure compliance. Authorities should be able to provide evidence that they have reviewed their financial management arrangements against the standards and that they have taken such action as may be necessary to comply with them.

34. An assessment has been made of the Council's current compliance with the FM Code. The assessment has identified that the Council is well placed to evidence compliance from 1 April 2023. 18 of the 19 Standards have been assessed as Green and 1 assessed as Amber meaning that compliance can be evidenced. Where relevant, proposed further actions that can be taken to enhance compliance have been included in the assessment. The assessment will also be used to help inform the Council's Annual Governance Statement (AGS) which will be published alongside the Statement of Accounts. The Summary Assessment is included at Annex 2.

Section 4.5

Annex 1

Key Performance Indicators

The Financial Strategy enables the Authority to undertake Budget Planning for the short, medium and longer term, and to make sound decisions on the commitment of financial resources whilst ensuring strong financial resilience. As such the Financial Strategy supports the Strategic Plan, and a budget planning process that can ensure finances are allocated to support the delivery of all the council's key priorities.

The Financial Strategy directly supports the council's priorities. There are two key strategic indicators (SI*) that demonstrate the effectiveness of the Financial Strategy:

1. The Council is financially resilient
2. The Council has good financial management and governance

The following set out the performance activity and measures for monitoring these indicators, the frequency of monitoring and where they are reported to. The key measures are reported publicly through Cabinet and Performance & Corporate Services Overview & Scrutiny Committee as part of the monthly Business Management Reporting (BMR), others are monitored within the Finance Service and reported by exception or are routinely reported to the Audit and Governance Committee.

SI*	**Measure**	**2023/24 Target**	**Reporting Frequency**	**Reported to:**
	Delivering to budget and achieving savings:			
1	Overall forecast revenue variance across the Council	Break even or underspend	Bi-Monthly Business Management & Monitoring Report (BMMR)	Cabinet
1	Achievement of Planned savings 22/23	95%	Bi-Monthly BMMR	Cabinet
2	Directorates deliver services and achieve planned performance within budget	=< 1% revenue budget variation (with service outcomes achieved)	Bi-Monthly BMMR	Cabinet

	Ability to manage unplanned/unforeseen events:			
1	General Balances are forecast to remain at or above the risk assessed level.	+/ - 10% of the risk assessed level	Bi-Monthly BMMR	Cabinet
	Use of Grants			
2	Total Outturn variation for Dedicated Schools Grant (DSG) funded services (schools and early years)	Break even or underspend	Bi-Monthly BMMR	Cabinet
2	Total Outturn variation for Dedicated Schools Grant (DSG) funded services (high needs)	Overspend no higher than £20.6m	Bi-Monthly BMMR	Cabinet
2	Use of non-DSG revenue grant funding	=>95% of grant funding is spent in year	Bi-Monthly BMMR	Cabinet
	Systems and processes operate effectively and are well controlled to reduce and detect error and fraud:			
2	Positive assurance from External Audit	Zero material issues identified by External Audit	Quarterly and Annual Report (September)	Audit & Governance Committee
2	Annual report of the Chief Internal Auditor (CIA)	Positive assurance by the CIA	Annually (May)	Audit & Governance Committee
2	Positive assurance following Internal Audits of Financial Systems and processes	90% audits of financial systems are rated Green or Amber	Quarterly	Audit & Governance Committee
2	Internal Audit actions for financial systems implemented within agreed timescales	90% of priority 1 and 2 audit actions implemented within the originally agreed timescale	Quarterly	Audit & Governance Committee
2	% of agreed invoices paid within 30 days	>95%	Bi-Monthly BMMR	Cabinet
	Compliance with the CIPFA Financial Management Code of Practice			
2	annual self-assessment of compliance to the CIPFA FM standards	100% compliance (green and amber RAG ratings)	Annually (January)	Cabinet / Audit & Governance Committee
	Debt Management			
2	Invoice Collection Rate – Corporate Debtors	95%	Bi-Monthly BMMR	Cabinet
2	Invoice Collection Rate – ASC contribution debtors	92%	Bi-Monthly BMMR	Cabinet

2	Debt Requiring Impairment – Corporate Debtors	<£0.300M	Bi-Monthly BMMR	Cabinet
2	Debt Requiring Impairment – ASC contribution debtors	<£2.5M	Bi-Monthly BMMR	Cabinet
	Treasury Management			
2	Average cash balance compared to forecast average cash balance	=<0% or +15% variation	Quarterly (Quarterly Treasury Management Report)	Cabinet / Audit & Governance Committee
2	Average interest rate achieved on in-house investment portfolio	>=3.00%	Quarterly (Quarterly Treasury Management Report)	Cabinet / Audit & Governance Committee
2	Average Annualised Return achieved for externally managed funds	>=3.75%	Quarterly (Quarterly Treasury Management Report)	Cabinet / Audit & Governance Committee

Capital Programme indicators are included in the Capital & Investment Strategy at Section 5.1

Financial Management Code of Practice – Summary Compliance Assessment 2022/23

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
1.	**Responsibilities of the Chief Finance Officer (CFO) and Leadership Team**			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money (VfM)	Services use benchmarking to inform opportunities to improve VfM but this is often ad hoc. Procurement decisions consider VfM by considering the quality of service and not just price.	Develop processes for evidencing VfM across services in a more systematic and consistent way, including benchmarking, as part of the Budget & Business Planning process.	AMBER
B	The authority complies with the CIPFA "Statement of the Role of the CFO in Local Government"	The CFO is qualified accountant with significant experience working as an active member of the council's leadership team. The CFO is a member of SLT (Senior Leadership Team) and reports directly to the Chief Executive. The CFO has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
2.	**Governance and Financial Management Style**			
C	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Senior Leadership Team (SLT) understands its responsibilities in relation to Financial Management and considers the assessment against the Code and actions or further work required in order to continuously improve. SLT receive and review on a quarterly basis a report from the Chief Internal Auditor on progress against the Internal Audit Plan, implementation of agreed management actions and delivery of the Counter Fraud Plan. The Annual Governance Statement (AGS) and Action Plan are also considered by SLT. In addition, the Audit & Governance Committee have a key role in providing independent assurance over governance, risk and internal control arrangements.		**GREEN**
D	The authority applies the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)"	The Local Code of Corporate Governance sets out how the Council complies with the requirements of the Framework and identifies key documents, which provide detailed information as to how the Council ensures the Corporate Governance principles are adhered to. The annual update of the Local Code of Corporate Governance was last approved by Audit & Governance Committee in May 2022.		**GREEN**

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
E	The Financial Management style of the authority supports financial sustainability	The Council last undertook a self-assessment against CIPFA's Financial Management style hierarchy back in 2018. The outcome identified that financial management was considered to be adequate. The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and provides the budget setting and accounting framework for the organisation.	A Financial Management Strategy is in development which will set out the improvements required to enhance financial management capabilities including financial management reporting structures and the development of business objects dashboard reporting	GREEN
3.	**Long to Medium-Term Financial Management**			
F	The authority has carried out a credible and transparent financial resilience assessment	An assessment has been undertaken of the 2021/22 Financial Resilience index compared to the other 23 County Councils. This is set out in in the Financial Strategy (section 4.5 of the Budget & Business Planning Report to Cabinet in January 2023). The Financial Strategy also includes a suite of measures against which financial performance is measured during the year including the forecast level of General Balances against the minimum risk assessed level for balances taking into account the latest monitoring position in the current year.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The Financial Strategy and MTFS outline the financial challenges and opportunities facing the Council over the medium and longer term. The Capital & Investment Strategy and the Capital Programme both cover a 10-year period. The Capital & Investment Strategy sets out the long-term context in which capital expenditure and investment decisions are made and articulates how the Council's capital investment will help achieve the Council's vision and priorities as well as respond to demographic change.	Develop scenario planning in relation to the longer term (to 2033/34)	GREEN
H	The authority complies with the CIPFA "Prudential Code for Capital Finance in Local Authorities"	The Capital & Investment Strategy is updated annually and agreed by Council alongside the Capital Programme, Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy. The Capital Programme is monitored monthly with reports produced quarterly for the Strategic Capital Board and Cabinet. Quarterly Treasury Management reports are taken to Audit & Governance Committee, Cabinet and Council, including monitoring of Prudential Indicators.		GREEN
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The Council has an integrated Business and Budget Planning Process with a multi-year MTFS linked to service plans and performance reporting through the Business Management & Monitoring Report.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
4.	**The Annual Budget**			
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces an annual balanced budget and supporting documentation within the necessary timeframe.		GREEN
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	The CFO's Section 25 report accompanies the suite of Budget documents and includes a commentary on the adequacy of proposed financial reserves with reference to CIPFA's Resilience Index as well as assessed compliance with the FM Code.		GREEN
5.	**Stakeholder Engagement and Business Plans**			
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	One of the Council's priorities has been to develop and implement a new consultation and engagement strategy, enhancing opportunities for residents, including young people and those seldom heard, to have their say in service development. This has been implemented for the 2023/24 budget process. Engagement and consultation on the council's priorities and budget has included a resident's survey, Oxfordshire Conversation events, a children's and young people sounding board. In addition, a public consultation on the budget proposals took place in November and December with the Performance & Corporate Services Overview & Scrutiny Committee also considering and commenting upon the budget proposals ahead of the budget being agreed by Council.		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	Key decisions requiring investment to deliver service improvements, deliver savings or invest or save opportunities require business case to aid decision making via the appropriate governance process (e.g., Strategic Capital Board).	Review the requirements, standards and guidance for business cases including training options for responsible officers and decision makers.	GREEN
6.	**Monitoring Financial Performance**			
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The regular Business Management and Monitoring Reports to Cabinet include performance, finance and risk so enable the council's leadership team and Cabinet to respond to emerging issues and to take action to manage those. The regular Capital Programme monitoring report has been enhanced to better reflect performance and the delivery of outcomes linked to the completion of capital schemes.	Continue to improve the visibility and links between performance, risk and finance reporting, highlighting key issues that need to be considered in the Business Management & Monitoring Report.	GREEN
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	The Business Management and Monitoring Reports to Cabinet include monitoring of key balance sheet items including balances, reserves, debtors, and cash (including the performance of Treasury Management).		GREEN

Ref	CIPFA Financial Management Standards	Current Status	Further Work	RAG Status
7.	**External Financial Reporting**			
P	The CFO 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" (The Code)	The annual accounts are produced in compliance with The Code and have always received an unqualified audit opinion. Statutory deadlines for publication of the accounts have been consistently met until 2021/22 due to resourcing issues. The audit of the 2020/21 and 2021/22 accounts remains outstanding as at December 2022 due to the national issue regarding infrastructure assets for which a statutory override has recently been passed into legislation.		**GREEN**
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	The council's leadership team and Cabinet consider the outturn and year end variances in a Provisional Outturn Report to Cabinet each June which enables strategic financial decisions to be made as necessary in a timely manner.		**GREEN**