



CORPORATE SELECT COMMITTEE AGENDA

Date: Monday, 28 June 2021

Time: 6.30 pm

Venue: The Octagon, Pavilion Gardens, Buxton

You can view the agenda online by using a smart phone camera and scanning the code below:



18 June 2021

PART 1

- a) Business Grants Process (**Pages 3 - 12**)
- b) CIPFA Financial Management Code (**Pages 13 - 22**)

MARK TRILLO

EXECUTIVE DIRECTOR AND MONITORING OFFICER

Membership of Corporate Select Committee

Councillor T Ashton (Chair)

Councillor J Collins

Councillor S Flower

Councillor D Lomax

Councillor G Oakley

Councillor E Siddall

Councillor M Stone (Vice-Chair)

Councillor O Cross

Councillor L Grooby

Councillor R McKeown

Councillor K Savage

Councillor E Thrane

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HIGH PEAK BOROUGH COUNCIL

Report to the Corporate Select Committee

28 June 2021

TITLE:	Business Grants Process
EXECUTIVE COUNCILLOR	Cllr Alan Barrow – Executive Councillor for Corporate Resources and Finance
CONTACT OFFICERS:	Joanne Wheeldon – Interim Head of Revenues & Benefits Keith Pointon – Interim Head of Finance

1. Reason for the Report

- 1.1 The purpose of the report is to provide the Committee with detail of the Business Grants process and mitigation measures in regard to the potential risk of fraud or mis-payment.

2. Recommendations

- 2.1 That the contents of this report be noted.

3. Executive Summary

- 3.1 In response to the coronavirus pandemic and subsequent national lockdowns and tiered systems that followed from March 2020 onwards, the Secretary of State for Business Energy & Industrial Strategy (BEIS) announced a series of business grant schemes to support businesses through the period of closure. These grants were to be administered by Local Authorities, funded via Government grants.
- 3.2 This report provides a summary of the grant schemes, the process implemented to mitigate against the risk of fraud and mis-payment, information returns requested by Government and a summary of the some of the fraudulent / mis-paid cases identified.

4. How this Report Links to Corporate Priorities

- 4.1 The successful delivery of all corporate priorities is dependent upon the effective management of financial resources, which is the subject of this report.

5. Options and Analysis

5.1 There are no options to consider.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None.

6.2 Workforce
A significant number of staff have been diverted to assisting with the Business Grants process since commencement in March 2020

6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Equality and Diversity policies.

6.4 Financial Considerations
The Business Grants have been funded via grants payable from Government.

6.5 Legal
None

6.6 Sustainability
The Business Grants process was undertaken fully electronically

6.7 External Consultation
None, although the information that the Council holds in respect of businesses as a result of the process should be analysed and used to assist further initiatives in regard to business support.

6.8 Risk Assessment
Risk assessment was undertaken as part of the process set up for each grant scheme – detailed throughout the report. However, with the volume of applications and grants paid, there is a risk that a small amount of fraudulent activity may have successfully taken place or grants paid where the applicant is not eligible.

CLAIRE HAZELDENE
Interim Executive Director (Finance & Customer Services)

Web Links and Background Papers

Government Business Grant Guidance
- <https://www.gov.uk/>

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7. Introduction

- 7.1 In response to the coronavirus pandemic and subsequent national lockdown in March 2020, the Secretary of State for Business Energy & Industrial Strategy (BEIS) announced a business grant scheme to support businesses through the period of closure. These grants were to be administered by Local Authorities, funded via Government grants.
- 7.2 As restrictions were lifted and then further imposed locally and nationally, there have been a series of grants that have been, and continue to be administered over the last 15 months.
- 7.3 This report provides a summary of the grant schemes, the process implemented to mitigate against the risk of fraud and mis-payment, information returns requested by Government and a summary of the some of the fraudulent cases/mis-paid identified.

8. Business Grants Administered

- 8.1 Since March 2020, there have been several grant schemes administered by the Council. The below paragraphs provide a summary of all the various grant schemes, how these were funded and the total grants payments made to date.

Small Business Grants / Retail Grants

- 8.2 During March 2020, as a result of the initial lockdown, the Secretary of State for Business Energy & Industrial Strategy (BEIS) announced two business rates support grants:
- A £10,000 grant to all properties occupied by active businesses in receipt of rural rate relief or small business rates relief including those in receipt of tapered relief.
 - A grant of up to £25,000 to those businesses in the retail, hospitality and leisure sectors:
 - Businesses in these sectors with a rateable value of under £15,000 were eligible for a grant of £10,000.
 - Businesses in these sectors with a rateable value of between £15,000 and £51,000 were eligible for a grant of £25,000.

Discretionary Grants

- 8.3 In May 2020 Government announced an additional 5% uplift to the previous Small Business Grants / Retail Grant funding. This additional fund was aimed at small businesses with ongoing fixed property-related costs who are not liable for Business Rates. Local authorities were asked to prioritise the following businesses:
- Those in shared spaces,
 - Regular market traders,

- Small charity properties that would meet the criteria for Small Business Rates Relief, and
- Bed and breakfasts that pay council tax rather than business rates.

8.4 The allocation of funding was at the discretion of local authorities. Businesses must be small (under 50 employees) and they must also have been able to demonstrate that they have seen a significant drop of income due to Coronavirus restriction measures.

8.5 The Council developed a policy on this basis with a scoring system to determine the amount of grant awarded linked to property costs, number of employees, income loss and status of business (i.e. full closed / partially open etc)

Local Restrictions Support Grants (LRSB)

8.6 The LRSB schemes were launched in November 2020. The schemes incorporated:

Local Restrictions Support Grant (LRSB) CLOSED grants

The LRSB CLOSED grant was payable to businesses who were liable for Business Rates who were mandated to close during the second and third national lockdown periods: 5th Nov – 2nd Dec and 4th Jan – 31st March.

Local Restrictions Support Grant (LRSB) SECTOR grants

The LRSB SECTOR grant was payable to businesses who were liable for Business Rates who had not been authorised to reopen since the initial lockdown in March. Such business include nightclubs, discos, late night entertainment venues etc. The grant come into force from 1st November, therefore eligible businesses received a payment from 1st Nov – 4th Nov, but then this grant was superseded by the LRSB CLOSED grant from 5th Nov.

Local Restrictions Support Grant (LRSB) OPEN grants.

Any business who operated in the hospitality, leisure or accommodation sector were awarded an LRSB OPEN grant for the period prior to 5th November when the area was in tier 2 restrictions (31st Oct – 4th Nov) and for the period 2nd Dec – 30th Dec (where businesses were not mandated to close)

Christmas Support Payment

8.7 The Christmas Support Payment grant provided funding for local authorities subject to Tier 2 or Tier 3 restrictions in December 2020 to pay one-off grants of £1,000 to wet-led pubs. These are pubs that predominantly serve alcohol rather than provide food and have been severely impacted over the festive season due to temporary local restrictions.

Restart Grant

8.8 As Government announced its national roadmap for the gradual lifting of restrictions, it also announced a 'Restart Grant' to provide funding towards

reopening costs for businesses who had been required to close during the lockdown period.

- 8.9 The Restart grant was available to businesses operating in the leisure, hospitality, accommodation, personal care and retail sectors who were liable for Business Rates. Grant awards were based on 3 bandings depending on sector and Rateable Value, ranging from £2,667 - £18,000.

Additional Restrictions Grant

- 8.10 The Government allocated additional discretionary funding to Local Authorities in the form of 'Additional Restrictions Grant' (ARG). The ARG provided additional funding for local authorities subject to national lockdown or Tier 3/4 restrictions, to support businesses that have had their trade affected by the restrictions. This included:
- closed businesses that don't pay business rates
 - businesses that have not been required to close, but are still severely impacted
- 8.11 Each local authority had the discretion to establish business grant schemes or other business support as best fits their area. The Council has administered various schemes utilising ARG funding as outlined below.

Phase 1 – Discretionary Grant

The Council launched Phase 1 of the ARG allocation as a discretionary grant payable for the period 31st Oct – 31st March, to be awarded to:

- Business that ARE NOT LIABLE for Business Rates but were legally required to close during the second/third national lockdowns
- Businesses that WERE NOT legally required to close during the second/third national lockdowns BUT MAINLY SUPPLY the sectors that were mandated to close (suppliers to non-essential retail, leisure, personal care, sports facilities and hospitality businesses)

Phase 2 - Hardship Fund

There were businesses that were not eligible for any of the grant schemes, but had seen a severe financial impact to their business as a result of the restrictions. Therefore, the Council launched a 'hardship fund' in February which comprised 4 themes:

- Grant for licenced local taxi drivers who had NOT had discretionary grants since November £1,000
- Grant for home based businesses based in the Borough AND have had a significant fall in income due to Covid AND have on-going business overheads e.g. insurance, licences etc. (fully open / partial trading / Closed)
- Grant for essential traders who have a permanent shop or market lease agreement AND who have experienced a significant drop in income due to lower footfall

- Grant for exceptional circumstances for SME businesses who are liable for business rates AND who are at significant risk of failure due to Covid AND closure will involve making ten or more people redundant

Phase 3 – Discretionary Restart / Hardship Top-up

To replicate the Government's Restart Grant, the Council also provided an equivalent 'Discretionary Restart Grant' to those businesses who were eligible for the Phase 1 Discretionary Grant as well as a 'top-up' for Theme 2 Hardship applicants.

Government Grant Funding

8.12 The Council received funding from government to pay out these grants to Businesses. The funding was based on Government's estimation of the eligibility in the Borough for the various schemes. There will be a reconciliation process to be undertaken (see section 10) to calculate the actual amount issued against the funding received, with the difference repaid to Government.

8.13 The eligibility numbers fluctuated during the grant payment process. One of the common issues in the early part of the process was that the application process drew attention to previously unknown occupation changes. This in turn resulted in the demand for further evidence to demonstrate that the applicant was in occupation and trading on the required date. In addition eligibility numbers have also been reduced by local outlets of national businesses not applying because 'state aid' restrictions.

Summary of grants paid to Businesses

8.14 The table below summarises the number and value of grants paid out under each scheme, which demonstrates the magnitude of the process undertaken.

Grant Scheme - HPBC	Number of applications	Value of Grants paid (£)
Small Business Grant	1,715	17,150,000
Retail Grant	460	7,615,000
Discretionary Grant	242	1,273,750
LRSB CLOSED (including SECTOR) Lockdown 2 – Nov 2021	1,083	1,604,260
LRSB CLOSED (Tiered System Dec – Jan)	1,667	1,168,206
Christmas Support Payments (Wet Led Pubs)	98	98,000
LRSB CLOSED (including SECTOR) Lockdown 3 – Jan-Mar 2021	2,161	4,923,645
Closed Business Lockdown Payment	1,081	4,799,000
Restart Grants	986	7,418,061
Additional Restrictions Grant (Discretionary and Hardship Fund)	1,190	2,677,755
TOTAL	10,683	48,727,677

9. Business Grants Process

- 9.1 There has been significant pressure on Local Authorities to ensure that funding was paid to businesses as quickly as possible to support them with payment of fixed costs while income receipts had been severely impacted.
- 9.2 However it was also the responsibility of each Local Authority to ensure that payments were made to eligible businesses only and that adequate checks were undertaken prior to payment being made, as well as relevant post-payment checks.
- 9.3 Prior to the majority of grant payments being made, an application form was required to be completed. The exception being the original Small Business / Retail grant scheme whereby if the Council held bank details on the Business Rates system (for the purposes of Business Rates payments) then payments were automatically issued as eligibility for that scheme was based on being in receipt of either Small Business Rates Relief or Retail Relief. Just over 200 payments were made automatically.
- 9.4 All other grant payments required an application form to be completed and verified prior to payment. Throughout the grants process a significant level of checking has been undertaken both pre and post payment.
- 9.6 Pre-payment checks have involved reviewing the business rates system and other Council systems, and the request of documentation (e.g. lease agreements, bank statements and income/expenditure records) to confirm eligibility and prevent duplicate payments. A review of online records and information sources such as the Companies House database and the analysis of updates from other intelligence sources such as National Anti-Fraud Network (NAFN) has been undertaken to determine whether companies are actively trading.
- 9.7 As part of the payment process, the Creditors section were also able to identify if any duplicate payments were being made based on the referencing system used to upload payments.
- 9.8 Post-payment checks have involved significant use of the Cabinet Office's 'Spotlight' system and the submission of grant payment information via the 'National Fraud Initiative' to identify potential areas of risk in received applications and to facilitate the matching of data from a large volume of public and private sector organisations. Data analysis of the Council's grant payment records has been completed to identify potential duplicate applications (name, address, contact details, property references etc).
- 9.9 The majority of the duplicates identified were legitimate e.g. same person running more than one business, or owners making both mandatory and discretionary grants as they were unsure as to what grant they were eligible for. Where any potentially fraudulent payments were identified, they were referred for further review.

10. Government Returns

- 10.1 As part of the business grants process, Government have required Local Authorities to provide regular information.
- 10.2 Weekly returns have been completed outlining the total grants paid, separated for each category of grant, so progress can be determined on how quickly grants were being paid out to businesses.
- 10.3 BEIS also requires a monthly return of all business support grants paid with full details of the recipients.
- 10.4 Monthly returns were submitted for the initial grant scheme where businesses were in receipt of small business rates relief/retail relief or had been awarded a discretionary grant. The total number of grants paid and the amounts were confirmed along with the numbers where the authority was aiming to recover the grant and where unsuccessful would be passed to BEIS for recovery.
- 10.5 Government also required Local Authorities to develop fraud risk assessments and post payment plans for each scheme. To date, BEIS have requested sample evidence of individual payments for the small business rates relief/retail relief and initial discretionary schemes. This has been completed and submitted to BEIS to satisfy the post payment assurance verification process. It is likely that the same will be required for the LRSG and ARG schemes.

11. Fraudulent / Non-Eligible cases

- 11.1 Whilst a number of pre-payment checks were imposed, there have been a handful on instances where grants have been paid incorrectly.
- 11.2 To date, there are a total of 10 grants that the Council needs to recover (1 has been part paid) which represents less than 0.09% of the overall total grants paid.
- 11.3 Out of the 10 cases the Council is currently recovering, there are:
 - Four cases where businesses were not actually mandated to close
 - Three cases where the ratepayer was not in actual occupation on the qualifying date.
 - One case where it was discovered that the ratepayer had another business and therefore Small Business Rate Relief was withdrawn so they were no longer eligible for the grant.
 - One case where the leaseholder applied, but following further investigations he was not the occupier, and;
 - One case where both a mandatory and discretionary grant was paid
- 11.4 So far, emails have been issued, at least two letters and the Revenues team are now in the process of issuing a formal invoice and taking the appropriate recovery action.
- 11.5 The Council will need to demonstrate to BEIS that it has undertaken the relevant recovery process in an attempt to recover fund paid incorrectly. It is anticipated that if unsuccessful, BEIS will then also attempt recovery and if

necessary, will fund any mis-payments where it is satisfied Councils had robust checks in place.

- 11.6 In addition, 3 systematic fraudulent claims have been prevented through the checks in place as part of the process and review by Internal Audit.

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HIGH PEAK BOROUGH COUNCIL

Report to the Corporate Select Committee

28th June 2021

TITLE:	CIPFA Financial Management Code
EXECUTIVE COUNCILLOR	Cllr Alan Barrow – Executive Councillor for Corporate Services and Finance
CONTACT OFFICERS:	Keith Pointon – Interim Head of Finance
WARDS INVOLVED:	Non-Specific

1. Reason for the Report

- 1.1 The purpose of the report is to brief the Committee in regard to the requirements of the Chartered Institute of Public Finance & Accountancy (CIPFA) Financial Management Code.

2. Recommendations

- 2.1 That the contents of this report and recommendation for a full self-assessment against the principals of the CIPFA Financial Management code be noted.

3. Executive Summary

- 3.1 Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code. The FM Code has been introduced (pre-Covid 19) in recognition of the exceptional financial circumstances faced by local authorities – which have been further tested as a result of the pandemic.
- 3.2 The FM Code requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management, which is an essential part of ensuring that public sector finances are sustainable. The FM Code identifies risks to financial sustainability and introduces a framework of assurance.
- 3.3 The first full year of compliance with the FM Code was originally scheduled for 2021/22. However, in recognition of the pressures that have been placed on Local Authorities in dealing with the coronavirus pandemic, CIPFA has concluded that while the first year of compliance can remain as 2021/2022, it can do so within a more flexible framework where a proportionate approach is encouraged.

- 3.4 In practice this means that adherence to some parts of the Code will demonstrate a direction of travel with reference made in the Annual Governance Statement for 2020/21 in respect of the organisation's compliance with the principles of the FM Code.
- 3.5 This report recommends that a full self-assessment of the Council's current processes, procedures and governance arrangements is undertaken to understand compliancy against the FM Code. This full assessment will be led by the Executive Director & CFO in liaison with Alliance Leadership Team. This will be reported back to Audit Committee during 2021/22.
- 3.6 At this point, an initial high-level review against the principles of the FM Code has been undertaken in **ANNEX A**.
- 3.7 This initial review indicates that the Council is generally complying with the overall principles of the CIPFA Financial Management code, with only moderate improvements likely to be required within some specific areas of focus.

4. How this Report Links to Corporate Priorities

- 4.1 The successful delivery of all corporate priorities is dependent upon the effective management of financial resources, which is the subject of this report.

5. Options and Analysis

- 5.1 There are no options to consider.

6. Implications

- 6.1 Community Safety - (Crime and Disorder Act 1998)
None.

- 6.2 Workforce
None

- 6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Equality and Diversity policies.

- 6.4 Financial Considerations
Compliance with the requirements of the Financial Management code will support the Council's financial sustainability.

- 6.5 Legal
None

- 6.6 Sustainability

None specifically- although the FM Code has been purchased electronically.

6.7 External Consultation

None at this stage – although the full assessment process may include liaison with External Audit.

6.8 Risk Assessment

Compliance with the Financial Management code mitigates against the risk of financial unsustainability.

CLAIRE HAZELDENE
Interim Executive Director (Finance & Customer Services)

**Web Links and
Background Papers**

CIPFA Financial Management Code

Contact details

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7. Introduction

- 7.1 The Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 7.2 Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code. The FM Code has been introduced (pre-Covid 19) in recognition of the exceptional financial circumstances faced by local authorities – which have been further tested as a result of the pandemic.
- 7.3 The FM Code requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management, which is an essential part of ensuring that public sector finances are sustainable. The FM Code identifies risks to financial sustainability and introduces a framework of assurance.
- 7.4 Although the FM Code does not have legislative backing, CIPFA's intention is that the Code will be widely recognised within the public sector as a tool to promote the financial sustainability.
- 7.5 Compliance with the Code aims to strengthen the framework that surrounds financial decision making and is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team.
- 7.4 The first full year of compliance with the FM Code was originally scheduled for 2021/22. However, in recognition of the pressures that have been placed on Local Authorities in dealing with the coronavirus pandemic and impact on the medium term financial position, CIPFA has considered the Code requirements.
- 7.5 The objective of the Financial Management (FM) Code was to enhance standards of financial management across the sector and this aim is still fully supported by the profession. CIPFA considers good financial management to be even more essential during the current challenge, but acknowledges the additional extraordinary burdens being faced by local authorities.
- 7.6 Therefore, CIPFA has reflected on the extent to which it is appropriate to introduce a new FM Code at the current time. CIPFA has concluded that while the first year of compliance can remain as 2021/2022, it can do so within a more flexible framework where a proportionate approach is encouraged. In practice this means that adherence to some parts of the Code will demonstrate a direction of travel.

7.7 CIPFA consider that the Annual Governance Statement for 2020/21 should include the overall conclusion of an assessment of the organisation's compliance with the principles of the FM Code. Where there are outstanding matters or areas for improvement, these should be included in the action plan.

8. Principals of Good Financial Management

8.1 The FM Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the code requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances.

8.2 The principles have been designed to focus on an approach that will assist in determining whether, in applying standards of financial management, a local authority is financially sustainable.

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

8.3 Explicit standards of financial management are also set out by the FM Code. These are the minimum standards which have to be complied with in order for the Council to demonstrate its compliance with the FM Code.

8.4 The standards articulate the practical application of the principles of financial management based on the requirements of primary legislation, associated CIPFA codes and guidance on professional codes of practice and ethics..

8.5 It is proposed that a full review and self-assessment of the Council's current processes, procedures and governance arrangements is undertaken to understand where it is already compliant with the FM Code standards and to identify any areas of non-compliance or where compliance is weak.

8.6 An action plan will be developed and progress monitored towards full compliancy against the Code. This full assessment will be led by the Executive Director & CFO in liaison with Alliance Leadership Team. This will be reported back to Audit Committee during 2021/22.

8.7 An annual statement in respect of the Council's compliance against the FM Code will then be included within the annual Statement of Accounts commencing in 2022.

9. Initial Self-Assessment against Compliance with the FM Code

9.1 At this point, an initial high-level review of the standards has been undertaken in **ANNEX A**.

9.2 This indicates that the Council already has a strong level of compliance with many aspects of the FM Code. Areas where it is particularly strong include:

- Medium Term Financial Plan and Budget setting processes
- Treasury management
- Delivery of the statutory accounts
- External Auditor Value for Money opinion
- Risk management arrangements.
- Using reports to identify and correct emerging risks to the Council's financial sustainability

9.3 The areas where further work may be required to ensure the Council is fully compliant and applying good practice in line with the FM Code relate to:

- Financial Procedure Rules require reviewing and updating
- Financial resilience reporting to be enhanced utilising tools such as the CIPFA Financial Resilience index
- Review current consultation processes in respect of the budget setting process
- Enhance use of balance sheet review tools and cost drivers to input into longer-term financial stability and implications of specific projects

9.4 The initial review provides assurance that the Council is generally complying with the overall principles of the CIPFA Financial Management code, with only moderate improvements likely to be required within some specific areas of focus.

9.5 This initial high-level review will be referred to within the Annual Governance Statement. The full self-assessment will then identify clear actions for the Council to become fully compliant.

ANNEX A – Initial Self-Assessment on compliance against the FM Code

RAG Rating	Description
GREEN	Full compliance demonstrated
AMBER	Moderate improvements are required to demonstrate full compliance
RED	Significant improvements are required to demonstrate full compliance

CIPFA Financial Management Standards	Initial Review
<p>Responsibilities of the Chief Finance Officer and Leadership Team</p>	<p>The Council has received annual unqualified external audit opinions on Value For Money. The Medium Term Financial Plan (MTFP) delivers a robust financial plan through a rigorous budget setting process which has received a sound assurance from auditors.</p> <p>A series of Efficiency & Rationalisation programmes has required services to review processes and systems to ensure they are as efficient as possible to deliver savings and value for money for Customers. Performance is reported monthly to the Alliance Management Team and quarterly to Members. There is a robust corporate project management framework which contains key templates for financial implications, risk and stakeholder management. Financial updates are a regular item on both the Alliance Leadership Team and Alliance Management Team monthly meetings.</p>
<p>The leadership team is able to demonstrate that the services provided by the authority provide value for money.</p>	<p><i>The CIPFA Statement on the Role of the Chief Financial Officer in Local Government states that the Chief Financial Officer:</i></p> <ul style="list-style-type: none"> • <i>is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest</i> • <i>must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy</i> • <i>must lead the promotion and delivery by the whole authority of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently and effectively</i> • <i>must lead and direct a finance function that is resourced to be fit for purpose</i> • <i>must be professionally qualified and suitably experienced</i>
<p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.</p>	<p>The Chief Finance Officer / S151 Officer is a fully qualified CIPFA member and reports to the Chief Executive. The CFO/S151 officer is a member of the Alliance Leadership Team, which includes the Chief Executive and Executive Directors</p> <p>The post of S151 officer has direct access to Members and has active involvement in strategic decision-making. The CFO sits on the Transformation Board to oversee the financial implications of all major projects. All aspects of the finance function receive satisfactory or substantial internal assurance ratings.</p> <p>ACTION: review Finance structure in light of staff changes and ensure fit for purpose, building in succession planning opportunities.</p>

Governance & Financial Management Style	<p>The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.</p>	<p>The Internal Audit Annual Report of the Chief Auditor, as required by the Accounts and Audit regulations and the Public Sector Internal Audit Standards, gives the Chief Auditor’s opinion on the overall adequacy and effectiveness of the organisation’s governance arrangements, risk management and internal control environment, drawing attention to any issues particularly relevant to the preparation of the Annual Governance Statement. It also sets out key themes arising from the work of the Audit Team during the financial year, and compares the audit work undertaken with that planned, summarising the performance of the Internal Audit function against its performance measures and targets.</p> <p>The latest Annual Report presented in November 2020 concluded that ‘Internal Audit can provide reasonable assurance that the Council’s governance arrangements including risk management and systems of internal control were operating adequately and effectively.</p> <p>A Corporate Governance internal audit was completed in 2020 after significant changes to the Council’s senior management team. A systems review of corporate governance procedures together with compliance testing was undertaken, to determine the adequacy of system controls – a satisfactory assurance opinion was awarded.</p>
	<p>The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework</i> (2016).</p>	<p>As part of the annual process of producing the Annual Governance Statement (AGS), officers review compliance with the Framework, together the role of Audit Committee; and compliance with regulations. The Internal Audit role and function is covered in the AGS. Significant issues are set out in the AGS and monitored.</p>
	<p>The financial management style of the authority supports financial sustainability</p>	<p>The Council’s Constitution details Committee functions, member and officer delegations. The Constitution also includes the Financial and Procurement Procedure Rules which set out responsibilities of Senior Officers, budget holders and employees.</p> <p>There is an effective performance management framework in place with quarterly finance and performance reporting to Committee. The Finance team provide a Finance Business Partnering Role in support of services providing financial oversight. The S151 Officer and Head of Finance sit on the Transformation Boards which oversees all major projects.</p> <p>ACTION: Financial Procedure Rules require review and updating</p>
Long to Medium Term Financial Management	<p>The authority has carried out a credible and transparent financial resilience assessment.</p>	<p>A full risk assessment is undertaken as part of the Medium Term Financial Plan and a strategic risk is recorded relating to delivery of the MTFP and financial sustainability. All risks have identified mitigations and are monitored regularly.</p> <p>The Council also holds a Project Risk Register to identify risks (including financial) in respect of major transformation projects.</p> <p>ACTION: Review financial resilience reporting and consider enhancing utilising tools such as the CIPFA Financial Resilience index</p>
	<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>The Council presents a 4 year rolling MTFP and 30 year Housing Revenue Account Business Plan. By Year 4 of the current MTFP the revenue position is forecast to be stable. However, this is subject to a number of assumptions which need to be reviewed and revised in future iterations of the plan. A fuller understanding of long term financial sustainability will only come when the current uncertainties and risks are reduced as part of the medium term financial planning process.</p>

		<p>Financial implications in respect of transformation projects are determined on a longer term basis – for example the treasury revenue impact of capital investment decisions.</p> <p>ACTION: Incorporate and model longer term forecasts relating to cost drivers (such as age profile of community) and implications of the Asset Management Strategy (to be drafted during 2021/22) and Organisational Development Strategy (to be presented during 2021)</p>
	The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i> .	<p>The Council has all the strategies/policies in place as required and recommended by the Code. Regular reporting to members on capital expenditure takes place. An annual Capital Strategy and an annual Treasury Management Strategy is produced and approved by Full Council. Audit Committee receive regular reports in regard to treasury management.</p> <p>The Council works closely with its Treasury Management advisers.</p>
	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	<p>The 4 year rolling Medium Term Financial Plan is refreshed mid-year and reported to Committee. A full annual review is undertaken as part of the budget setting process.</p> <p>The MTFP is linked to the Council's Corporate Plan, to ensure that key objectives and priorities are funded and resourced. Service Plans are developed based on Corporate Plan priorities.</p> <p>The Budget provides for an earmarked reserve to manage any in year variances against delivery of the Efficiency programme.</p> <p>An approved minimum General Fund Contingency reserve is set to mitigate any in year financial risks</p>
The Annual Budget 21	The authority complies with its statutory obligations in respect of the budget setting process.	<p>The Council sets a balanced budget. The Council sets a council tax increase within the council tax referendum limits and a properly recorded vote takes place at Council meetings. The Council consults on its budget proposals via the website and promotes this within the monthly business newsletter.</p> <p>The Council has a balanced MTFP via utilisation of reserves, but general fund contingency levels remain above the level established by the S151 Officer.</p> <p>The Council is aware of the circumstances and the process in issuing a Section 114 notice, but does not envisage this to be an issue over the medium term.</p>
	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.	<p>The Medium Term Financial Plan contains and reports on the most significant estimates, and expected levels of reserves over the medium term.</p> <p>The CFO's overarching statement on the robustness of estimates and adequacy of reserves is highlighted to Full Council.</p> <p>A number of reserves are held to mitigate future financial risks i.e., Efficiency Reserve, Pension Reserve, COVID recovery.</p>
Stakeholder Engagement & Business Plans	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	<p>Officers engage with and work closely with Executive/Cabinet members on the long term financial plan and budget. Officers brief the Scrutiny Committee on plans and brief opposition parties on the budget proposals. Consultation takes place via the Council's website and Business newsletter. Liaison takes place with Alliance Leadership and Management Team and major contractors/suppliers.</p> <p>ACTION: Review current budget consultation processes with a view to improve and encourage engagement</p>

	<p>The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</p>	<p>The Council has developed a robust corporate project management methodology designed to ensure that projects achieve deliverables on time and within budget. The project management framework contains key templates for financial implications, risk and stakeholder management.</p> <p>All projects are monitored via the Transformation Board and assigned a Project Executive and Project Manager to oversee and be accountable for the project. Quarterly updates on key projects are presented to Committee.</p>
<p>Monitoring Financial Performance</p>	<p>The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p>	<p>Executive/Cabinet receive quarterly financial update reports which flag emerging variances. Variances are probed and concerns are followed up and tracked. Regular treasury management update reports are presented to Audit Committee. The MTFP is updated twice yearly to identify key emerging issues and review status of the Efficiency Programme.</p> <p>CFO provides a 'going concern' statement as part of the annual Statement of Accounts.</p>
	<p>The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.</p>	<p>Contingences and provisions are established for material areas of risk, for example Business Rate appeals / legal claims. Cash flow is managed through robust treasury management processes and scrutinised regularly by Audit Committee.</p> <p>The Council also includes consideration of balance sheet elements, such as reserves usage and Treasury Management, in its MTFP and quarterly monitoring process.</p> <p>ACTION: Consideration on enhanced use of balance sheet review analysis identifying implications over the medium term of specific large scale project decisions</p>
<p>External Financial Reporting</p>	<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.</p>	<p>The S151 officer assumes these responsibilities in accordance with the Constitution and the scheme of delegation.</p> <p>The Statements of Accounts process meets statutory deadlines.</p> <p>The CFO is fully aware of the requirements of the financial statements, which are fully compliant and have been unqualified for a number of years. The CFO completes a review of the annual draft accounts, which is presented to Audit Committee alongside the Statement of Accounts.</p>
	<p>The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.</p>	<p>The Management Team, Cabinet/Executive and Scrutiny Committee are provided with an outturn report detailing significant variations to budget.</p> <p>The reports includes the request for carry forwards and designation of earmarked reserves.</p> <p>The Management Team on the advice of the CFO consider the treatment of any surpluses before discussion with Members and formal approval.</p> <p>The Alliance Management Team specifically focus on the development of the MTFP providing a strategic overview to ensure deliverables of the Corporate Plan objectives are adequately resourced and are considered within the overall financial position.</p>