

BCP Council Action Plan for CIPFA financial review

Update at August 2024

Introduction

In the summer of 2023 CIPFA carried out a financial resilience review of BCP Council as part of the recommendations from the Best Value Notice issued in August 2023.

The review was finalised in March 2024 and looked at four key areas:

- Financial Management and Sustainability.
- Financial Governance and Decision-Making.
- Capital programme/companies.
- Commercial assets/debt.

There were **no critical recommendations** that needed to be addressed urgently in the context of the Best Value Notice.

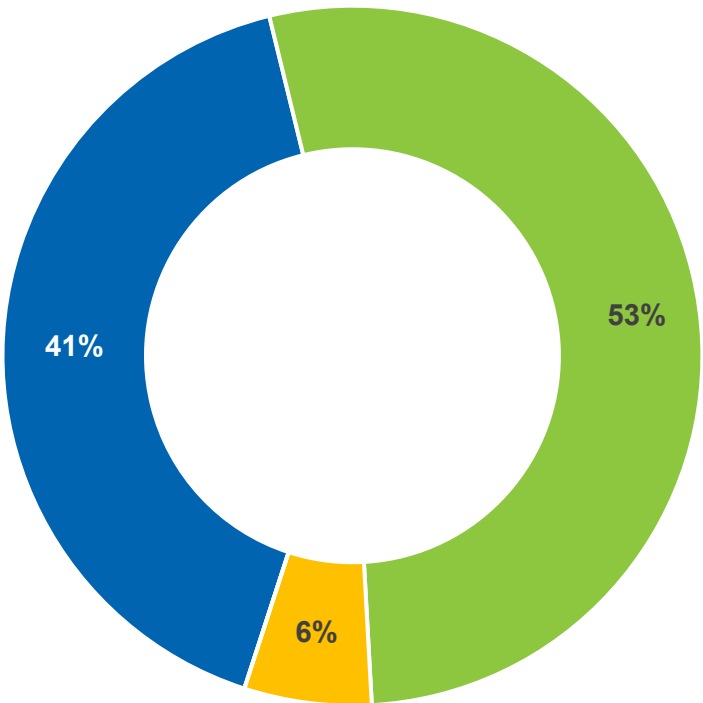
The report made seventeen recommendations which could be considered by the authority as part of its improvement best value duty, the first seven of which CIPFA prioritised over the following ten.

It should be emphasised that although not reported until March 2024 the recommendations flow from evidence gathered in the summer of 2023. Therefore, several of the recommendations will have been addressed as part of the budget process in support of the 2024/25 Budget and Medium-Term Financial Plan approved by Council on the 20 February 2024.

Progress Summary as of August 2024

Progress is good with 94% of actions either progressing well or completed. There has been a 24% increase in actions moving from ‘started’ to ‘progressing well’ or ‘completed’ since April 2024. Just one action remains as ‘started’. Narrative updates are available on all actions over the following pages.

Key: Progress with actions	
Completed	<div></div>
Progressing well	<div></div>
Started	<div></div>
No movement	<div></div>



No.	Action	Target date	Progress to date	Next steps	Action owner
1	Develop modelling for building its Medium-Term Financial Plan (MTFP) alongside agreement with Members and Senior Officers of the frequency of any refreshed MTFP.	February 2024	<p>This is now an annual evolving action in support the budget process which is set out alongside the budget process and timetable included in the first report in the cycle for building the following years budget.</p> <p>The 2024/25 budget process, established from June 2023 onwards, is now a bi-weekly Cabinet and CMB strategy planning session which develops and considers at every meeting the budget model. This meeting format has been continued in support of the 2025/26 Budget process.</p> <p>As a footnote it should be highlighted that Financial Regulation stipulate that MTFP will be produced for periods not less than 3 years and will be subject to constant and ongoing review.</p>	Reported to Cabinet in July 2024. Included proposals for maintaining a balanced budget for 2025/26 should any of the base assumptions and/or priorities change.	Director of Finance
2	Maximise the opportunity to identify potential asset sales and explore the full range of savings opportunities.	February 2024	<p>Council has an Asset and Accommodation workstream focused on reducing the number of administrative centres and releasing assets for sales.</p> <p>Assets identified for disposal by either services or the Asset and Accommodation workstream are first put forward to the Corporate Property Group to consider alternative uses such as to support Special Educational Needs and Disabilities, or homelessness. If an alternative is not identified it is put forward to the Cross-Party Strategic Asset Disposals Working Group to consider disposal.</p> <p>The 2024/25 budget process considered an extensive range of savings opportunities.</p>	<p>Continue regular reporting of the Asset and Accommodation workstream (Senior responsible officer - Matti Raudsepp) to Monthly Transformation Board.</p> <p>Continue to stand up the working party as needed for the identification and development of a pipeline of assets for disposal.</p> <p>Ongoing consideration as to the use of capital receipts in the funding of any transformation requirements and in the opportunity to improve current or create new assets.</p> <p>Further savings opportunities will be identified and developed as part of the process to maintain a balanced budget for 2025/26.</p>	Director of Finance
3	Ensure Members are upskilled and engaged with a commitment to both financial and non-financial learning and development through the available LGA training opportunities	July 2023	<p>Linked to recommendations in the Best Value Notice Action Plan covering an ongoing Member training programme and LGA mentoring.</p> <p>Most if not all cabinet members have attended multiple LGA training and development course related to their area of responsibility.</p> <p>In house training has been strengthened and reporting of non-attendance at training is being developed.</p>	<p>Ongoing, and needs to be monitored as needs evolve.</p> <p>Continue the programme of mentoring and support for Members with the LGA.</p>	Director of Law & Governance

4	Members and senior officers to agree collectively on the best way to deliver sustainable improvements in the quality of financial, forecasting and performance information and ensure the right approach in driving out sustainable change that delivers savings.	September 2024	<p>IT's Data and insights have developed a range of reports which help unlock greater insight into service performance and increase accuracy of forecasting. There are still underlying issues with data from service systems which integrates with finance. This will take time to resolve and requires services to understand the importance of quality data.</p> <p>Continued drive to self-service of the HR and finance system will help unlock efficiencies and allow a more agile organisation.</p> <p>Finance have already improved the quality of the internal journals produced by the finance team, ensuring journals are clearly described and where appropriate robust evidence is electronically attached.</p>	<p>A package of training is being scoped with HR to ensure all budget holders have sufficient financial knowledge to carry out their roles alongside a robust and timely system. This will be rolled out during the autumn of 2024.</p> <p>Following a workshop on the 30 July the management architecture is being changes to have both a F&O strategic as well as a F&O operational management groups. The strategic group will take forward the learning from an April 2024 senior leadership team event and ensure a top-down roadmap for key improvements. The operational group will focus on the more bottom-up improvements.</p>	Directors of IT, HR and Finance
5	Deliver the agreed finance target operating model and develop an approach to business partnering to ensure we are equipped to manage service and budget pressures	September 2024	The finance team are currently proposing a restructure of the team which will help support it steps towards the full operating model of the Council as well as ensure business partnering roles are strengthened to help service delivery.	The staff savings from the target operating model have been achieved (through the voluntary redundancy scheme) but the recruitment to fill senior staff vacancies was only partially successful. As a result, in July there has been some movement between roles of existing staff and some agency staff will be retained for longer to maintain progress in developing the business partnering approach.	Assistant Chief Financial Officers
6	Undertake a capability assessment of our finance function and budget managers to identify skill and experience gaps and any succession planning needs.	September 2024	<p>We are aware there are several key attributes that budget holders are lacking at all levels of the organisation. A gaps analysis has been carried out which has informed the training package proposed.</p> <p>Finance staff capability gaps are being established through regular one to one conversations and formal performance review processes with training and development plans and remedial actions put in place where necessary.</p>	<p>Linked to recommendation 4.</p> <p>A package of training is being scoped with HR to ensure all budget holders have sufficient financial knowledge to carry out their roles alongside a robust and timely system. This will be rolled out during 2024 starting with a pilot within Children's Services.</p> <p>It must be recognised that filling all the finance vacant positions noted above with suitably qualified and experienced staff will remain challenging and it is likely that development time will be needed for them to become fully effective in the roles.</p>	Assistant Chief Financial Officers
7	Council should be disciplined in ensuring savings are baselined in service budgets to ensure they are sustainable to address MTFP pressures.	March 2024	<p>Dynamics F&O was updated in March to reflect the approved 2024/25 budgeted pressures, savings and adjustments and configured into the baseline budgets reflected on the system.</p> <p>The public facing Budget Book was made available of the Councils website in March.</p> <p>Budget assurance statements issued in support of the 2024/25 Budgets.</p>	Annual ongoing process Budget assurance statements to be produced from 2025/26 for all service areas with a pilot in Adults Services for 2024/25.	Assistant Chief Financial Officers

8	Identify the areas where we may need further external support, particularly in demand-led services. To include an assessment of the impact of additional resources in minimising risk or delivering savings or improvements	September 2024	<p>External support has been obtained particularly in respect of the two high spend areas of Children's Services and Adult Social Care.</p> <p>BCP Council requested the LGA to undertake an independent review of its Use of Resources (UoR) in Adult Social Care. The review was led by John Jackson and a final draft report was issued in November 2023 which provided a commentary on the comparative UoR; a commentary on the directorate's approach to developing its MTFP, efficiency and transformation savings; identified area for improvement and suggested strategies to ensure a sustainable budget. John Jackson held workshops with Directors and then with field workers too.</p> <p>BCP Council commissioned external capacity and expertise to support the DCS and Children's Service undertake a significant transformation programme. Commercially Public Ltd was engaged to undertake a diagnostic review and to design and implement a Transformation Programme. An outcome was the approved business case for the full implementation of a new children's service delivery model to meet the strategic and operational requirements of the service and the Council, and to achieve financial efficiencies and savings enabled by the approved investment.</p>	Continue to utilise the learning from these exercises and to review the Value for Money of external support received over the previous 2 years and critically evaluate how it has led to service improvements and efficiencies.	Corporate Directors
9	Fully explore all savings opportunities and model upper and lower savings limits. Consider proposals in the context of the impact on risk and vulnerability in the community through a 'One Council' approach	February 2024	<p>As part of the bi-weekly Cabinet and CMB strategy planning sessions supporting the approved 2024/25 Budget opportunity was taken to consider all savings opportunities facilitated by various processes and the impact on the community.</p> <p>All savings are supported by improved documentation which considers matters such as consultation, Legal, Equalities, and Policy implications.</p>	Any reflections or learning to be documented and incorporated into processes supporting the development of the 2025/26 and future year budget processes.	Corporate Management Board

10	Ensure the ERP system is delivering the desired benefits and address any workarounds to make sure the ERP system is used in the first instance.	February 2025	<p>Having successfully implemented the new ERP system and acknowledging the improvements referenced in the report, weekly meetings have been established.</p> <ul style="list-style-type: none"> Strategic ERP management (muti-disciplinary meeting chaired by ICT). Finance system development meeting chaired by the Assistant CFO to drive improvements in the Finance part of the system. <p>The aims include ensuring any workarounds are fully documented, kept to a minimum and that all possible actions being taken to ensure the benefits of the ERP are maximised as well as the use of dashboards etc.</p>	<p>Weekly System, Project and Review meetings are in place to drive improvements in the ERP and ensure its benefits are maximised.</p> <p>All changes and improvements incorporated into on-going staff training and development.</p> <p>Workshop on the 30 July (including CFO and Directors of People & Culture and ICT & Programmes) agreed to drive strategic improvements forward from a top-down perspective to compliment bottom-up weekly meetings.</p>	Assistant Chief Financial Officers. Director of People and Culture.
11	Ensure legacy issues from reorganisation with different systems, policies and process are addressed and looked at to achieve a standardised approach unless there is an overriding financial or community-based reason not to.	February 2025	There is an ongoing process to review all outstanding areas of harmonisation to eliminate any differences. Areas that have been held back due to clarification of national policy such as the food waste service will be prioritised.	Ongoing process will be a key component of the work of the Transformation Investment programme and the monthly Transformation Board designed to ensure the use of a single system to underpin each area of service delivery. The quoted example being the planning portal.	Chief Executive
12	Ensure budget considerations are started early and seek to receive early reports on the progress against plans in the new financial year to give the best possible chance of delivering all the required savings.	June 2024	<p>The first report in the 2024/25 budget cycle was delayed until July due to the May 2023 local elections and the change in administration.</p> <p>2025/26 budget cycle will commence with a report in June 2024 and include the budget cycle, budget timetable and scenario planning to guide savings targets.</p>	<p>Improved budget cycle based on June, October, December, and February Budget and MTFP reports.</p> <p>Each of these reports will not only reflect on progress but also and salient financial risks facing the authority.</p> <p>Early engagement of savings challenges as supported by scenario planning.</p>	Director of Finance
13	Ensure a clear focus on risk and vulnerability as part of a clear framework for Children's and Adults services decision-making, recognising some proportionate risks will need to be accepted and managed collectively by the Council.	September 2024	It is recognised that Adults and Children make up most of the Council budget and that delivery of the service is demand led which carries inherent risk.	<p>The business partnering of finance will continue to work with the service to ensure prudent decision making continues recognising the ongoing service delivery risks.</p> <p>Annual assessment of the robustness of budget and the adequacy reserves will consider the extent to which specific Adults and Children's risks should be held corporately.</p>	Director of Finance
14	Continue the process to develop a strategic capital programme framework and implementation to ensure the capital programme is affordable and sustainable.	August 2023	Capital Briefing Board, which is an advisory not a decision-making group, is now up and running with regular consideration of progress on major schemes, and the availability of resources for additional investments.	<p>Continue monthly Capital Briefing Board.</p> <p>Reflect as part of the 2025/26 on the affordability and sustainability of any capital investments,</p>	Finance Manger Capital and Companies.

15	Address the inadequacies of existing property IT systems to maximise opportunities to optimise the use of the estate and to develop asset management plans.	February 2024	<p>A budget growth proposal for investment to enable the Christchurch paper-based files to be transferred into the TF cloud system in an accelerated timeframe was put forward for consideration.</p> <p>In considering the affordability of service investments for 2025/26 Council decided that any additional investment into TF cloud was not affordable at this time.</p>	Position on the possibility of additional investment will be reviewed annually.	N/a
16	Maintain our capacity and skills to match those found in the remaining companies to ensure effective client-side monitoring.	January 2024	The Best Valve notice identified several recommendations regarding potential governance improvements in respect of council companies. At the time this included reference to BCP FuturePlaces Ltd which is currently being liquidated. The governance arrangements of the remaining companies have been subject to a review by the interim Director of Resources with numerous improvements implemented and planned.	Continue with the improvements in governance being driven by the new Shareholder's Advisory Board.	Chief Executive.
17	Develop a risk-based assessment of reserves and appropriate target balances.	December 2024	<p>The annual s25 Report for 2024/25 was constructed in line with the best practice guidance issued by CIPFA.</p> <p>CIPFA are in the process of considering examples of local authority risk-based reserve assessments good practice in support of this recommendation.</p>	CIPFA have provided a Police Authority example which will be implemented as part of the 2025/26 Budget process.	Director of Finance