

Financial Resilience Action Plan

Strategic Financial Planning			
Area of focus	Grant Thornton's observations	Update/proposed action	Deadline
Focus of the MTFP	The Council has developed a MTFP for 2014/15 to 2017/18. This was approved by the Council alongside the revenue and capital budgets for 2013/14 in February 2013. Several versions of the MTFP have been modelled since that taken to Council. The latest MTFP covers the period from 2014/15 to 2017/18 and reflects the latest cuts announced in the recent Spending Review. This now shows a budget gap of £11m over these 4 years. Various options are being worked up to meet the gap in 2014/15.	The MTFP has continued to be updated to reflect the most up to date spending cut announcements and the latest assumptions. SMT and Members have met to discuss saving proposals to bridge the budget gap for 2014/15 and these will be presented to Cabinet and then Full Council for approval. Work is also in progress to work up further options to balance the budget over the following three years.	January 2014
	A service review programme has been established to look at alternative service delivery methods with expected savings of £3m over the next four years. The Council will develop its future budget plans to protect its key priority services, such as Street Cleansing, Refuse Collection and Recycling; and Community Safety and Crime Reduction.	The service review / business transformation programme is a key undertaking for the council in the forthcoming years. ' The programme will address all the fundamental change activities needed for the Council to deliver its strategic objectives against continuing budget constraints. It will therefore be used to identify key areas for focus over the next few years in order to identify and achieve savings, efficiencies and improvements to service delivery. Work is now in progress to deliver against this programme.	Each project within the programme has its own deadline date
Financial Governance			
Area of focus	Grant Thornton's observations	Update/proposed action	Deadline
Overview for controls over key cost categories	The Council's management accountants have been looking at unit costs to get a better understanding of budgets. A detailed understanding of detailed costings and their drivers will be key in ensuring efficiencies are identified and monitored. A complete zero based budgeting exercise has been undertaken for Clean Streets and the Council should consider rolling out this approach more widely.	A full review of the Maritime budgets is currently being undertaken. A detailed exercise has been carried out for Building Control which also includes reviewing their charging mechanism. The management accountants now oversee the Council's high risk budgets with the budget accountants reviewing the lower risk areas. The management accountants are working with the managers to understand the cost drivers behind the more risky budgets. A full review	October 2014

		of all the high risk areas will be undertaken over the next twelve months.	
Adequacy of other Committee/Cabinet reporting	The quarterly budget reports include details for general fund, housing revenue accounts, capital and debt levels. This could be strengthened further with reporting of financial health indicators covering such indicators as cash balances, debt, payments made within agreed terms and inflation indices. These would help provide indications of trigger points.	Financial health indicators will be developed and included in future reports from the new financial year.	April 2014
Financial Control			
Area of focus	Grant Thornton's observations	Update/proposed action	Deadline
Finance department resourcing	The Council has undergone a significant restructuring over recent years. The finance function has historically had significant capacity issues. In 2012/13, the team have made a number of internal changes and are now fully staffed. Although this has enabled significant improvement, capacity remains tight to deliver the full finance function and there is little contingency for any resourcing gaps or issues.	The restructure currently under consultation proposes bringing procurement into finance. This will enable a more streamlined approach to the procure to pay process and will improve capacity for day to day processing and system development. There are no other immediate plans to revise the structure of the finance team. Workloads are reviewed by managers on a regular basis and priorities identified. It is recognised that final accounts is a key workstream and those officers who need to be involved in this process will continue to make this their priority over the closedown period.	ongoing
	The Chief Executive and S151 officer is a shared role. This has allowed good oversight of the financial impact of all decisions made and has ensured excellent leadership within finance. However, given the range of complex strategic projects the Council is currently involved in, the joint role is a demanding one. The Council should revisit whether this dual role remains appropriate.	The proposed restructure separates the S151 officer role from the Chief Executive role and moves it to a new post of Director of Corporate Resources. This will also provide some additional capacity in response to the point raised above.	1 April 2014