

Cherwell District Council

Budget Planning Committee

25 October 2022

Financial Management Code – Forecast Self-Assessment Update

Report of Assistant Director of Finance and S151 Officer

This report is public

Purpose of report

To update the Committee on the Council's forecast self-assessment position at February 2023 against the requirements of CIPFA's Financial Management Code.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the Council's forecast self-assessment position at February 2023 against the requirements of CIPFA's Financial Management Code.

2.0 Introduction

- 2.1 The Financial Management (FM) Code was introduced by the Chartered Institute of Public Finance and Accountancy in 2019 in the context of increasing concerns about the financial resilience and sustainability of local government. The FM Code clarifies how Chief Finance Officers should satisfy their responsibility for good financial administration as required in Section 151 of the Local Government Act 1972.

3.0 Report Details

- 3.1 As part of setting the Council's budget each year the Section 151 Officer must prepare a Section 25 Statement to consider the robustness of the budget and the Council's finances. The February 2022 S25 assessment included an opinion of how prepared the Council was for the adoption of the FM Code; the conclusion was that the Council was in a good position to comply with all areas of the FM Code.
- 3.2 Since the self-assessment was last updated in October 2021, the Council's external auditors have introduced a Value for Money assessment as part of the annual audit. This significantly bolsters Section 1A of the CIPFA self-assessment as the auditor's conclusion was that the Council does provide value for money.

- 3.3 Section 2 of the self-assessment relates to Governance and Financial Management Style. The evidence for compliance with this section has previously relied upon the existence of the Corporate Governance and Assurance Group (CGAG). CGAG was formed during our partnership with Oxfordshire County Council (OCC) to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and monitoring against the Action Plan.
- 3.4 Since the decoupling from OCC, a new Cherwell-specific process will be implemented. Work is underway to develop a CDC-only process that will report into the Corporate Leadership Team (CLT). This will ensure that the Council continues to produce the AGS and effectively monitor against the Action Plan approved in 2021/22.
- 3.5 Section 3 of the self-assessment relates to Long to Medium-Term Financial Management. Since the last self-assessment, the Council has expanded its capital programme from three to five years to be in line with the revenue medium-term financial strategy and mechanisms for monitoring against approved savings proposals have been introduced.
- 3.6 Section 6 of the self-assessment relates to Monitoring Financial Performance and actions have been taken since February to enhance the capital reporting and regular reporting of aged debt.
- 3.6 The Council considers that, once processes previously carried out jointly are effectively incorporated and reported into CLT in the coming months, then it will continue to fully comply with all aspects of the FM Code which will be reflected in the assessment when setting the budget in February 2023. The Council will always drive continuous improvement and look for ways to improve. Some of these are identified in the Council's self-assessment at Appendix 1.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Council considers that it will continue to be fully compliant with all aspects of the FM Code when the budget is set in February 2023

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 There are no alternative options.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Joanne Kaye, Strategic Finance Business Partner, 01295 221545,
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Legal Implications

7.2 There are no legal implications arising directly from this report.

Comments checked by:

Shahin Ismael, Interim Monitoring Officer
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Risk Implications

7.3 There are no risk implications arising directly from this report.

Comments checked by:

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Equalities and Inclusion Implications

7.4 There are no equalities implications arising directly from this report.

Comments checked by:

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8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

N/A

Document Information**Appendix number and title**

- Appendix 1 – FM Code Self-Assessment

Background papers

None

Report Author and contact details

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