



Report to Executive

Meeting Date – 17 September 2024
Key Decision – No
Public/Private – Public

Portfolio – Governance and Transformation
Directorate – Resources
Report Author – Chief Executive

Title – External Assurance Action Plan

Brief Summary:

As part of the Council's request for Exceptional Financial Support in 2023/24, an external assurance review was carried out by CIPFA to provide assurance over the financial position of the Council and that all reasonable steps were being taken to minimise the need for government support. The action plan produced by CIPFA on behalf of DLUHC (now MCHLG) is attached together with draft proposals.

Recommendations:

It is recommended that the Executive:

- a) considers the attached proposals; and
- b) makes such recommendations as it thinks appropriate for onward consideration by Council.

Tracking

Executive:	17 th September 2024
Scrutiny:	n/a
Council:	27 th September 2024

1. Background

- 1.1. Prior to Local Government Reorganisation, the Shadow Authorities for Cumberland and Westmorland & Furness Councils each made application to Central Government for Exceptional Financial Support for their first year of operation to fund transformation and transition costs. Cumberland Council received in-principle capitalisation of £40M in 2023/24.
- 1.2. Conditional on that support was the Council agreement to an external assurance review being carried out to provide assurance over the financial position of the Council and that all reasonable steps were being taken to minimise the need for government support.
- 1.3. CIPFA was instructed to carry out the review, to include an assessment of planned transformation activity, a review of the Council's overall financial management and sustainability, a review of the Council's Capital Programme and identification of any further actions which might support delivery of financial benefits and long term sustainability following unitarisation. CIPFA was also asked to give recommendations to provide the Council with tangible actions to guide the design and implementation of an Improvement Plan to address any identified risks and/ or issues.
- 1.4. In order to complete the task, representatives of CIPFA looked at the challenges faced by Cumberland from the service performance of legacy councils, assessed the Council's assets and investments, capital programme and arrangements with Local Authority Owned Companies, and considered the Council's financial management and management of risk, financial pressures, deliverability of savings and efficiency in delivering services. Taking all of this into account, then to make an assessment of the Councils (then) current need for Exceptional Financial Support.
- 1.5. The work was done by way of desktop analysis of documentation, comparative analyses of issues such as revenue spend and indebtedness in relation to nearest neighbour authorities and interviews. Interviews were carried out in Autumn 2023 with the following:
 - Chief Executive
 - Chief Finance Officer
 - Chief Legal Officer
 - Director of Resources
 - Director of Business Change and Transformation
 - Assistant Chief Executive
 - Group Accountant
 - Group Accountant (People Services)

- Group Accountant (Corporate incl Capital)
 - External Auditor
 - Head of Internal Audit
 - Leader of the Council
 - Chair of Audit Committee
 - Portfolio Holder (Finance and Assets)
 - Leader of the Opposition
- 1.6. Members should note that the recommendations were not shared with the Council until late May 2024, by which time a number of the actions had already been completed, having been recognised by Officers in any event as being necessary.
- 1.7. There were also a number of factual errors within the recommendations, however, these are not such as to make a material difference and, in light of the lateness of receipt, have not been corrected with CIPFA.

2. Proposals

- 2.1 As a result of the recommendations, an Improvement Plan has been prepared and is attached at Appendix 1.
- 2.2 The Improvement Plan attached at Appendix 1 sets out those steps which have already been taken and those which are proposed in order to address the remaining recommendations and thereby put the Council in the best possible position to continue its transformation journey.
- 2.3 Members will note that an independent Improvement Board has been established and the Terms of Reference are attached at Appendix 2. The first meeting of the Board is planned to take place later this month.

3. Alternative options considered

- 3.1. Members may consider that some of the steps proposed are not necessary, however, should note that this will jeopardise any future requests for Exceptional Financial Support the Council wishes to submit. The recommendations are best practice by CIPFA and Officers are supportive.
- 3.2. Alternatively, Members may have suggestions for further improvement. The Action Plan will be considered by Council at its meeting on 27th September and, therefore, Members are able to make such proposals.

4. Conclusion and reasons for recommendations

- 4.1 It is recommended that the Executive:
- a) considers the attached proposals; and
 - b) makes such recommendations as it thinks appropriate for onward consideration by Council.

Implications:

Contribution to the Cumberland Plan Priorities - It is important that the Council engages with members of the public and Councillors ensuring transparency and clarity across the whole Council to enable it to deliver the Council's Priorities.

Relevant Risks and explain how risks can be mitigated -

Consultation / Engagement -

Legal – included within the body of the report.

Finance – included within the body of the report and the appendices

Information Governance – There are no information implications arising out of the recommendations in the report.

Impact Assessments –

Have you screened the decision for impacts using the Impact Assessment?

If you have not screened the decision using the Impact Assessment, please explain your reason. The proposed changes to the petitions scheme do not raise any impacts. If the public participation scheme is to be reviewed an analysis will be carried out at that point.

Lead Officer Contact details:

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Background papers:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

Cumberland Constitution - [Cumberland Council \(moderngov.co.uk\)](http://moderngov.co.uk)

Appendices attached to report:

- Appendix 1 – Improvement Plan
- Appendix 2 – Terms of Reference for Improvement Board

Recommendation	Recommended Due Date	Actions & Mitigations already completed	Further actions required
<p>1 - The Council should ensure that there are service plans in place for the start of the 2024/25 financial year and should institute formal performance reporting at least quarterly to the Executive.</p>	<p>March 2024</p>	<p>Service planning process to be incorporated into Strategic Budget Planning, Budget recovery, improvement planning and transformation planning given the significant overlap and interdependencies.</p> <p>On 12th February 2024 email sent to Directors and ADs with request for:</p> <ul style="list-style-type: none"> • service reviews, transformation plans, in year efficiencies and improvement plans be quality checked. • a robust assessment of draft plans be undertaken within DMT and to utilise ELT to facilitate peer challenge in respect of <ul style="list-style-type: none"> ○ delivery of planned savings and expenditure/ investments ○ delivery of relevant transformation programmes ○ delivery of activities in the corporate delivery plan and overall contribution to the delivery of the Council Plan and TOM • identification of key interdependencies and opportunities for collaboration • fit with any other overarching directorate priorities • key business partners to be included i.e. finance, HR, PMO, strategy and policy <p>Awarded £5m Health Determinants Research collaboration to improve approach to public health</p> <p>Internal Governance established to track progress (Improvement and Efficiency Board, Audit and Assurance Board, SLT)</p> <p>Performance against Council Plan is formally reported quarterly to Executive</p> <p>Directors' Performance Clinics take place quarterly with Chief Executive and Executive</p> <p>Performance management of a key under-performing public health contract (Healthy Child Programme) substantially enhanced. Service now being recommissioned. System improvement board also</p>	<p>Significant progress made in Children's performance with reduced number of children looked after but further actions required to look at SGOs, fostering and adoption arrangements, project approved to scope and deliver against this.</p> <p>Practice is good but requires further focus on prevention.</p> <p>Early help strategy agreed and endorsed by Executive in July 24, Family hub launched in West Cumbria.</p> <p>New model for Early help and prevention, including significant costs reductions agreed by executive, to progress to implementation, service now being recommissioned.</p> <p>System improvement board also established to support substance misuse service contract.</p> <p>Enhanced assurance function for PMO including benefits realisation recruitment has had funding agreed and is being progressed urgently.</p>

established to support substance misuse service contract.

Monthly transformation strategic programme panel (SPP), chaired by Director of Business Transformation and Change, reviews any new transformation activity proposed and monitors progress of delivery across all elements of the transformation programme panel. This arena also includes assessment of and authorisation of any new proposed capital programmes and monitors progress against existing capital programmes.

Detailed transformation and improvement programmes and projects have been developed to address the areas identified as performing poorly, including:

- Reduction in agency workforce
- Development of overseas recruitment
- Improvement of the social work academy
- Development of a more effective efficient model for SEND and HTS transport
- Reviews of existing CLA and quality and VFM of existing placements
- Development of better quality more cost-effective models of care for CLA
- Development of an integrated approach to prevention and early help initially across PH and Children's services
- Recovery of contributions to care by NHS partners

The transformation plan remains under constant monitoring and review. Each transformation programme/theme has a dedicated SRO, Programme Manager and wider PMO support. This ensures consistent approach to driving delivery of improvement and efficiency and the ability to monitor individual strands and progress of the wider Council transformation plan as a whole.

<p>2 - The council should refocus its budget in the areas where costs are above average against its nearest neighbours or where significant pressures are being observed with the aim of generating savings that can address the budget deficit or be re-invested in the areas of Education, Adult and Children's Social Care and Public Health.</p>	<p>March 2025</p>	<p>As a new unitary council we need to develop our cost bases and understand our comparison with other similar unitary authorities.</p> <p>The Public Health Grant is one of the lowest per head in the country at less than 75% of the national average allocation despite above average levels of deprivation and need. There is no mechanism to address this on a sustainable basis locally, though negotiations are underway with NHS partners to recognise and reallocate the theoretical NHS investment in NHS provided public health services commissioned by the Council</p> <p>For 2024-25 significant uplifts in Children Services budget have been approved which is being paid by significant savings in various services</p> <p>ASCH currently working with the ICB to transfer funding responsibility for General Domiciliary Care to the ICB. This has now been agreed in principle with new funding coming from health elements of Discharge Fund. Current cost to the Local Authority is approximately £1.3m.</p> <p>Regular benchmarking and market analysis of the costs of externally provided services across all people focussed services is participated in from a Strategic Commissioning perspective. This is reflected in our market management approaches and our tailoring of prices to reflect the super rural nature of some of our service delivery.</p> <p>A comprehensive service review process was undertaken across the organisation in October 23 for 24/25 budget. This delivered potential savings of 17m. 13m of those have been fully delivered and are part of the ongoing budget management process. That process is available if needed for 25/26 budget setting.</p>	<p>External partner commissioned to conduct bench marking analysis of commercial opportunities</p> <p>Related piece of work to identify high performing/outlying areas to learn from best practice in our approach to fees and charges</p> <p>Ongoing dialogue with CIPFA and LGA to develop comparator data</p> <p>Ongoing dialogue with NHS to secure appropriate levels to secure contributions to complex care packages.</p>
<p>3 – The Council should undertake an overview of the needs of the area to complement its Council Plan and serve as a guide to prioritise around risk and</p>		<p>As part of the Council Plan delivery plan, commitment to developing a Cumberland Community Vision and Strategy by working closely with our communities to et out a shared long-term vision for our area.</p>	<p>An evidence base will be developed to inform this work. The work is programmed to be completed March 2025.</p>

<p>vulnerability and the future outcomes it hopes to achieve</p>		<p>Significant qualitative data has begun to emerge as a result of large-scale consultation in some key under pressure service areas - prevention and early intervention, support at home for vulnerable adults.</p>	<p>Old data sets from a former sovereign authority perspective need to be refreshed and adapted for use.</p> <p>A data maturity assessment by an external specialist provider to expedite this matter is now underway.</p>
<p>4 – The Council should introduce a budget recovery plan with oversight from a Recovery Board and immediately freeze all non-essential revenue and capital spending. The plans needs to be supported by external expertise</p>	<p>Dec 2023</p>	<p>We are aware of the financial challenges facing us and have taken a number of steps to address this:</p> <ul style="list-style-type: none"> • Engaged with CIPFA to engage additional expertise/ S151 support to develop 2024/25 budget process • Budget mitigations plans put in place and reported on in Q2 monitoring to Executive (Dec 23) and Q3 monitoring to Executive (March 24) • Forecast adverse variance after mitigations reduced from £18m to £0 • Mitigations included reviewing Treasury management, borrowing and investment, reviewing capital programme financing options and minimising contributions to specific reserves. • Also reviewed vacancy position and introduced recruitment freeze • Introduced Gateways in adults and children's services to ensure control, visibility and awareness before commitment to care package • An improvement and efficiency board and an assurance and efficiency board has been established that includes 151, Chief Executive, Director of Transformation and Change, Director of Resources. Both boards meet weekly to assure SLT that service savings and transformation plans are on track. 	<p>Implement the Improvement panel- first meeting in September – to oversee recovery made to date and further improve longer term financial sustainability.</p>
<p>5 - The Council's budget consultation exercise should focus on seeking the public's view on how a balanced budget for 2024/25 should be achieved and recognise that any improvement in service delivery will have to be deferred until a balanced budget has been delivered.</p>		<p>Budget Consultation took place between December 23-Jan24.</p> <p>Consultation explained current budget proposals and set out the need to create more sustainable financial position and that we were developing a transformation plan</p> <p>Council Priorities set out and performance statistics included</p>	<p>Implement recommendations from improvement panel.</p>

		<ul style="list-style-type: none"> • Residents/ Businesses asked for views on: <ul style="list-style-type: none"> ○ Approach to transformation ○ Whether we are prioritising resources in the right areas ○ Suggestions for how we make further savings, and ○ Council tax proposals including second homes <p>Detailed strategic planning session with Executive took place in July 2024 incorporating budget consultation and transformation planning</p> <p>A detailed transformation plan over 23-2027 is now in existence and is consistently reviewed and refined, informed by and integrated with budget monitoring and forecasting.</p>	
<p>6 - The Council should suspend its Transformation programme until it is confident of achieving a balanced budget. Unless any current transformation projects definitively assist in that, this should form part of the Budget Recovery plan</p>	<p>Jan 2024</p>	<p>Financial sustainability is the joint second highest scoring corporate risk along with Children’s and Adults (risk factor 20). Will review scoring at Outturn.</p> <p>Financial sustainability held at this level as the Authority was by then engaging with DLUHC around the continuing need for EFS.</p> <p>Demand on Children’s and Adults services was the biggest causal factor in the financial sustainability risk and carries an additional safeguarding risk.</p> <p>It was felt that Cyber security was an even higher risk (risk factor 25) because the Council, as a new authority with various IT systems is a target for cyber criminals. This will be revisited.</p> <p>The Council recognised the risk and budget mitigations for 2023/24 were implemented to address the non-delivery of the transformation savings in that year. The budget mitigations have laid the groundwork for transformation from 2024 onwards.</p>	<p>The transformation programme, financial sustainability, budget recovery continue to be progressed through the aforementioned governance.</p> <p>The 151 Officer will meet monthly with Directors to review their budget, identify any issues and develop mitigations. Allowing them to have a full view of issues and risks that can then be escalated as needed in the organisation.</p> <p>All transformation activity is with a view to deliver improvement and effectively permanently reduce demand for our reactive services, generate efficiency, improve outcomes and deliver a financially sustainable organisation.</p> <p>It is and has always been closed linked to the budget process. The primary strategic objective of the Council’s transformation plan is to secure the long-term financial sustainability of the council.</p>

		<p>The Section 151 Officer noted in March 2024 in her s25 report that 23/24 was imperfect, being risk based and recognised the material change in the risk profile of the 23/24 budget</p> <p>S151 Officer identified financial planning uncertainty due to LGR and effects of disaggregation in the former County Council</p> <p>To deliver the efficiencies required, the s151 Officer set out need to undergo service transformation and to seek EFS.</p> <p>S151 officer advised that the financial sustainability of the Authority was vested in the success of the transformation programme and securing EFS. We have put strong governance and transparency of progress and reporting and requires members to make difficult decisions about service modernisation, use of automation and reduction of head count, assets utilisation and rationalisation in order to ensure financial sustainability.</p> <p>The authority has worked with CIPFA and reviewing progress and has set up an independent panel</p> <p>The position has improved in Q2 and Q3, Q4, suggesting that the measures implemented are having effect although we recognise there is work to do.</p>	<p>The appointment to the assurance roles, development of this function, will ensure that the focus of transformation programme remains aligned to the longer term financial sustainability aims of the organisation, including a removal of the reliance on short term wins or funding opportunities.</p> <p>This needs to be achieved via longer term demand reducing and more cost effective sustainable services and will form a key part of the 24/25 budget process.</p>
<p>7 - The budget recovery plan should include a review of Sales, Fees and charges with the aim of increasing the yield the council achieves to at least the unitary council average</p>	<p>March 2025</p>	<p>The council harmonised many inherited fees and charges as well as applying an inflationary uplift.</p> <p>More harmonisation was to be completed once policies had been harmonised, and has now been done</p> <p>Significantly, the largest fees and charges come from Adult Social care and the Council is moving to a full cost recovery of care model relating to its in house service delivery and increased charges for self funders for residential care by up to 20%</p>	<p>Budget Consultation asked whether respondents would support increase in fees and charges and asked for comments on approach.</p> <p>Additional full cost recovery charges for other areas of in house provision will also be developed.</p> <p>External review being commissioned in 2024/25 which will consider Councils position as against nearest neighbours, how charges can be maximised</p>

		<p>Whilst the narrative focuses on the level of charges only – it does not consider the cost of delivering the service or the level of demand for the service. Many charges are by law on a cost recovery basis.</p>	<p>and whether the council's commercial approach is optimised to deliver financial sustainability.</p> <p>Within the Improvement and Efficiency transformation programme is a specific project to review and re-set fees and charges based on a fully costed model to maximise costs recovery, increase yield and to explore opportunities to introduce charges for discretionary services to generate additional revenue income.</p>
<p>8 – The Council faces an indeterminate risk from the Equal Pay claim lodged against the Council by employees of the former County Council</p>		<p>Council has engaged Kings Counsel to advise and to vigorously defend claims</p> <p>First stage defence hearing likely to be 2026 - robust defence of claim is in progress.</p>	<p>Advice is being sought to ensure Council is fully apprised of every option to proceed with the lowest risk possible to existing EPC whilst simultaneously reducing our risk of future EPC by engaging in a robust programme of organisational redesign.</p> <p>Outturn position for 24/25 establishes a contingency in this regard.</p>
<p>9 -The Council should call a special emergency council meeting or ensure a full briefing at forthcoming Executive of full council to provide the opportunity for the Chief Executive to lay out the full implications of the council's financial situation for all members and set the scope for the Budget recovery plan</p>		<p>Full day Executive Budget Review Group was held on 27th November 2023 with SLT/ Executive</p> <p>S151 / MO attended LGA round table event on financial sustainability and took part in a round table event with other councils before bringing back lessons learned</p> <p>30th November S151 began discussion with DLUHC re application for EFS 24/25</p> <p>18th December Improvement and Efficiency Board established</p> <p>18th December pre briefing Labour Group</p> <p>19th December Informal Executive Budget and Transformation plan</p> <p>Business and Resources Overview and Scrutiny meeting to consider budget proposals</p> <p>20th December Budget Consultation Board with Opposition Leaders</p>	<p>External Assurance Review will be reported to full Council</p> <p>Continue to adhere to strategic planning timeline agreed at joint session in July 24</p>

		<p>Full briefing provided to Executive and Council including opinion of s151 officer as to robustness of financial position as part of 2024/25 budget setting process and budget approved in March 2024.</p> <p>Independent Board has been set up – we have identified Terms of Reference and required roles with individuals appointed</p> <p>Regular sharing of both transformation progress and budget monitoring information shared with individual members and Executive as a whole.</p> <p>Early engagement with Executive Members in May/June 2024 to propose a timeline of strategic briefings, financial monitoring, budget reporting, review groups and 2025/26 budget setting processes in respect of both revenue and capital budgets.</p>	
<p>10 – Clarity needed around transformation plans which are (at time of report) undeveloped given the newly established Council’s lack of track record in making savings.</p>		<p>Since recommendations made, the transformation programme has been developed and continues to be closely monitored and reviewed.</p> <p>LGA input on our approach to transformation has been secured and engaged in by SLT and ELT members.</p> <p>Clear transformation vision statement developed and owned by SLT, ELT and Executive Three clear transformation themes established</p> <p>Portfolio of programmes approach established and delivering</p> <p>Eight overarching transformation streams established and delivering across all areas with a specific focus on those areas with greatest budget pressures and areas of improvement.</p> <p>Individual project plans for activity under each transformations streams. Regular scrutiny on a weekly basis of the 8 strands at an overview and individual project level via established assurance and efficiency and improvement and efficiency governance mechanisms.</p>	<p>Assurance function, benefits realisation function in development, recruitment ongoing.</p>

		<p>Transformation is linked to Audit and Assurance Board monitoring of progress against forecast transformation savings occurs both formally and informally. SLT via SPP meets monthly to consider escalated issues and to have general oversight of proposed new activity and the delivery of existing plans.</p> <p>Project development documentation is regularly reviewed and updated through the gateway review process.</p> <p>Where appropriate, external support with industry-specific and technical expertise is brought onboard to develop scope, deliverables and project plans to identify and track savings. Strategic partners and consultancy support on adults transformation, customer and pre-front door, organisational design, waste services transformation etc.</p>	
<p>11 – the budget is likely to be significantly overspent and further predicated growth will create greater need for controls</p>		<p>See above re Budget Mitigation actions and subsequent monitoring reports to Executive for Q2 and Q3 – Q4 which reports significant reduction in the forecast overspend from £18m to £5m to £0m</p> <p>The disaggregation of the County Council and the close down of the 2022/23 accounts and transfer of opening balances has had a significant impact on the budget monitoring.</p> <p>Moving forwards – a clear timetable for production of monthly management accounts with oversight of DMTs and SLT and Executive has now been agreed.</p> <p>This will be further developed to focus reporting and monitoring on key budgets and savings.</p>	
<p>12 – the council should plan to maximise its Council Tax income over the medium term</p>		<p>Agree – and our budget strategy sets out the importance of maintaining and protecting the council tax base, and maximising our council tax</p> <p>To this end, we have already maximised the council tax charge and base as far as possible.</p>	<p>Review Council Tax Reduction scheme as part of future budget planning process</p> <p>Budget planning assumption is that council tax will increase by max before referendum.</p>

		<p>2023/24 Budget Council agreed to harmonise Council Tax across former district areas and to increase by maximum</p> <p>2024/25 Budget Council agreed to increase Council Tax by maximum.</p> <p>The report notes that council tax income relative to NRE has reduced from 68.75% in 2021/22 to 46.8%. We show social care grants as General Funding, others do not, and this impacts the balance.</p> <p>As part of LGR we advised Centra Government that Cumberland has 55% of the population of Cumbria but only raises 50% of Council Tax due to the way the Council Tax base is calculated. There is no mechanism for addressing this locally without a fair funding review which has been delayed.</p>	<p>Consider increasing by the max above referendum.</p> <p>Implement second home council tax discount scheme.</p>
<p>13 - The Audit Committee should ensure it has the arrangements in place to challenge the Executive and there should be a strong independent presence on the committee</p>		<p>February 2022: Independent member recruited and appointed to Audit Committee. The Council's Constitution already provided that the Audit Committee would comprise elected members and a non-voting independent member as best practice. An advertisement was placed towards the end of 2023 and interviews held in February 2024. The appointed independent person has a strong background and provides valuable independent contribution</p> <p>Chair of Audit Committee has discussed with Executive Members that relevant portfolio holder will attend Committee meetings and Audit recommendations will be formally reported to Executive meetings with Audit Chair invited to attend</p> <p>Vice Chair is from an opposition party to ensure challenge.</p>	
<p>14 - The position of finance should be strengthened and the "golden triangle" of statutory officers created to ensure a full role in corporate leadership on the issues</p>		<p>S151 Officer working closely with CIPFA. Resourcing requirements of BAU finance team and BAU legal team ongoing. Significant recruitment campaign for finance team undertaken. A number of appointments made at less senior level but additional capacity required at senior level to support transformation programme.</p>	<p>Fortnightly statutory officer meeting.</p> <p>Additional assurance capacity has been agreed and is being recruited to.</p> <p>All outstanding vacancies have been authorised to recruit to and proactive</p>

		<p>There is a statutory officer meeting scheduled and going forward improvements to agenda planning and actions</p> <p>Attendance at SLT/ strategic planning sessions</p> <p>A clear plan for the 2024/25 financial reporting has been agreed with SLT</p> <p>The budget planning process for 2025/26 has been drafted and the PH Finance is reviewing governance arrangements.</p>	<p>recruitment is taking place given the hard to recruit nature of the roles.</p>
<p>15 - There should be a review of the roles of the statutory officers and the capacity of the finance function to ensure it can deliver the financial support the Council needs in a timely way and identify appropriate investment in the team where necessary</p>		<p>The Chief Executive will be reviewing the work on Our Future Cumberland and will review all Chief Officer and statutory officer roles to better understand if any changes are required.</p>	<p>The Chief Executive will be reviewing the work on Our Future Cumberland and will review all Chief Officer and statutory officer roles to better understand if any changes are required.</p>
<p>16 – there is a limited risk from the incomplete accounts of one of the former councils</p>		<p>We have extended temporary resource to complete the former Council's accounts</p> <p>Timetable in place and discussed with external audit</p> <p>Confirmation from DLUHC regarding audit requirements/ backstop date.</p>	<p>Prioritising resource to complete outstanding legacy accounts, including securing temporary additional resource.</p>
<p>17 - Performance management should be reviewed for its relevance and value in decision making. The focus of and reporting to the Executive should be standardised and regularised.</p>		<p>The Council's Performance Management Framework was agreed by the Executive on 11th January 2024 alongside the Council Plan Delivery Plan. The performance report is considered by the Executive quarterly and contains a range of corporate key performance indicators.</p> <p>Quarterly performance clinics are held between relevant Portfolio Holders and Directors alongside the Leader and Chief Executive. These sessions allow for a deeper dive into directorates performance and financial position.</p>	<p>Performance clinics have all identified an issue with reliable sickness absence data. We are now in a position that we can report sickness levels to Directorate level. Although this has some manual intervention due to data been stored on different systems this is a significant step forward.</p> <p>The council is currently implementing preventive measures within the Adult Social Care Directorate by a future offer of tailored physio support as a 6-month pilot to focus on musculoskeletal conditions. We anticipate further initiatives taking place as we continue to analyse our data</p>

			<p>and implement preventive measures to tackle root causes of high-level absenteeism.</p> <p>Work is in progress to develop an absence management policy which will include a robust return to work procedure for Cumberland Council.</p> <p>The wellbeing strategy has been completed and the initiatives identified within the delivery plan will be implemented and instrumental on creating a healthy workplace and ensuring health and wellbeing is at the heart of what we do.</p> <p>Work is already undergoing in respect of embedding mental health first aider training and health advocates with the Council.</p>
<p>18 - We would strongly recommend that the Council completes its review of the capital programme and the need for additional borrowing before it sets its revenue budget for 2024/25 with a focus on reducing the future burden on the revenue budget.</p>		<p>2024/25 budget mitigations included review of treasury and borrowing costs.</p> <p>October 2023: Q1 finance report; December 2023: Q2 finance report; and March 2024: Q3 finance report taken to Executive. Capital monitoring included and part of mitigations to reduce pressure on revenue fund (temporary)</p> <p>2024/25 Capital Budget review approved as per previous legacy council programmes. Review currently underway and scheduled for approval July 2024 with new AMP</p> <p>Capital Strategy at Council July 2024. Capital programme review to be completed and agreed with members at that time.</p>	<p>Capital outturn for 23-24 and carry forwards will be approved by executive in September and Council in October.</p> <p>24-25 has been reprofiled .</p> <p>Further review and capital programme adjustments to be managed quarterly, with Q1 revised capital programme in September 2024, including removal of un-committed borrowing and non-priority projects to remove revenue implications of capital programme.</p>
<p>19 - The review should include reviewing the management of the programme and the need for investment in capacity</p>		<p>Capital Investment Strategy at Council July 2024.</p> <p>Reprofiled Capital programme review to is completed and will be approved by Executive in September 2024.</p>	<p>See above</p>

<p>20 - Work on the matching of the existing loans portfolio to the Council's borrowing needs to be completed in the short term; also determining the appropriate MRP calculation</p>		<p>Treasury Management Strategy approved by Full Council March 2024 including MRP policy</p> <p>MRP calculations done based on calculations available at the time, still provisional as subject to confirming opening position</p> <p>Debt portfolio mapped out</p>	
<p>21 - The Council should take on no further borrowing until the Council can demonstrate that it can balance its budget over the medium-term period.</p>		<p>The s25 report to Council in March 2024 makes it clear that there is a need for EFS, which involves additional borrowing, but it is critical that capital receipts are generated which will fund ongoing transformation</p>	<p>Any future borrowing would be as set out in our MTFS and treasury management strategy.</p>
<p>22 - The Council should ensure it robustly reviews its earmarked reserves and investments to increase the General Balance reserves and address pressures</p>		<p>Agreed. Section 25 report makes it absolutely clear that Authority needs to show commitment to maintaining reserves for covering high levels of uncertainty around delivering transformation.</p> <p>As part of budget setting process we reviewed the reserves. This is still ongoing as part of outturn. EFS application (£10M) made partly to protect reserves.</p> <p>The recent sale of CWM has increased reserves by £7m</p>	<p>Monthly review of position relating to reserves.</p>
<p>23 - The Council should recognise that its 2024/25 budget is unlikely to be balanced given the confidence in delivering savings, the limited reserves to cover any shortfall and other uncertainties the Council must make provision for. If the Council seeks further use of Exceptional Financial Support, it should ensure that this is managed by an adequately experienced and resourced Recovery Board.</p>		<p>EFS application made. 'Minded to' received from minister with conditions. We began dialogue with DLUHC following review and created transformation plan. Brought in external capacity to create headspace to balance budget.</p>	<p>Capacity into finance team is progressing to facilitate</p> <p>Terms of Reference for Independent Improvement Board agreed and members appointed - to commence in September 2024.</p> <p>Programme assurance and benefits realisation roles will ensure success of our approach to 25-26 and beyond.</p>
<p>24 - The Council should prepare an asset disposal plan to generate capital receipts in the short term.</p>		<p>AMP will define the future use of key buildings, once agreed at executive in July a property rationalise programme can be defined</p> <p>Disposals is one of the key workstreams detailed in the Asset Strategy, of those workstreams disposals and office rationalisation have been prioritised and</p>	<p>A clear list of assets to be disposed is in preparation, including a high value list for prioritisation given the £15 million disposal target. An options appraisal on methods to effect swift asset disposal is also in preparation with a target date of October 24 for Executive endorsement.</p>

accelerated. We have recently recruited a permanent Assistant Director for this area with specific experience and skills in both. The asset team is being set up in order to deliver those outcomes at pace. We need to caveat that with an appreciation of market conditions and the desirability and quality of some key buildings. However, there are significant opportunities, and it is the number 1 priority for the assets service.

A specific transformation programme has been established to rationalise assets and fleet, including a review of corporate estate, office accommodation, depots and surplus land assets, to be informed by the Asset Management Strategy and AMPs.

Cumberland Council

Improvement Panel

Draft Terms of Reference

Purpose

1. The purpose of the Panel is:

- To provide external advice, challenge, and expertise to Cumberland Council in driving forward the development and delivery of their Budget Improvement Plan;
- To assure key stakeholders, including Government, Executive, External Auditors, Audit Committee/Scrutiny (whilst not accountable to them) about progress in delivering necessary Improvement Plan actions;
- To provide regular progress reports to the Council on the Budget Improvement plan and Transformation delivery; and
- Seek assurance that key decisions are made cognisant of the financial implications and impact on in-year budgets and the long term MTFS.

2. This will involve:

- Providing regular advice, challenge, and support to the Council on the full range of their financial improvement activities and on delivery of the recommendations in the CIPFA/Government report.
- Regularly monitoring progress against key target improvement indicators, to ensure financial sustainability of the Council is achieved in XX years.
- Working together across specialisms, acknowledging and challenging key dependencies with a collegiate approach to identifying, managing and resolving risk.
- Exploring key issues in detail through deep dives and specially commissioned pieces of work and through workshops.
- Ensuring key decisions are made cognisant of the financial implications and impact on in-year budgets and the long term MTFS.

Meetings

3. Initial Improvement Panel meetings will be held in person on a monthly basis, commencing in September 2024. This will be the subject of regular reviews to ensure

appropriate expertise and impact. The first review will take place after the Council's February 2025 budget report. Panel meetings will be held in private with minutes produced also to be private. The Panel will produce reports to Council which will be in the public domain.

Membership

4. Improvement Panel will comprise:

- Independent Chair – Rob Tinlin (former CEX at Southend).
- Independent External Member – Aidan Dunn (Dorset) - TBC
- Independent External Member (Childrens) - Sally Robinson (Hartlepool)
- Independent External Member (Adults) - Jane Robinson (Durham)
- Independent External Labour Councillor – Cllr Sir Stephen Houghton (Leader – Barnsley)
- Independent External Conservative Councillor – Cllr Richard Clewer (Leader – Wiltshire)
- LGA Regional Representative – Dan Archer
- Leader of the Council – Cllr Mark Fryer
- Chief Executive of the Council – Andrew Seekings
- Deputy Leader (Statutory) and Adults and Community Health Portfolio Holder – Councillor Lisa Brown
- Non Statutory Deputy Leader and Children's Services, Family Wellbeing and Housing Portfolio Holder (Statutory Lead Member for Children's Services) – Cllr Emma Williamson
- Financial Planning and Assets Portfolio Holder - Councillor Barbara Cannon

5. Additional independent external members may be appointed to the Panel in the future if required.

6. Key Officers will attend the Panel meetings as and when required.

Wider Local and Political Engagement

Interaction with Corporate Governance

7. The Improvement Panel will work closely and in concert with the other Governance arrangements across the Council.

Costs and Support

8. The costs associated with the Improvement Panel will be met by Cumberland Council (possibly with support from the LGA).

9. Independent Panel members may need to be paid a fee for their work. The fee will be paid on a personal basis.

10. Panel members will need to work flexibly as the demand of the role requires. However, Cumberland Council may wish to agree in advance the number of days advice to be provided by each panel member over each twelve month period.

11. The Panel will be supported by the Council's programme office to ensure that the overall Improvement plan is proactively tracked, kept up to date and that issues and risks are managed on a day to day basis through officers.