



Response to VfM Conclusion

January 2025

SCC Action Plan - Financial Sustainability Recommendations

Key questions:

- How will the body ensure that it identifies all the significant financial pressures that are relevant to its short and medium term plans and builds these into them.
- How the body plans to bridge its funding gaps and identifies achievable savings

2022/23 VFM Recommendation	2023/24 VFM interim findings	Further progress
Consider all options for savings to reduce the pressure on reserves and set a balance budget	The Council still requires EFS to balance the budget for 2024/25, they cannot identify sufficient savings to bridge the gap in the short term therefore have not demonstrated sufficient action to remove the designation of significant weakness at this stage	The Council will be setting a balance budget in 2025/26 following a significant reduction in the amount of EFS required for 24/5. This is mainly due to strengthened financial management and the implementation of transformation programmes.
Savings need to be supported by robust delivery plans and monitored closely to ensure that they are achieved within planned timeframes.	The Council has improved significantly in this area – achieving £37.26M (93%) of planned savings in 2023/24	The Council has developed business cases and delivery plans for each saving proposal alongside a robust programme governance arrangements for delivery.
The Council needs to demonstrate that it can operate within its planned budget and control its expenditure, across all services.	No direct update	The Council is reporting a positive financial position that allows us to reduce the requirement for Exceptional Financial Support A number of measures have been introduced to strengthen this area. <ol style="list-style-type: none"> 1. Accountability Statements 2. Budget Review Group chaired by the Chief Executive 3. Monthly reporting

SCC Action Plan - Financial Sustainability Recommendations

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- How will the body ensure that it identifies all the significant financial pressures that are relevant to its short and medium term plans and builds these into them.
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2022/23 VFM Recommendation	2023/24 VFM interim findings	Further progress
A transformation plan to underpin savings into the medium term needs to be developed	The Council has developed a transformation plan to bridge the budget gap in the long term, this includes 28 programmes to generate savings for the Council. These are supported by outline business plans at varying stages of completion	Phase 2 of this plan is currently being developed to continue the transformation work and culture change programme.

SCC Action Plan – Governance Recommendations

Key questions:

- How the body approaches and carries out its annual budget setting process

2022/23 VFM Recommendation	2023/24 VFM interim findings	Further progress
<p>The Council needs to ensure that it holds officers to account regarding delivering services within agreed budget.</p>	<p>we do consider that the Council has made sufficient progress in bringing the 2023/24 outturn under control that the significant weakness no longer governance</p>	<p>The processes detailed previously need to be embedded in the coming year with the new Chief Executive</p>
<p>Action plans agreed as a response to internal audit findings should be addressed in a timely manner</p>		<p>These are now covered via an internal audit tracker that is reported as part of the performance report. This needs to be a continued focus on the executive management team</p>
	<p>The Council needs to consider how it supports the audit and other statutory requirements, such as asset valuations in the future. 2. The financial statements need to be fully supported by proper listings that can be directly traced through to the financial statements. 3. Officers need to be prepared to respond to audit queries timely and in full, with all evidence provided being quality checked to ensure that it is addressing the request in full.</p>	<p>The statement of accounts closedown process forms part of the Reshaping Financial Management transformation project. At present knowledge of the process is held within a small number of officers. It is important that the organisations recognises the closedown of the accounts is not just a finance function. A restructure of finance is underway to build more resilience into the team especially around the corporate and technical finance team.</p>

SCC Action Plan – Economy Efficiency and Effectiveness

Key questions:

- How the body evaluates the services it provides to assess performance and identify areas for improvement

2022/23 VFM Recommendation	2023/24 VFM interim findings	Further progress
<p>The Council needs to ensure that it has fully considered the underlying reasons for not delivering the planned budget and savings in 2022/23 and 2023/24 to date to ensure that it can improve the way it manages and delivers its services.</p>	<p>The Council did manage to bring its finances back in control within 2023/24, moving from a forecast deficit position of £20m at month 3 to £1.1m for the year. However, this still included a drawdown from reserves of £10.3m</p> <p>The Council could not set a balanced budget without the use of EFS, which is indicative that the Council, has continued to struggle to use information about its costs and performance to improve its services timely and accurately in 2023/24 with particular reference to identifying areas for improvement where those services can be brought back within budget and includes areas</p>	<p>The council will be bringing forward a balanced budget and balance Medium Term Financial Strategy in February 2025.</p> <p>However, this budget will rely on the delivery of a significant transformation programme which in itself carries inherent risk due to the amount of change.</p> <p>The financial position of the council will continue to be monitored on monthly basis for the next year until we can be more certain that the changes made have been embedded.</p>
	<p>Housing Standards Continue to engage with the Regulator and embed the actions already started</p>	