

Management response form

Report title: Financial Sustainability

Completion date: August 2024

Document reference: 4441A2024

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<p>We identified weaknesses in how the Council planned its financial approach. To address this the Council should:</p> <ul style="list-style-type: none">1.1 – Look to learn from others to identify good practice and potential savings proposals to ensure a wide range of ideas are considered.1.2 – Establish an approach to the identification of savings which is informed by an assessment of impact and sustainability against corporate objectives, whilst ensuring that the identified savings will bridge the identified gap.	<p>As part of developing the Council’s transformation programme the Budget and Transformation Board have been considering options to identify further opportunities for savings. Agreed to explore further services on offer from CIPFA, and assistance in reviewing digital opportunities for savings available to the Council.</p> <p>All savings made in setting the 2024/25 budget that were categorised as ‘major savings’ were subject to individual impact assessments and a cumulative understanding of the cumulative impacts of all savings proposals for people and</p>	December 2025	Head of Finance and Audit

- 1.3 – When identifying savings, the Council should ensure the impact of all savings are understood and monitored during implementation.

places in Denbighshire as a whole was undertaken as part of budget setting process in 2024/25. The recommendation refers to the additional savings that were being developed at the time the budget was set in January and therefore the impacts of these savings individually and collectively were unknown at the time the budget was set. Since the budget was set work has continued on individual and collective impact assessments for example a review of the impact assessment on schools was conducted at a Head Teacher conference in June, and an update on the cumulative impact of proposals to date with a particular focus on equality and diversity is planned for the Strategic Equality and Diversity Group in October. The Council therefore has established a process to assess impacts and sustainability of savings proposals but needs to ensure sufficient time to conclude the process in full within the budget setting framework in 2025/26. This is planned for 2025/26, however it is important to recognise the high level of uncertainty within the forecasts that are outside of the Council's control for example - cost pressures (pay etc) and funding level for governments.

The council is also responding to an Internal Audit Review of well-being impact assessment

		(April 2024) to further strengthen our approach to impact assessments and their use in decision making.		
R2	We identified some confusion in the arrangements and clarity of responsibilities for financial oversight by members. Whilst the Council is acting to address this, it should review any changes introduced to ensure they provide the impact they want and are effective.	To be clear the recommendation relates to responsibilities for scrutiny. The terms of reference of the Governance and Audit Committee have since been updated and approved by Council, with changes made to clarify the role and responsibility of the GAC. The roles and responsibilities of GAC and Performance Scrutiny Committee have also been clarified. Regular reports to update both committees on the Medium-Term Financial Strategy and Plan are made with opportunity for both committees to provide comments / feedback to be considered by Cabinet.	June 2024 – completed.	Head of Finance and Audit
R3	The Council is introducing new arrangements to support financial oversight, such as a financial and savings tracking system. It is planned that this will help develop a process for tracking and reporting savings to officers and Members. The Council should review these changes once fully developed to ensure they provide	A savings tracker was under development at the time of the audit. This was first reported publicly to Members in April 2024, and then again in July 2024. It will be subject to further development refinement as the year progresses providing assurance that individual savings have been achieved / or how they are progressing, and how the Council is performing overall in	First completed in April 2024, but ongoing throughout 2024/25 financial year.	Chief Accountant

assurance to officers and Members and allow for proper scrutiny of progress against planned savings.

achieving the savings given the scale that needed to be found in 2024/25 (£10.4m). The process will also be reviewed by Internal Audit as part of the Internal Audit Plan to provide assurance over the process.